MOORE

Guangdong – Hong Kong Greater Bay Area Holdings Limited

In respect of

Market Value of the 100% Equity Interest in

Wisdom Knight Holdings Limited (BVI)

Valuation Date	:	31 March 2025
Report Date	:	30 September 2025
Our Reference	:	1624/2332/137429-48755

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30 September 2025

The Directors
Guangdong - Hong Kong Greater Bay Area Holdings Limited
Unit 916, 9/F, China Merchants Tower
Shun Tak Centre, 168-200 Connaught Road Central
Hong Kong

Dear Sirs,

Re: Valuation of the Market Value of 100% Equity Interest in Wisdom Knight Holdings Limited (BVI)

1. Executive Summary

1.1. Introduction

We have been engaged by Management to provide our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI) as at 31 March 2025 for the Company's acquisition and public disclosure purposes.

In compliance with the requirement under Rule 11.4 of the Takeovers Code, we confirmed that there is no material difference in the Valuation between the Valuation Reference Date and the date of this report.

1.2. Scope of Valuation

Our scope of services covers the Valuation of the market value of the 100% equity interest in the Target Company as at the Valuation Date.

Our scope of services covers the Valuation and our valuation work was high-level and desktop-based and primarily based on the information provided by Management and/or Target Management which is assumed to be true, faithful and complete.

1.3. Purpose of Valuation

The purpose of our Valuation is for your acquisition and public disclosure purpose only. The Valuation and this report are not prepared for the use of any other purposes such as but not limited to accounting reference purpose.

The intended use of the Valuation is to serve a part of the information the Company considered in assessing its own decision regarding the transaction and the corresponding transaction price as the basis for compliance of the Listing Rules. The ultimate transaction, if it happens, and the corresponding acquisition prices would be the result of negotiations between the transacting parties. The responsibility for determining the transaction price of the equity interest of the Target Company rests solely with the Company. The results of our analysis should not be construed to be a fairness opinion, a solvency opinion, or an investment recommendation. Third parties should conduct their own investigation and independent assessment of the financial projections and underlying assumptions.

1.4. Date of Valuation

The Valuation Date is 31 March 2025.

1.5. Scope of Work

As part of our tasks of completing the Valuation, we have carried out the followings:

- Perform physical inspections to the business locations of the Target Group and/or any other related entities, if any;
- Discussion with Management and/or Target Management in relation to the historical, current and future development, operations and other relevant information of the Target Group;
- Review of relevant information and other relevant data concerning the Target Group provided to us by Management and/or Target Management;
- Performing market research and relevant statistical figures from public sources in relation to the valuation of the Target Company; and
- Preparation of a valuation model to derive the market value of the entire issued share capital of the Target Company and this Valuation Report.

On the other hand, our scope of work does not cover the followings:

- Performance of any structural survey or provision of any opinions concerning any structural defects of any of the properties of the Target Group;
- Comment on the definition, including the scope of the assets and liabilities, of the Target Group which are defined by the Target Company and its accountant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Comment on the accounting treatment of any assets/liabilities being valued/reviewed, wherever and whenever relevant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Valuation of any specific intangible assets such as agreements, licenses, know-how, distribution channel, customer relationship, contracts, patents, etc.;
- Assessments of and comment on the operational, legal, regulatory, country and other risks that are associated with the existing and future operations of the Target Group;
- Performance of any identifications or valuations on any off-balance sheets assets/liabilities of the Target Group nor factor them in the Valuation. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Performance of any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work which should be carried out by the relevant experts to be appointed by the Company, if necessary;
- Provision or review of, without limitation, professional advices other than valuation advices, such as advices on legal, regulatory, accounting or taxation matters;
- Valuation of any specific assets/liabilities or classes of assets/liabilities of the Target Group, including but not limited to properties, plant & equipment, receivables & account payables, intangible assets such as contracts or patents, etc.

2. Background

2.1 Background of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company is listing on the Main Board of the Hong Kong Stock Exchange (stock code: 1396) since 31 October 2013.

The Company is principally engaged in the development of urban renewal projects projects in the Greater Bay Area in the PRC.

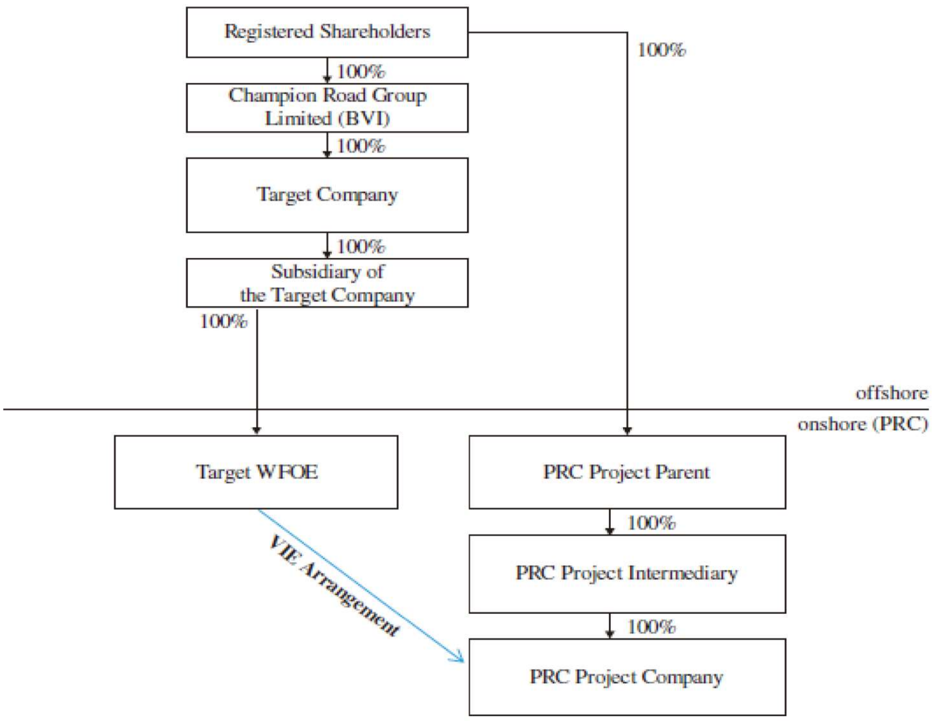
2.2 Background of the Target Group

The Target Company is an investment holding company incorporated under the laws of British Virgin Islands on 8 August 2024 with limited liability. The Target Company directly and wholly-owns an investment holding company established under the laws of Hong Kong with limited liability as subsidiary which in turn it holds the Target WFOE.

The operating entites in the PRC Project Group become controlled entities of the Target WFOE through arrangemnt of the VIE Agreements. The Registered Shareholders (i.e. the ultimate beneficial owners of the Target Group) together hold the entire equity interests in the PRC Project Parent, and through the PRC Project Intermediary, it holds the PRC Project Company, which in turn holds the operating subsidiaries in the PRC Project Group.

The Target Group is principally engaged in AI Businesses, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for customers. Per Management, it is confirmed that all necessary permits, business certificates, licenses and legal approvals have been obtained.

The organization structure of the Target Group as of the Valuation Date is presented as below:



Source: Target Management

2.3. Historical Financial Review

The Target Group's consolidated historical key income statement and balance sheet items as of the Valuation Date are shown in the following table:

Financials (RMB'000)	FY22A	FY23A	FY24A	1Q24U	1Q25A
Revenue	50,872	61,633	236,640	6,355	174,441
Gross Profit / (Loss)	6,789	3,150	53,081	(254)	50,973
Net Profit / (Loss)	(78,026)	(56,695)	(894)	(8,713)	23,361
Total Asset	450,086	493,823	1,231,343	480,202	2,093,669
Equity	50,957	47,813	63,439	39,900	178,150

Source: Target Management

The audited financial statements as of 31 March 2025 are the latest available financial information provided to us.

For FY22A, FY23A, FY24A, and 1Q25A, the revenue generated by the Target Group amounted to approximately RMB50.9M, RMB61.6M, RMB236.6M and RMB174.4M, respectively.

The revenue in FY23A increased slightly as compared to that in FY22A. In FY24A, there was a significant increase of approximately RMB175.0M as compared to that in FY23A (amounting to approximately 284% increase in revenue), which was mainly due to: i) an increase of approximately RMB73.1M in data centre construction income; ii) an increase of approximately RMB21.4M in data centre operation income; and iii) an increase of approximately RMB76.2M in AI computing power technical services income, driven by the surge in AI computing power demand in FY24A.

As for 1Q25A, the revenue recorded has already achieved RMB174.4M (which was approximately 73.71% of that of FY2024), and that was attributable to the strong growth in AI computing power technical services income owing to the continuous surge in AI computing power demand. The LTM revenue of the Target Group reached RMB404.7M as of 31 March 2025.

The Target Group successfully turned its after-tax performance from a loss position to a profit-earning status during 1Q25A, indicating that the Target Group's execution of its AIDC business model improved the operational efficiency and profitability.

The total assets of the Target Group increased dramatically from RMB493.8M as of 31 December 2023 to RMB1,231.3M as of 31 December 2024, and further to RMB2,093.7M as of 31 March 2025. The equity of the Target Group also increased accordingly. This significant increase was due to the AIDC business was highly demand for fixed assets such as servers and equipment, which drove substantial investment in infrastructure. According to the latest financial statement, the largest portion of the total asset was the property, plant and equipment, amounted to 65% of the total asset.

2.4. Major Risk Factors

As discussed with the Management, the Target Group faces several risk factors, which include but not limited to the following:

- Regulatory Risk: Stringent regulatory requirements or restrictions on data centre development may adversely affect the results of operations. Non-compliance can lead to fines, legal action, and reputational damage;
- Market Risk: With the rapid development of the data centre market, more and more companies are entering the field and the market is becoming increasingly competitive. The Target Group may face challenges such as squeezed market share, loss of customers and price wars;
- Financing Risk: The data centre business requires significant capital expenditures and resource commitments prior to recognizing revenue for the services. Thus, the business of the Target Group is capital-intensive, and it may expect good capacity to generate capital in a short term to meet the anticipated capital requirements.
- Operation Risk: The Target Group faces operational risks such as employee fraud, data breaches, increasing power costs, limited availability of power resources and natural disasters; and
- Network Security Risk: The Target Group's business involves storing and processing large amounts of sensitive data, making it an easy target for cyber-attacks. Once hacked, it may lead to data leakage, service disruption and even legal proceedings.

According to Management, they are aware of the risk factors abovementioned and will take appropriate actions such as regularly conducting market analysis to keep abreast of market trends and technological development; conducting competitive analysis and carrying out effective and consistent compliance management, and closely monitoring the macroeconomic environment to attempt to mitigate these and other possible risks.

These risk factors have been taken into account in estimating the company-specific risk premium as set out in section 4.5.6. “Parameters of Discount Rate”.

3. Industry Overview

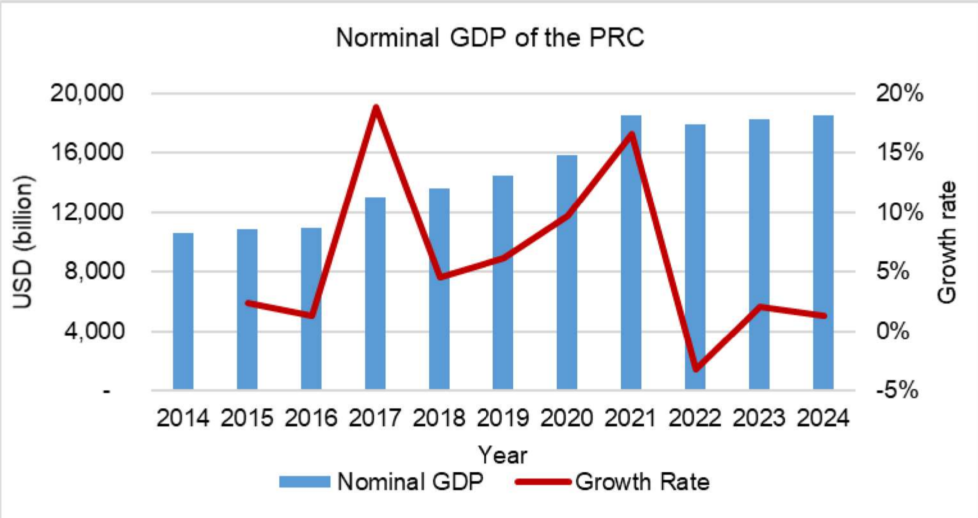
3.1. PRC Economy

Since the economic reform of incorporating capitalism within a command economy in the late 20th century, PRC experienced rapid economic growth and is currently the world's second-largest economy.

According to publicly available data, PRC's Nominal GDP increased from USD10,574B in 2014 to USD18,483B in 2024, representing a CAGR of approximately 5.7% in the last decade. Meanwhile, PRC's Nominal GDP per capita also grew steadily from USD7,682 in 2014 to USD13,124 in 2024, representing a CAGR of approximately 5.5%.

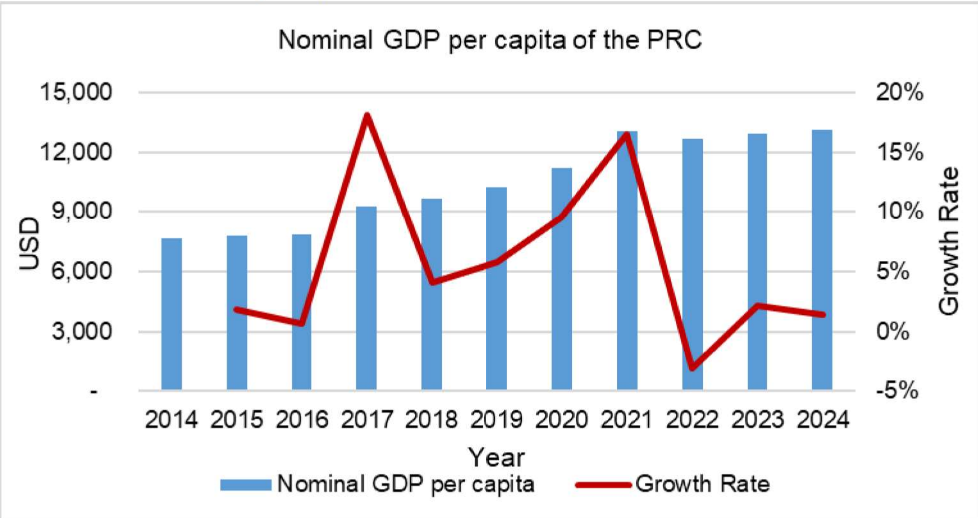
The historical trends of the Nominal GDP and Nominal GDP per capita are shown below:

Chart 3.1.a: Nominal GDP of the PRC



Source: S&P Capital IQ, Moore's analysis

Chart 3.1b: Nominal GDP per capita of PRC



Source: S&P Capital IQ, Moore's analysis

PRC economy faced continued challenges in 2024 amid persistent structural adjustments and external uncertainties. Escalating geopolitical tensions with the U.S. and slower-than-expected global demand further strained trade-dependent sectors, while domestic deflationary pressures and a prolonged property market downturn weighed on domestic consumption. Nevertheless, the economy stabilized modestly through targeted fiscal stimulus and accelerated industrial upgrading in high-tech manufacturing and green energy sectors.

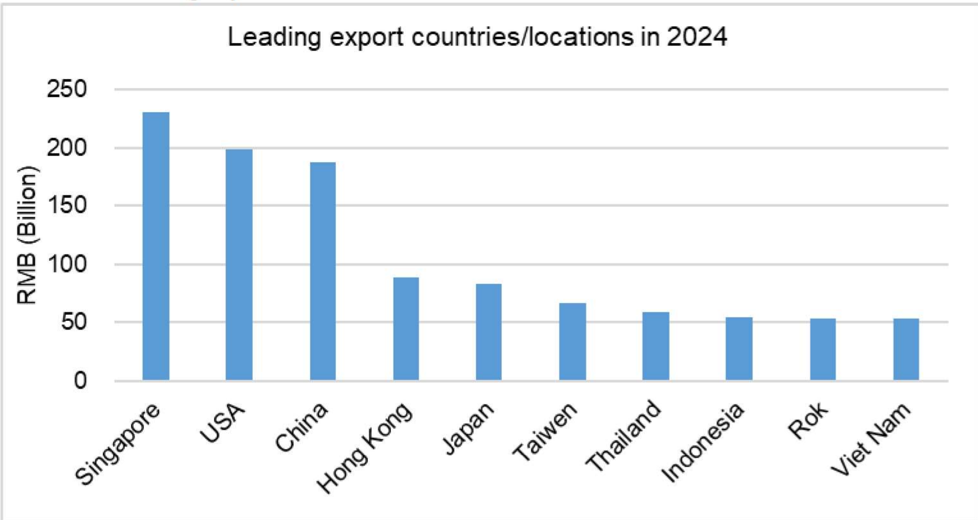
Economic growth in 2024 is projected at 4.6%, supported by state-led investments in advanced technologies, renewable energy infrastructure, and strategic stockpiling of critical resources. Consumer activity remained cautious, however, with retail sales growth hovering near 3.5%, reflecting lingering confidence gaps and youth unemployment concerns. Despite incremental recovery, vulnerabilities such as debt-laden local governments, export dependency on volatile markets, and an aging demographic profile continued to cloud medium-term prospects.

Ever since the PRC government allowed foreign direct investments within its border, many foreign firms have entered the PRC market. About foreign direct investment (FDI) trends, from 2014 to 2018, annual net FDI inflows averaged approximately USD128B. According to the Peterson Institute, post 2019 U.S. and PRC trade tensions intensified volatility, with net inflows dropping sharply to USD18.1B in 2022 and further to USD15.5B in 2023. Equity investments (e.g., profit reinvestments) surged to USD38.7B in 2023, reflecting long-term foreign investor commitment. Geopolitical risks in 2024 continue to cloud FDI recovery prospects.

In recent years, the impact of the demographic shift of the PRC is becoming more and more evident. The labor force in PRC indicated a general decreasing trend in recent years. As National Bureau of Statistics, working-age population peaked at 988M in 2015 but declined by 0.3% annually due to aging. From 2020 to 2023, pandemic disruptions accelerated labor force contraction, reducing it by 21.21M over three years. Mentioned by Statista, by 2024, the workforce is to fall to 966M, this decline has lowered potential GDP growth to 4%–5% , forcing industries to automate and transition to service sectors.

In terms of international trade and tariff impacts, according to Statista, the PRC remained the world's largest goods exporter from 2014 to 2024, with 2024 exports reaching USD3.58T and imports USD2.59T. Despite U.S. tariffs imposed in 2018, China's exports to the U.S. still accounted for 10.7% of total exports in 2024. In 2024, "decoupling" risks persist, but trade with Belt and Road Initiative partners and ASEAN nations rose to 37%, partially offsetting reliance on Western markets.

Chart 3.1c: Leading export countries/locations in 2024



Source: Statista

On the other hand, as Ministry of Finance of the PRC, to counter slowdowns, annual infrastructure investment averaged over RMB1.2T in 2024. Post 2020, focus shifted to "new infrastructure" (e.g., 5G, new energy), with transportation spending hitting RMB3.9T in 2024, up 7.2% year-on-year. The 2024 fiscal deficit target is set at 3.0%, prioritizing tech innovation and green transition. Going forward, the PRC government remains confident that the local economy is resilient and will recover steadily.

3.2. Internet Data Centre Industry of the PRC

Compute centres are mainly composed of heating, cooling, water, and electricity infrastructure and IT software and hardware equipment and possess compute, carrying capacity, and storage capacity. According to the "Action Plan for the High-Quality Development of Computing Power Infrastructure" (算力基础设施高质量发展行动计划) published by Chinese Ministry of Industry and Information Technology (MIIT) and five other departments on the website of the Central People's Government of the PRC in October 2023, compute centre types include general purpose data centres, intelligent computing centres (also refers to the AIDC), and supercomputing centres.

Compute is the ability of a data centre server to process data and output the result. It is a comprehensive indicator to measure the computing capabilities of a data centre, including general purpose computing power, intelligent computing power and supercomputing power. Its common unit of measurement is the number of floating-point operations performed per second (FLOPS; 1 EFLOPS = 10^18 FLOPS; 1 ZFLOPS = 10^21 FLOPS). The larger the value, the greater the comprehensive compute provided.

In the past, outsourced data centre facilities were primarily used by enterprises as an alternative to on-premises capacity or for IT system redundancy. In the booming digital economy, computing power, as the core productive force, is playing an increasingly crucial role.

Computing power refers to data processing capability, the core of which relies on various types of chips such as central processing units (CPUs), graphics processing units (GPUs), and specialised integrated circuits (ASICs). Chips are carried in all kinds of computers, servers, high-performance computing clusters, and all kinds of smart terminals, and process and handle massive digital applications and data through cloud computing and edge computing technologies.

Internet data centre offers several advantages, include but not limit to the following:

- Cost Savings: Internet data centre helps companies to reduce capital expenditures on infrastructure and focus on core business activities, benefiting from economies of scale.
- Scalability and Flexibility: Internet data centre providers can expand capacity as needed, catering to a variety of customer requirements for space, power, networking, and cloud configurations.
- Reliability and Efficiency: Equipped with high-density and advanced power management, internet data centre ensures high availability and operational efficiency, reducing carbon emissions.

Major clients of internet data centre industry typically fall into categories such as cloud service providers, internet companies, financial institutions, and other large enterprises and public services. The primary selling points to these customers are availability, reliability, and efficiency.

To cater to diverse customer segments, data centre service providers often utilize two distinct business models: wholesale and retail. Generally, cloud service providers and large internet companies need extensive space per facility and a degree of customization to accommodate their proprietary server and rack designs. In the wholesale model, providers commit a substantial part or the whole of a data centre to these customers, often securing these agreements while the centres are still being built. These contracts can extend for five to ten years with a low turnover rate.

Conversely, financial institutions, large enterprises, and public service clients, who usually require fewer cabinets and no customization, can be served under the retail model. This model involves multiple customers sharing the same facility. Retail contracts are generally shorter in duration but come with higher pricing per cabinet.

The entry barriers of internet data centre industry are high. These barriers include:

- Limited Suitable Locations: The scarcity of appropriate sites for building data centres due to land acquisition, power supply, and regulatory challenges.
- Network Effect Platform: The advantage that leading players have by offering interconnected data centres that provide various benefits and create a network effect.
- Development and Operational Expertise: The specialized knowledge required to develop and operate data centres, including land sourcing, regulatory compliance, and technical infrastructure setup.
- Operating Track Record: The importance of a proven history of reliable operations and security for data centre providers.
- Customer Relationships: The sticky nature of customer relationships due to the high cost of relocation and the preference for staying with the same provider.
- Financial Strength: The significant capital investment needed to develop and maintain high-performance data centres.

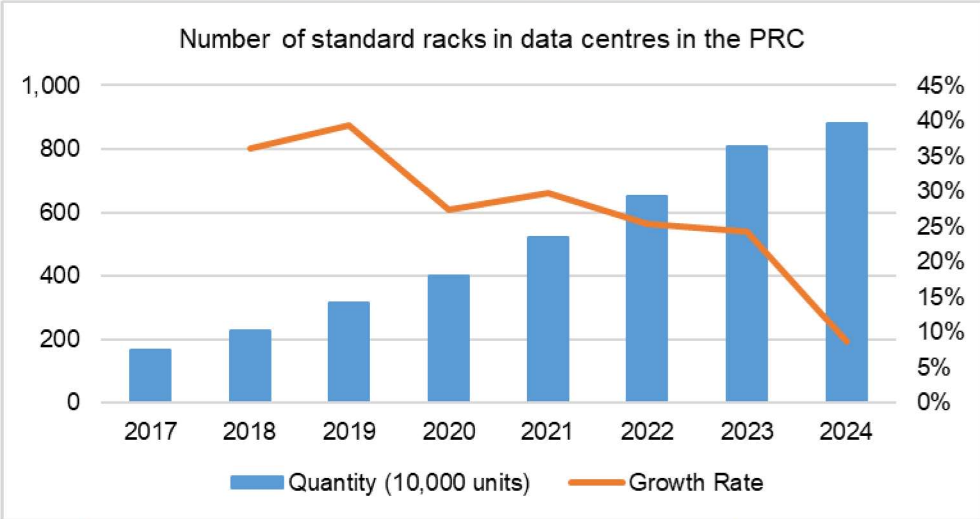
These factors make it difficult for new competitors to enter the market, thus defining the competitive landscape of the data centre industry.

According to iResearch, the primary PRC data centre markets are located in key economic centres, including areas around Shanghai, Beijing, Shenzhen, Guangzhou, Hong Kong, etc., which are referred to as tier 1 markets. Due to limited land availability and restrictions on power supply permissions in tier 1 markets, data centre operators have been developing facilities on the outer edge of these areas to fulfil customer requirements for larger-scale IT deployments and allow for future expansion while maintaining acceptable network latency levels. According to Insight and Info, an independent market research provider, in 2022, the proportion of data centres in the eastern developed provinces, i.e. the tier 1 market, was 68%, while the proportions in the central, western, and north-eastern regions were 15%, 12%, and 6%, respectively. From 2020 to 2023, the newly added racks were also mainly concentrated in the areas surrounding tier 1 cities. The proportion of newly added cabinets in the regions surrounding Beijing, Shanghai, and Guangzhou accounted for as high as 68%.

Beyond tier 1 markets, data centre providers are expanding into other regions using different models, such as build-to-suit, to cater to customers' needs for storing less critical data and applications in larger volumes and at lower costs.

According to the Ministry of Industry and Information Technology, in 2024, the number of standard racks in the PRC exceeded 8.8M, representing a 16.5% increase from 2023, effectively supporting computing power resource allocation and data circulation with a total computing power of 280 EFLOPS. By March 2025, the number of standard rack surpassed 9M. Amid the booming demand for artificial intelligence, general purpose computing centres are trending towards being upgraded to intelligent computing centres. Below chart shows the historical number of standard racks in data centres in the PRC.

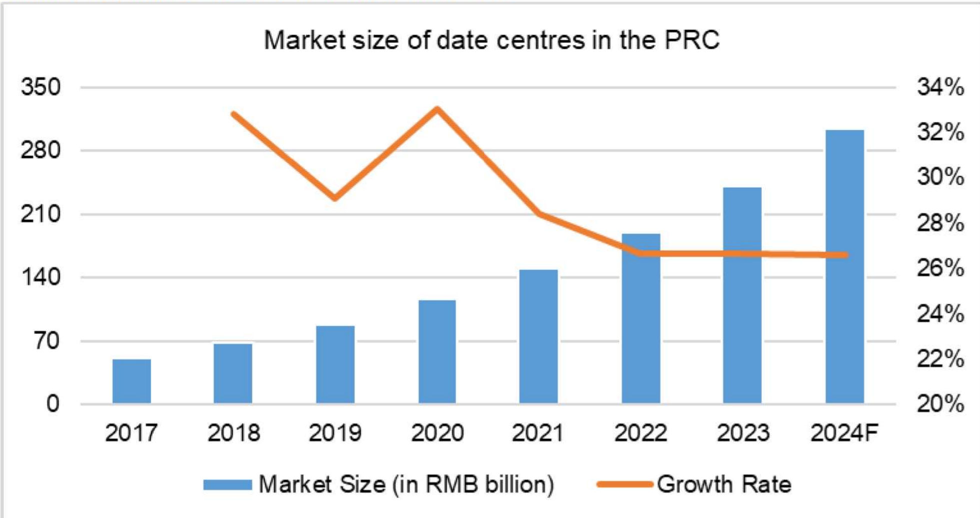
Chart 3.2.a: Number of standard racks in data centres in the PRC



Source: China Academy of Information and Communications Technology (CAICT, a scientific research Institute directly under the Ministry of Industry and Information Technology of the PRC)

Since 2017, the market size of the data centre industry in the PRC has achieved double-digit growth. In 2023, the market size reached approximately RMB240.7B, with a year-on-year growth of 26.68%. It is projected to reach RMB304.8B in 2024. Below chart exhibits the market size of data centres in the PRC.

Chart 3.2.b: Market size of date centres in the PRC



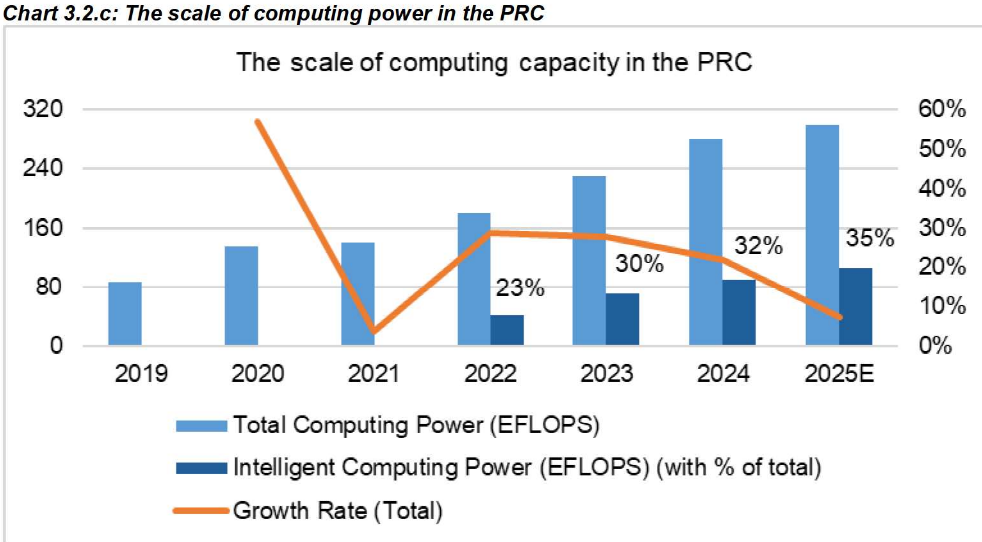
Source: CAICT

The growth is driven by factors: such as strong policy support from the national "New Infrastructure" strategy and the "Digital China" initiative has provided a powerful impetus for the industry; increasing demand for digital transformation across regions and industries has continuously driven up the market demand for data centres; technological advancements have led to the development of high-density and high-power data centres.

AIDC, as the "super engine" of the computing power era, has become a key driving force for the development of artificial intelligence and the digital transformation of various industries. With the further development of AI-related technologies, the investment and construction of intelligent computing industries in various regions of the PRC, and the release of computing power of large models on end sides, it is expected that by 2028, the market size of intelligent computing power in the PRC will approach RMB2,500B.

According to the "Action Plan for the High-Quality Development of Computing Power Infrastructure", the target total computing scale from 2023 to 2025 were set to 220, 260 and 300 EFLOPS each year, with intelligent compute proportion of 25%, 30% and 35%, respectively. Below table shows the actual and forecast scale of computing power in the PRC. It shows that the actual total computing power scale and the actual intelligent computing power proportion both surpassed the target set by MIIT. The action plan also proposed quantitative targets such as the establishment of 50 individual intelligent computing centres by 2025.

Chart 3.2.c: The scale of computing power in the PRC



Source: Qianzhan Industrial Research Institute

Traditional data centres rely on manual management, while AIDCs use AI for intelligent resource scheduling, fault prediction, and energy optimization. This boosts data centre efficiency and cuts operational costs. AIDCs also offer flexibility in scaling computing resources to meet business demands, providing elastic computing services.

While artificial intelligence generated content (AIGC) has been dominating media and market attention, the "next big thing" has been developing rapidly in the background in the PRC, in the form of super-scale AI infrastructure. It involves, among other things, a national computing power network; data centre clusters from Guangdong to Inner Mongolia and from Gansu in the West to Anhui in the East; centres for the development/training of large language models; and abundant green energy integrated with massive energy storage facilities. What is rapidly emerging is a gigantic national network connecting smart grids, intelligent network routing and energy storage.

Computing power centre industry in the PRC is in a comprehensive construction phase, but faces challenges like uneven design and construction quality, low energy efficiency, and insufficient security. A multi-dimensional evaluation standard system is needed. From the eight major computing power hubs of the "East Data West Computation" project to the ten national data centre clusters and various computing centres nationwide, China is building an efficient, green, and collaborative computing power network. These centres meet domestic data processing demands and support AI, scientific research, and industrial simulation. With technological progress and policy support, computing power centres will play a bigger role in economic and social development in the PRC.

4. Basis and Methodology

4.1. Basis of Valuation

In valuing the Target Company, we have prepared our Valuation on the basis of "market value" as defined in International Valuation Standards 2025, i.e. *the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion"*.

4.2. Valuation Standards

Our Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

4.3. Sources of Information

The primary sources of information that we have relied on in the preparation of this report, include:

- Consolidated audited financial statements for FY22A - FY24A of the Target Group;
- Audited financial statements of 1Q25A of the Target Group;
- Financial projections from April 2025 - FY31P (i.e. the Forecast Period) of the Target Group as prepared by the Target Management;
- Discussions with Management and the Target Management regarding the background and other relevant information of the Target Group; and
- S&P Capital IQ and other public available sources of market data.

We have not attempted to verify any of the information provided to us or contained in this report. We also have no reasons to believe that any material fact has been withheld from us. Moreover, we do not warrant our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We hereby reserve our rights to revise this Valuation Report, if required and appropriate, should there be any updated information or otherwise made available to us that we consider to be relevant to the Valuation.

4.4. Limiting Conditions and Assumptions

Our Valuation has been primarily based on the financial information of the Target Group and other information provided by Management and a number of limiting conditions and assumptions, as set out in section 8.1. Limiting Conditions and 8.2. Assumptions. In the event any of the information, figures or accounts we have relied upon have been misstated or actual events do not accord with one or more of the assumptions, the resulting valuation of the Target Group may vary substantially from the figures as set out in this report.

You are recommended not to rely on the Valuation unless you have read carefully and fully understood the limiting conditions and assumptions.

4.5. Valuation Approach

4.5.1. Generally Accepted Approaches

We have considered three generally accepted approaches, including the Income Approach, the Market Approach and the Cost Approach in the Valuation:

- Income Approach: The Income Approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition.

- Market Approach: The Market Approach is a valuation technique based on the principle of substitution. For the valuation of a company, public companies in the same general industry as the subject company are selected to provide valuation guidelines, i.e. valuation multiples for such guideline companies then are determined and analysed. On the other hand, valuation multiples implied from merger and acquisition transactions of private companies may also be considered.
- Cost Approach: The Cost Approach, also known as the Asset-based Approach, provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. The assumption is that when each of the elements of working capital, tangible and intangible assets, is individually valued, their sum represents the value of a company and equals the value of its invested capital.

Please note that these three valuation approaches are fundamentally different and may generate substantially different valuation results.

4.5.2. Selected Approach

Among the abovementioned valuation approaches, the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The Cost Approach was not adopted in valuing the Target Company as it does not consider the future economic benefits generated from the operation of the Target Group's business. The Cost Approach is inadequate in reflecting the value of its equity interests deriving from its ongoing business and any potential growing prospect.

The Market Approach was not adopted as it may not adequately capture the specific characteristics and value drivers of the Target Group’s business. Different companies have different stages of development and strategic planning in terms of technological innovation, market expansion and customer resources, resulting in significant differences in their future earnings expectations and risk levels. In the course of the Valuation, neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group’s business model and its stage of development of AI Businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Date.

As a result of the above, the Income Approach was adopted in valuing the Target Company based on historical financial and operating data, forecasts of future financial projections with relatively clear cost components and matching relationship with its business revenues. It is agreed that the Target Company’s market value can be better estimated based on forecasts of fundamental conditions in the future using the discounted cash flow analysis under the income approach, and the reliance on the discounted cash flow analysis to derive the market value of the Target Company in the Valuation are in the interests of the shareholders and the stakerholders as a whole.

4.5.3. Valuation Methodology

Under the Income Approach, the Discounted Cash Flow (“DCF”) method is adopted.

The DCF method begins with an estimation of the annual cash flows, which a market participant would expect the asset to generate over a discrete projection period.

The expected FCFE for each year is determined as follows:

$$FCFE = NI + NCE - NCI - Inv_{FA} - Inv_{NWC} + Net\ Borrowing$$

Where:

FCFE	=	free cash flow to equity
NI	=	net income after tax
NCE	=	non-cash expenses
NCI	=	non-cash incomes
Inv_{FA}	=	investment in capital expenditure
Inv_{NWC}	=	investment in net working capital

The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows.

The present values of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) at the end of the discrete projection period to arrive at an estimate of the value of the specific asset. The present value of the expected free cash flow is calculated as:

$$PVFCFE = \frac{FCFE}{(1+r)^1} + \frac{FCFE}{(1+r)^2} + \cdots + \frac{FCFE}{(1+r)^n}$$

Where:

PVFCFE	=	present value of free cash flows to equity
FCFE	=	free cash flow to equity
r	=	discount rate
n	=	number of year of the projection

4.5.4. Guideline Companies

In applying the DCF method, the estimated FEFE for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows, or the discount rate.

The appropriate discount rate for the Target Group was determined with reference to the business nature and financial information of publicly listed companies that are considered to be comparable to the Target Group ("Guideline Companies").

In short, we follow the below principles when searching for Guideline Companies of the Target Group:

- The Guideline Companies engage in the computing centre construction and operation per our understanding based on their company descriptions provided by S&P Capital IQ. Such business activities are the principal or one of the principal business activities of these companies;
- The principal business of Guideline Companies is domiciled in the PRC or Hong Kong;

- The Guideline Companies are listed in Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) or Hong Kong Exchanges and Clearing Limited (HKEX); and
- The Guideline Companies' shares were actively traded in the market and have sufficient relevant financial information which are publicly available.

Details of the exhaustive list of Guideline Companies based on the above criteria are summarized in section 8.3. Guideline Companies.

4.5.5. Discount Rate

In order to estimate the market value of the Target Group and perform an overall reasonability assessment, it is required to determine the appropriate discount rate for the Target Group. We have adopted the cost of equity as the discount rate applicable to the FCFE.

The cost of equity was determined using the Capital Asset Pricing Model ("CAPM"). CAPM calculates a required return based on risk measurement. It describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate for additional risks associated.

In the valuation, CAPM was modified to reflect the size premium and company-specific risk premium associated with the Target Group. The cost of equity under the modified CAPM was computed using the formula below:

$$R_e = R_f + \beta \times MRP + RP_s + RP_U$$

Where:

R_e	=	cost of equity
R_f	=	risk-free rate
β	=	beta coefficient
MRP	=	market risk premium
RP_S	=	size premium
RP_U	=	company-specific risk premium

The beta coefficient (β) measures the risk of an asset relative to the overall market and reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets.

In the Valuation, the beta coefficient of the Target Group was determined based on the median of the unlevered adjusted betas of the Guideline Companies, with adjustment for corporate tax rates and leverage compositions.

The adjusted betas of the Guideline Companies were derived from the corresponding raw betas, modified by the assumption that a security's beta moves toward the market average over time with the following generally accepted formula:

$$Adjusted\ Beta = \frac{1}{3} + \frac{2}{3} \times Raw\ Beta$$

The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the Target and the Guideline Companies by using the following formula:

$$Unlevered\ Beta = \frac{Levered\ Beta}{[1 + (1 - T_c)] \times \frac{D}{E}}$$

Where:

E	=	value of the firm's equity
D	=	value of the firm's debt
Tc	=	corporate tax rate

The unlevered betas were calculated according to the share price movement of the Guideline Companies and reflected the average risks associated with the Guideline Companies' business and their risk-free cash. Therefore, the betas of the Guideline Companies' business were calculated based on the unlevered betas with cash adjustments in the formula as below:

$$Business\ Beta = \frac{Unlevered\ Beta}{(1 - \frac{Cash}{E + D})}$$

Where:

E	=	value of the firm's equity
D	=	value of the firm's debt
Cash	=	cash and cash equivalents of the firm

4.5.6. Parameters of Discount Rate

The main components adopted in the calculation of cost of equity are elaborated as follows:

Parameters	Figure	Source
Risk-free rate	1.86%	The 10-year PRC Government bond yield as at the Valuation Date extracted from S&P Capital IQ.
Market risk premium (U.S)	6.84%	The expected equity risk premium, 5.0%, of the U.S. in "Kroll Lowers its Recommended U.S. Equity Risk Premium to 5.0%" issued by Kroll in June 2024. It was then adjusted by additional PRC country risk premium of 1.84%, based on average result of Relative Equity Market Approach comparing market returns between the PRC and the U.S., i.e. 2.73%, and Country Bond Approach with reference to the research issued in January 2025 by Dr. Aswath Damodaran, a Professor of Finance at Stern School of Business at New York University, i.e. 0.94%.
Weight of debt	18.94%	The median of the weight of debt in the capital structure of the Guideline Companies.
Weight of equity	81.06%	One minus the weight of debt.
Relevered Beta	1.405	Derived by re-levering the median of the 3-year daily unlevered beta of the Guideline Companies after cash adjustment.
Size premium	4.47%	Reference to 2024 CRSP Deciles Size Study issued by Kroll, which reflects the additional required return attributed to the smaller size of the company that is not captured by the CAPM.

Company Specific Risk Premium	2.00%	Based on our judgement on our perceived additional risk associated with the operation of the Target Group, including the limited operation history in AI business which started since the second half of 2024 and the uncertainty of renewal contracts after current contracts expired in 3-5 years.
Cost of Equity (rounded)	18.00%	The cost of equity was calculated based on the CAPM method and parameters discussed above.

Source: Moore's analysis, market data

4.5.7 Terminal Value

Under the DCF method, a 7-year forecast period is adopted. Given that the current sales contracts signed by the Target Group are for durations of 3-5 years, as contract terms over 5 years would be impractical under normal business negotiation, the Target Management expected that it will take additional time to reflect on the renewal process and achieve a stable development stage. Consequently, the Cash Flow Projection covers a 7-year financial projection is adopted. For the forecast period over 5 years, as a fact that there is not any signed contract covering, the Cash Flow Projection is provided by the Management after comprehensive analysis and consideration of various factors, including the existing sales contract records, market research on operation parameters such as utilization rate, industry development and the business plan, together of which forming the projection basis.

In the Valuation, we have adopted the Gordon Growth Model approach in determining the terminal value for the expected economic values of the Target Group beyond the Forecast Period with a terminal growth rate of 2%, with reference to the long-term inflation rate of the PRC sourced from IMF.

4.5.8. DLOM

The discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DLOM reflects that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$Value\ of\ Non-Marketable\ Interest\ = Value\ of\ Marketable\ Interest\ \times\ (1-\ DLOM)$$

According to the Stout Restricted Stock Study published by Business Valuation Resources, LLC in early 2025, DLOM is estimated as the percentage difference between the private placement price per share and the market trading price per share. 779 relevant private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through the first quarter of 2024 have been examined in the Stout Restricted Stock Study. Premium in the market for restricted stock, which is considered as the result of an investment opportunity not available to other investors or an unidentifiable relationship with the seller has been excluded. We adopted the median discount rate of 15.60% calculated from the 779 transactions from the Stout Restricted Stock Study as DLOM for the valuation.

5. Cash Flow Projection

Target Management have provided the Cash Flow Projection based on their understanding of the expected operations of the Target Group. The major projection assumptions are listed below:

In RMB'000	Mar-Dec FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	FY31P
Revenue	1,737,419	4,276,352	4,209,016	3,530,255	2,905,018	3,031,490	3,153,171
COGS	1,429,490	3,371,814	3,295,311	2,826,030	2,371,028	2,047,197	1,729,747
VAT and other tax	(157,666)	(19,909)	(978)	15,572	15,488	(45,035)	(7,186)
Gross Profit	**465,596**	**924,447**	**914,683**	**688,653**	**518,502**	**1,029,328**	**1,430,610**
SG&A	221,849	340,521	368,175	374,919	375,601	404,734	569,260
Finance Cost	43,195	64,524	53,347	43,221	18,375	9,013	8,440
Pre-Tax Profit	**200,552**	**519,402**	**493,161**	**270,513**	**124,526**	**615,581**	**852,910**
Corporate Tax	30,083	77,910	73,974	40,577	18,679	92,337	127,937
Net Profit	**170,469**	**441,492**	**419,187**	**229,936**	**105,847**	**523,244**	**724,974**
Add: D&A	161,817	254,746	277,170	283,963	284,152	248,674	343,872
Less: CAPEX	1,300,388	264,738	112,922	932	1,061	825,720	777,613
Less: ΔNWC	166,915	(108,118)	274,350	(60,764)	(53,511)	55,854	54,376
FCF	**(1,135,017)**	**539,618**	**309,084**	**573,731**	**442,450**	**(109,657)**	**236,857**
Net Borrowings	1,272,351	(526,211)	(341,829)	(339,702)	(236,031)	(89,397)	(41,064)
FCFE	**137,334**	**13,407**	**(32,745)**	**234,028**	**206,418**	**(199,054)**	**195,793**

Source: Target Management, Moore's analysis

5.1. Revenue and Cost of Goods Sold

The total revenue of the Target Group was principally generated from (i) AI computing power technical services for training; (ii) AI computing power technical services for inference; (iii) the construction and development of the AIDC; and (iv) the operation of the AIDC.

The Target Group is operating two AIDCs, located in Longgang District of Shenzhen and Tonghu District of Huizhou. The Longgang AIDC currently has over 700 racks that are already under lease, which are primarily occupied by computing power for inference. Target Management estimated that there would be an additional of over 250 racks available for lease in the future. The Tonghu AIDC has two towers, which are currently under construction, and will mainly provide computing power for training upon completion. The construction of two towers are expected to be completed before July 2025 and before January 2026. The total capacity of Tonghu AIDC is over 4,000 cabinets.

Except for being equipped with graphics processing units (GPUs), Central Processing Unit (CPU) to handle AI training and inference tasks, the Target Group's AIDC can also support large-scale data storage and processing, feature high-speed network infrastructure, utilize advanced cooling and power systems, ensure data security and regulatory compliance.

According to the Target Management, the provision of AI computing power technical services are operating under three different modes: the direct investment mode, the operating lease mode, and the financing lease mode.

Under the direct investment mode, the Target Group purchases and holds the necessary servers and supporting facilities. After professional technical deployment and network configuration, it leases the AI computing power directly to end customers for service fees. In this model, the Target Group requires managing capital expenditures including maintenance and upgrade costs. Under the operating lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers and then subleases them to its customers for service fees, during this process, professional technical deployment and network configuration will also be implied when necessary. Under the financing lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers during the contract period and repurchases them at the end of the term at a residual value specified in the contract. Upon the end of the lease term, the Target Group takes ownership of these machines and equipment. Upon that, the business mode will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group.

According to the Target Management, the Target Group has entered into long-term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and other customers with an aggregate contract amount of over RMB10B under normal performance and will generate stable revenue stream.

In FY25P, as the Tonghu AIDC are under construction, only half of the capacity is forecasted to be occupied, while the rest of capacity would be ready for lease in FY26P. Thus, the sales are projected to increase during FY26P. After FY26P, around 90% of the revenue are forecasted from the AI computing power technical services for training and around 5% are projected from AI computing power technical services for inference. After FY30P, most of the existing contracts matured, a long-term inflation rate of 2% for the PRC and the utilization rate of 65% have been adopted in the forecast.

The gross profits of the Target Group during the Forecast Period are between 18%-34% before FY30P, and increased to 45% in FY31P due to the expectation, as mentioned above, that the business operation will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group. As a result, more portion of revenue will be generated from direct investment mode, which will generate higher gross margin.

5.2. Selling, General & Administrative Expenses

Selling, General & Administrative Expenses (SG&A) include all the expected expenses to support the operation of the Target Group which mainly consists of marketing expenses, management expenses, depreciation and staff-related expenses.

Overall, total SG&A is assumed to be from 8% to 18% of revenue during the Forecast Period. The increase of the SG&A as proportion of revenue is mainly due to the increase of marking expense for pitching for new customers after the existing contracts ended and the related expense in relation to the upgrade and maintenance capital expenditure on servers and other supporting facilities.

5.3. CAPEX and depreciation

The major type of fixed assets on the management account of Target Group as of the 31 March 2025 is the computing cluster devices for the operation of AIDC.

The major capital expenditure, mainly sourced from internal resources, will be spending for the purchase or upgrade of serves devices and other supporting facilities. After the expiry of the current lease agreements after 3-5 years, some of the servers will be re-purchased at a deep discounted price, while update of those servers will involve material capital expenditure due to rapid advances in technology and AI. The annual capital expenditure is projected with reference to the original investment cost and depreciation as well as the expected replenishment plan. The cash flow generated from the business will be used, as well as refinancing if necessary.

Depreciation is projected using the straight-line method with five or eight years of useful life for different fixed assets assumed by Target Management.

5.4. Corporate Income Tax Rate

As the Target Group's revenue is expected to be generated in the PRC which is subjected to the PRC statutory tax rates. The Target Group is classified as High and New Technology Enterprise (HNTE), and therefore enjoys a preferential corporate income tax rate of 15%, as appose to the 25% statutory corporate income tax rate. In the Valuation, Target Management assumed a 15% corporate income tax rate during the Forecast Period. Beyond the Forecast Period, the statutory tax rate of 25% was adopted.

5.5. Working Capital

The estimated working capital has been made with reference to Target Management's best understanding of the business and the historical turnover days of the Guideline Companies. The detailed assumptions are listed below:

- 60 days' sales outstanding;
- 0 days' inventory outstanding; and
- 90 days' payable outstanding.

Apart from the abovementioned, the other required working capital consists of prepayments, salary payables and tax payables. The net amount of the other required working capital is assumed 16% of the COGS based on Target Management's best understanding and the latest historical rate of the Target Group since its commencement of AI Businesses in the second half of 2024.

5.6. Financing Plan

To meet the significant capital expenditure requirements for the operation of the AI Business, the Target Group planned to raise financing of RMB1,559M during the Forecast Period. As a fact for reference, approximately 75% of the above financing plan has been signed and started to disburse as at the date of this report, and the remaining is under active communication with banks, demonstrating its strong financing capacity in capital market.

6. Opinion of Value

Based on our analysis above, our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI), i.e. the Target Company, as at 31 March 2025, i.e. the Valuation Date, was reasonably stated as HKD978,000,000 **(HONG KONG DOLLARS NINE HUNDRED AND SEVENTY-EIGHT MILLION ONLY)**.

REMARKS

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it will appear.

Finally, and in accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of its contents.

We hereby certify that we neither have any present nor any prospective interest in the Company, the Target Group and its subsidiaries and associated companies, or the value reported herein.

The exchange rate of 1.0836 (HKD/RMB) as of the Valuation Date adopted in our Valuation was sourced from the State Administraton ol Foreign Exchange of the PRC.

Yours faithfully,

For and on behalf of
Moore Transaction Services Limited

Moore

KENNETH MA, CFA, MRICS
MANAGING DIRECTOR
KM/ce/sz
30 September 2025

7. Glossary of Terms

Term	Meaning
1QXXA	Audited financial statements for the quarter-ended 31 March 20XX
1QXXU	Unaudited financial statements for the quarter-ended 31 March 20XX
AI	Artificial intelligence
AIDC	Artificial intelligence data centre
AI Businesses	Refers to the principally engaged businesses of the Target Group, being (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for customers
B, bil	Billion
BVI	The British Virgin Islands
CAGR	Compound annual growth rate
Cash Flow Projection	Cash flow projection of the Valuation from April 2025 to FY31P prepared by Management/ Target Management. For details, please refer to section 5. Cash Flow Projection
Company, you, yours	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company listed on the Main Board of the Hong Kong Exchange with stock code: 1396.HK
DLOM	Discounts for lack of marketability
EFLOPS	Refer to tens of billions of floating-point operations per second
Forecast Period	April 2025 - FY31P
FYXXA	Audited financial statements for the year-ended 31 December 20XX
FYXXU	Unaudited financial statements for the year-ended 31 December 20XX
FYXXP	Projected financial statements for the year-ended 31 December 20XX
HKD	Hong Kong Dollar, the official currency of Hong Kong
GDP	Gross Domestic Product
Guideline Companies	Publicly listed companies that are considered by us to be comparable to the Target Group for valuation purposes. For details, please refer to section 8.3. Guideline Companies
IMF	International Monetary Fund

Term	Meaning
K, '000	Thousand
LTM	Latest twelve month
M, mil	Million
Management	Management of the Company and/or their representatives
Moore, we, our, us	Moore Transaction Services Limited
PRC	People's Republic of China
Registered Shareholders	The registered shareholders of the PRC Project Parent
RMB	Renminbi, the official currency of the PRC
PRC Project Company	Shenzhen Tiandun Data Technology Company Limited* (深圳天頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is indirectly and wholly-owned by the PRC Project Parent * For translation reference only
PRC Project Group	the PRC Project Parent and its subsidiaries
PRC Project Intermediary	Shenzhen Tianwu Holdings Limited* (深圳天悟控股有限公司), a limited liability company established under the laws of the PRC, whose equity interest is directly and wholly-owned by the PRC Project Parent * For translation reference only
PRC Project Parent	Beijing Tianqidun Data Technology Company Limited* (北京天奇頓數據科技有限公司), a limited liability company established under the laws of the PRC * For translation reference only
S&P Capital IQ	A financial data platform that provides detailed research and analysis of the stock market
T	Trillion
Target Company	Wisdom Knight Holdings Limited, a private company incorporated in the BVI with limited liability, together with its subsidiaries and / or associates
Target Group	Target Company and its subsidiaries and/or associates
Target Management	Management of the Target Group and/or their representatives
Target Parent	Champion Road Group Limited (BVI), the parent company of the Target Group
Target WFOE	Shenzhen Shisong Holdings Limited* (深圳士頌控股有限公司), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability, which (through the Target

Term	Meaning
	Company’s wholly-owned subsidiary established in Hong Kong) is indirectly and wholly-owned by the Target Company * For translation reference only
Valuation	A high-level and desktop-based valuation of the market value of 100% equity interest of the Target Company as at the Valuation Date as presented in this Valuation Report
Valuation Date/ Valuation Reference Date	31 March 2025
Valuation Report	This valuation report
VIE Arrangement	The variable interest entity arrangement between the PRC Project Company held by the PRC Project Intermediary and the Target WFOE

8. Appendices

8.1. Limiting Conditions

The limiting conditions pertaining to the valuation conclusions stated in this Valuation Report are summarized below:

- All data and statements of facts set forth in this report, upon which the data, opinions, analysis, estimates and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this Valuation Report or utilized in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct.

  We have also considered published market data and other public information, where appropriate. Such information was obtained from public available sources such as publicly available industry reports and websites.

  However, we did not independently verify the abovementioned information and no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and we reserve the right to alter the Valuation, if any inaccurate information may have been provided to us.

- We have relied on information and estimates provided by Target Management to a considerable extent in arriving at our opinion of value. This includes but not limited to the business affairs as well as the outlook for the business.

  We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

  With respect to cash flow projections regarding the Target Company provided to us, it has been represented by the Target Management and was assumed for the purposes of this opinion that such analyses and forecasts were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of the Target Management as to the expected future results of operations and financial conditions of the Target Company to which such analyses or forecasts relate. We can give no assurances, however, that such financial analyses and forecasts can be realized or that actual results will not vary materially from those projected.

  The procedures and enquiries undertaken by us in preparing this report do not include any verification work of the information provided by Management, the Target Group and their associates, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based.

- The Valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of this Valuation Report may not be utilized by any third party for any purpose, with our express written consent. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

  Neither all nor any part of the contents of this Valuation Report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings, without the prior written consent and approval of and review by us.

- Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an "opinion of title," and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. We render no opinion as to ownership of the business or condition of its title.

- The Valuation reflects facts, conditions and expectations existing at the Valuation Date. We take no responsibilities for any events, conditions or circumstances affecting our opinion of value that take place subsequent to the Valuation Date.

- The results of our work are dependent on the information of the Target Group. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibilities for the achievement of predicted results.
- The Valuation is heavily dependent on the terminal value. In the event actual events do not accord with one or more of the assumptions and the forecasting cash flow, the results of the Valuation may vary substantially from the figures as set out in the Valuation Report.
- Our conclusion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.
- For the information provided and the consolidation adjustments performed by Management, we did not perform any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work. Such areas are not included in our scope of work, and should be carried out by the relevant experts to be appointed by the Company, if necessary.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.
- The title of this report shall not pass to the Company until all professional fees have been paid in full.

8.2. Assumptions

In conducting our valuation work, the following assumptions have been adopted in order to sufficiently support our conclusion of value, including:

- The businesses of the Target Group are operated by various subsidiaries and/or related companies of the Company. The Valuation has been performed based on the audited financial statements, assuming there is a single fictitious entity running the relevant businesses and possessing the relevant assets and liabilities.
- The principal businesses of the Target Group will not change significantly in the foreseeable future.
- There will be no major change in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of Target Group.
- There will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.
- There will be no material change in the relevant market return, market risk, interest rates and exchange rates that would impact the Target Group's business operation.
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.
- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits in the localities in which the Target Group operates or intends to operate, including but not limited to the business licences and such consent and approval necessary for the VIE Arrangement, would be officially obtained and renewable upon expiry.
- Exchange rates and interest rates will not differ materially from those presently prevailing.

- The availability of finance at viable cost will not be a constraint on the forecasted growth of operations of the Target Group. In other words, it is assumed that obtaining necessary financing is readily available at a reasonable cost, and therefore, it will not be a limiting factor for the Target Group to execute its business plan. Based on the Management's representation, as at the Valuation Reference Date, RMB1,559 million debts at reasonable interest costs have either secured or nearly closing.
- The Target Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network.
- The Target Group can keep abreast of the latest development of the industry, such as trend of automation to reduce operating costs, such that its competitiveness and profitability can be sustained.
- The Target Group will utilise and maintain its current operational, administrative and technical facilities to expand and increase its sales.
- The Target Group will be able to secure funds to repay/renew its debts timely when they fall due.
- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations.
- The Target Group will continue to operate as a going concern and the core operation of the Target Group will not differ materially from those of present or expected.
- The forecasting cash flow represents Target Management's view of the range of economic conditions. The information and estimates provided and the representations made by Target Management regarding the Target Group's financial and business affairs are reliable and without false representation.
- The Target Group has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.
- Management has sufficient knowledge and experience in respect of the operation of the Target Group, and the turnover of any director, management or key person will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Group.
- The intellectual property of the Target Group will not be infringed upon in a manner which would materially affect the economic benefits attributable to the Target Group.
- The Valuation is heavily dependent on the financial information of the Target Group provided by Management to us. In any occasions that the values were misstated, the adjustments on the income statements and/or balance sheets were unfairly and/or unreasonable performed by Management and/or its auditor or any off balance sheet assets or liabilities items of the Target Group were neglected, the value stated here may vary materially from what stated in this report.
- We assume you will appoint relevant experts to perform appropriate legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work, which is outside our scope of work.

8.3. Guideline Companies

Guideline Companies	Company Description
SZSE:300442	Range Intelligent Computing Technology Group Company Limited provides server hosting services to internet companies and large cloud vendors in the PRC. It also engages in the provision of operation, maintenance, security management and other value-added services, as well as intelligent computing services for terminal large-model customers.
SZSE:300383	Beijing Sinnet Technology Company Limited, together with its subsidiaries, provides internet data centre (IDC), cloud computing, and internet access services in the PRC and Hong Kong.
SZSE:300738	Guangdong Aofei Data Technology Company Limited provides internet cloud computing and big data basic services in China. It offers server hosting and Border Gateway Protocol (BGP) interconnection services. It also provides solutions for finance, internet, and gaming businesses.
SHSE:603881	Shanghai @hub Company Limited provides internet infrastructure services in the PRC and internationally. It offers data centre services, including data centre distribution, planning, design, construction, and operation and maintenance.
SEHK:9698	GDS Holdings Limited, together with its subsidiaries, develops and operates data centres in the PRC. It offers colocation services comprising critical facilities space, customer-available power, racks, and cooling; managed hosting services; managed cloud services; and consulting services.
SEHK:3896	Kingsoft Cloud Holdings Limited provides cloud services to businesses and organizations primarily in the PRC. It’s product portfolio includes cloud products and operates data centres. It offers research and development services, as well as enterprise digital solutions and related services.