

2 August 2019

South China Financial Holdings Limited

28th Floor,
Bank of China Tower,
1 Garden Road,
Central, Hong Kong

Dear Sirs/Madams,

**RE: 26TH FLOOR OF TOWER ONE, LIPPO CENTRE, NO. 89 QUEENSWAY,
HONG KONG (THE “PROPERTY”)**

According to the instructions of South China Financial Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to value the Property in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 May 2019 (the “**Date of Valuation**”) for the purpose of incorporation into the circular issued by the Group.

1. BASIS OF VALUATION

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

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

2. VALUATION METHODOLOGY

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

3. TITLE INVESTIGATION

We have carried out land search at the Land Registry of Hong Kong. However, we have not scrutinised all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

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

5. SOURCE OF INFORMATION

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

Dimension, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct. We were also advised by the Group that no material facts have been omitted from the information provided.

6. VALUATION CONSIDERATION

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

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

In valuing the Property, we have complied with the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors and the requirements contained in the relevant provisions of Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission.

7. POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and Share Buy-backs and as advised by the Group, the potential tax liabilities which may arise from the sale of the Property include Profit Tax at a rate of 16.5% on the profit amount and Stamp Duty at a rate of maximum 8.5% of the consideration of the Property. As confirmed by the Group, as at the Latest Practicable Date, the Group has no intention to dispose of the Property and therefore the likelihood of the relevant tax liabilities crystallising is remote.

8. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong Dollars (HK\$).

Our Valuation Certificate is attached herewith.

Yours faithfully,
For and on behalf of

RAVIA GLOBAL APPRAISAL ADVISORY LIMITED



Dr. Alan Lee

PhD(BA) MFin BCom(Property)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Director

Note: Dr. Alan Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 15 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

VALUATION CERTIFICATE

Property held by the Group for Investment Purpose in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2019
26th Floor of Tower One, Lippo Centre, No. 89 Queensway, Hong Kong	The Property comprises a whole office floor on 26th floor of a 36-storey office building over a commercial podium, completed in 1987.	The Property is subject to various tenancies with the latest term expiring on 15 March 2022 with a total monthly rent of approximately	HK\$550,000,000
1,365/102,750th equal and undivided shares of and in Inland Lot No. 8615	<p>As per building plans obtained from Building Department, the Property has a gross floor area of about 14,686.10 sq.ft. (or about 1,364.4 sq.m.).</p> <p>The Property is held under Conditions of Sale No. UB11720 for a term of 75 years renewable for 75 years commencing on 15 February 1984.</p> <p>The annual government rent payable for the whole lot is HK\$1,000.</p>	<p>HK\$1,077,950 exclusive of management fees, Government Rates and utility charges.</p>	

Notes:

1. The registered owner of the Property is Polyluck Trading Limited vide Memorial No. UB6668439 dated 10 June 1996.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant vide Memorial No. UB3824584 dated 31 August 1988;
 - b. Mortgage in favour of Nanyang Commercial Bank Limited vide Memorial No. UB8906954 dated 17 March 2003; and
 - c. Assignment of Rental in favour of Nanyang Commercial Bank Limited vide Memorial No. UB8906955 dated 17 March 2003.
3. As advised by the Group, Polyluck Trading Limited is indirectly wholly-owned by the Company.
4. The inspection of the Property was performed by Dr. Alan Lee in July 2019.