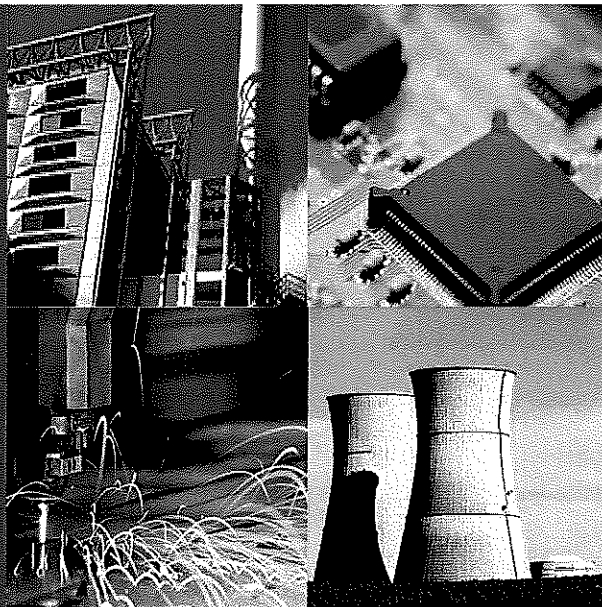


**ASSET VALUATION**



**Prepared for:**

**PINGTAN MARINE ENTERPRISE LTD.**

**In respect of:**

**The Market Value of Fu Yuan Yu 7881**

**Valuation Date : 31 December 2016**  
**Report Date : 6 March 2017**  
**Our Reference : P23182/BV17011P/5340/BV4**

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Our Ref.: P23182/BV17011P/5340/BV4

6 March 2017

The Directors

**Pingtang Marine Enterprise Ltd.**

18<sup>th</sup> Floor, Tower A, Zhongshan Building

No.154 Hudong Road, Gulou District

Fuzhou City, Fujian Province

The People's Republic of China

c/o Unites 1-6, 52nd Floor, The Center

99 Queen's Road Central, Central

Hong Kong

Dear Sirs,

**Re: Valuation of the Market Value of Fu Yuan Yu 7881**

## 1. INSTRUCTIONS

We refer to the instructions from Pingtang Marine Enterprise Ltd. (referred to as the "Company") for us to provide our independent opinion on the market value of Fu Yuan Yu 7881 (referred to as the "Vessel") with embedded license.

## 2. PURPOSE OF VALUATION

Our valuation is for your acquisition reference purposes only.

## 3. DATE OF VALUATION

The date of valuation is 31 December 2016.

## 4. BASIS OF VALUATION

Our valuation has been carried out on the basis of market value. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

## 5. BACKGROUND OF THE COMPANY AND THE VESSEL

### Background of the Company

The Company is a publicly listed company with limited liability. It was incorporated in Cayman Islands and has been listed on the Nasdaq Stock Market (stock code: PME) since 2011. The Company is principally engaged in ocean fishing through its wholly-owned subsidiaries, Fujian Provincial Pingtan County Ocean Fishing Group Co., Ltd., or Pingtan Fishing.

### Background of the Vessel

The Vessel harvests squid in high seas. All of the catch is shipped back to the People's Republic of China (referred to as the "PRC") and marketed to a diverse group of customers including distributors, restaurant owners and exporters.

The information of the Vessel is as follows:

Name of Vessel	Fishing Gear	Date of Completion	Registry Ownership No.*
Fu Yuan Yu 7880	Squid Jigging	28 August 2014	(闽)船登(权)(2014)YY-200054 号
Gross Tonnage	Total Power	Validity of the Certificate of Nationality*	Fishing License No.*
1497	2100 kw	22 September 2019	No.GH-0792 (2014) Guoyu (gong)

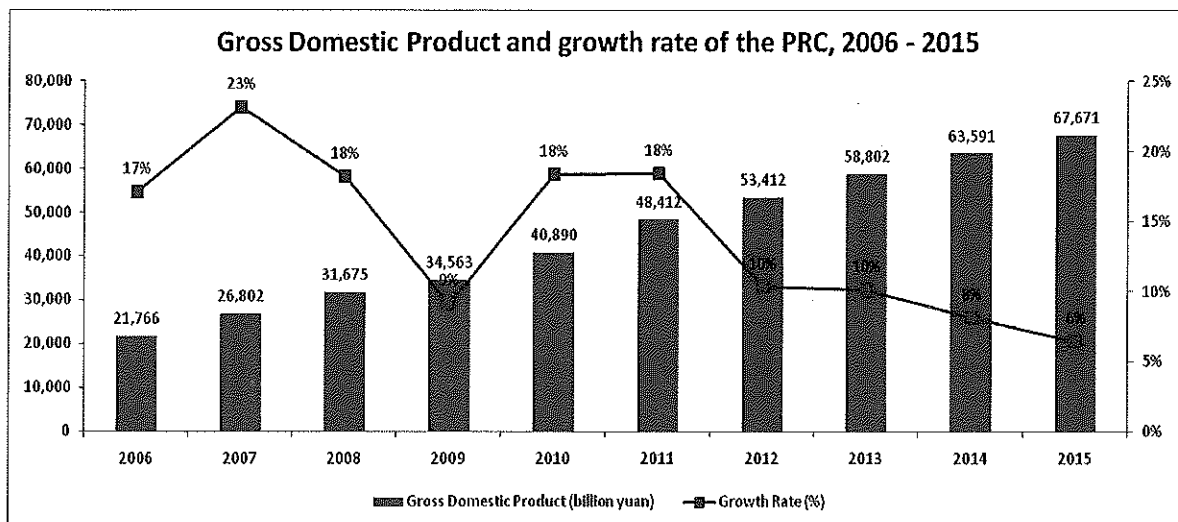
*\* The PRC Certificate of Fishery Vessel's Nationality (Overseas) and Fishing License of the PRC (High Seas) will expire in 2019 and 2017 respectively. According to the senior management of the Company, the two licenses can be renewed after expiry date.*

## 6. INDUSTRY OVERVIEW

### Overview of the PRC Economy

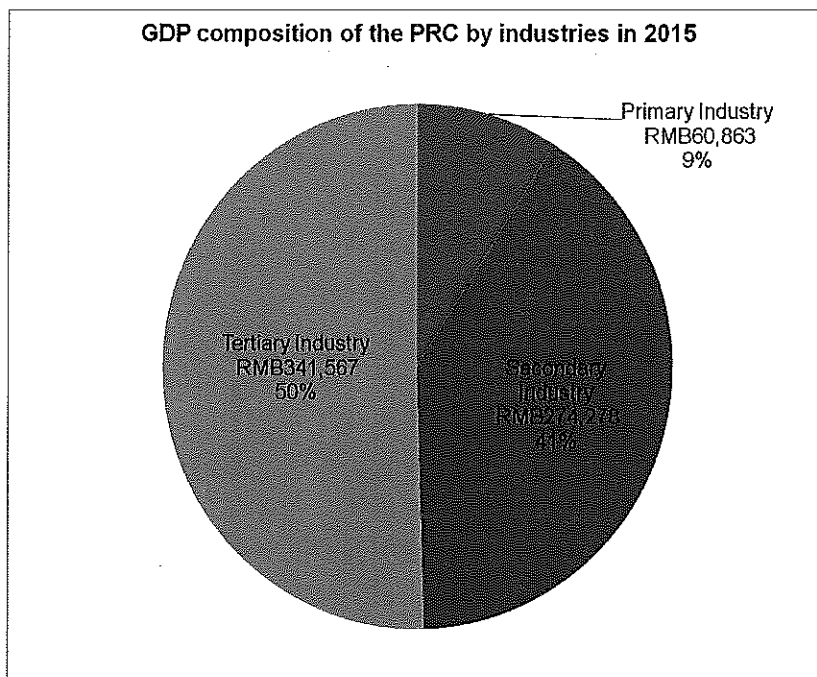
With the downward pressure of the domestic economic development, the economy of the PRC is growing at a slower pace in response to policy tightening and the global financial turmoil. According to the latest data released by the National Bureau of Statistics of China, the accumulated growth rate of Gross Domestic Product (referred to as the "GDP") in the PRC expanded 6% in 2015 from RMB63.6 trillion in 2014 to approximately RMB67.7 trillion in 2015. Figure 1 illustrates the trend of the PRC's GDP from 2006 to 2015. For the PRC's 2015 GDP, the value added of the primary, secondary and tertiary industries were RMB6.1 trillion, RMB27.4 trillion and RMB34.1 trillion respectively, showing the increases by 3.9%, 6.0% and 8.3% respectively over 2014. And the value added of the primary, secondary and tertiary industries accounted for 9%, 41% and 50% of the GDP. Figure 2 illustrates the composition of GDP by industries and sectors in 2015.

**Figure 1: Trend of GDP of the PRC, 2006 – 2015**



Source: National Bureau of Statistics of the PRC

**Figure 2: GDP Composition of the PRC by Industries in 2015**



Source: National Bureau of Statistics of the PRC

## **China Seafood Market**

The United Nation's Food and Agriculture Organization predicts that China is set to become the world's top destination for seafood imports in 2016. Key economic data and trends point to further growth in domestic consumption and, despite indications that the country's economy is slowing down, it has nevertheless trebled in size since 2001, with Forbes magazine predicting that it will surpass the US in scale in 2018.

This astonishing growth in seafood imports is explained by a variety of factors:

Firstly, higher Chinese incomes have fuelled an increase in domestic demand: between 2001 and 2014, real wages in China rose fourfold and this trend is ongoing. Data from the Economist Intelligence Unit point to national average urban incomes rising by around 70% between 2012 and 2017, from US\$6,291 to US\$10,791.

Moreover, this increase in domestic demand includes that for high-end seafood imports, such products are obviously favoured by wealthier Chinese consumers, but the country's emerging middle class is also demonstrating a growing appetite for these seafood imports.

The second key factor explaining the growth in China's seafood imports is that its domestic production capacity has been extremely adversely affected by pollution and thus cannot meet this increase in demand. Indeed, despite it being the world's biggest seafood exporter, double in value terms of its nearest rival, Norway, the environmental impact of its breakneck economic growth in the last 20 years has created an insurmountable environmental obstacle.

## **Squid Market**

Squids are cephalopods of the order Teuthida, which comprise around 304 species. According to the Food and Agriculture Organization, the cephalopod catch for 2002 was 3,173,272 tonnes, of which 2,189,206 tonnes, or 75.8%, was squid.



China is a main importer of squid worldwide, most of which goes into the re-processing industry for export to the Japanese market. For the first quarter of 2016, there was a slight decline in Japanese imports of squid. Imports fell from 16,400 tonnes during the first quarter of 2015 to 15,200 tonnes during the same period in 2016 (-7.3%). Both the leading supplier, China, and the second largest supplier, Peru, shipped less squid to Japan during this period, while shipments from Chile went up by 300 tonnes.

Squid imports into Spain increased by 8.3% during the first quarter, to 18,200 tonnes. The main supplier was India, which increased shipments substantially, from 2,800 tonnes in the first quarter of 2015 to 5,200 tonnes during the same period in 2016 (+85.7%). Morocco, China, and the USA also increased squid shipments to Spain during this period. US squid imports increased as well during the first quarter, albeit by only 4.4% to 16,600 tonnes. The main supplier to the USA was China, which accounted for as much as 56.6% of total US squid imports during this period.

The USA is also an important exporter of squid, and the poor landings on the west coast had a major effect on US exports. During the first quarter of 2016, US squid exports fell by 62.8%, from 17,800 tonnes in 2015 to just 6,600 tonnes during the same period in 2016.

## 7. SOURCE OF INFORMATION

For the purpose of our valuation, we have been furnished with the financial and operational information in respect of the Vessel provided by the senior management of the Company.

We have no reason to doubt the truth and accuracy of the information provided to us, and we have been confirmed by the senior management of the Company that no material facts have been omitted from the information provided to us.

Apart from the information provided by the senior management of the Company, we also obtained market data, industrial information and statistical figures from other publicly available sources.

## 8. SCOPE OF WORKS

The following processes have been conducted by us in the course of our valuation:

- Interviewed with the senior management of the Company in respect of the core operation of the Vessel;
- Obtained relevant financial and operational information in respect of the Vessel from the senior management of the Company;
- Examined the basis and assumptions of the financial and operational information in respect of the Vessel provided by the senior management of the Company;
- Conducted appropriate research to obtain sufficient market data, industry information and statistical figures from other publicly available sources; and
- Prepared the valuation and this report in accordance with generally accepted valuation procedures and practices.

## 9. VALUATION ASSUMPTIONS

Due to the changing economic and market conditions, a number of assumptions have to be adopted in our valuation. The major assumptions adopted in our valuation are as follows:

### **General Market Assumptions**

- There will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Vessel is currently or will be situated;
- There will be no material change in the taxation laws and regulations in the jurisdiction where the Vessel is currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;

# BMI APPRAISALS

- The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;
- The supply and demand, both domestically and internationally, of the products and/or services of the Vessel or similar products and/or services will not differ materially from those of present or expected;
- The market prices and the relevant costs, both domestically and internationally, of the products and/or services of the Vessel or similar products and/or services will not differ materially from those of present or expected;
- The products and/or services of the Vessel or similar products and/or services are marketable and liquid, that there are active markets for the exchange of the products and/or services of the Vessel or similar products and/or services; and
- The market data, industrial information and statistical figures obtained from other publicly available sources are true and accurate.

## **Company-specific Assumptions**

- All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of the Vessel have been obtained or can be obtained upon request with an immaterial cost;
- The core operation of the Vessel will not differ materially from those of present or expected;
- The financial and operational information in respect of the Vessel have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Company;
- The is currently adequate human capital and capacity required for the production and/or provision of the products and/or services of the Vessel, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the Vessel;

# BMI APPRAISALS

- Adequate financial capital for the investments in projected capital expenditure and working capital from time to time has been or will be acquired, and any scheduled interest or repayment of loan and payable will be paid on time;
- Only those prospective financial and operational strategies that will maximize the efficiency of the operation of the Vessel will be implemented;
- The Company has sufficient knowledge and experience in respect of the operation of the Vessel, and the turnover of any director, management or key person will not affect the operation of the Vessel;
- Reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike have been adopted, and the occurrence of any human disruption will not affect the operation of the Vessel; and
- Reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane have been adopted, and the occurrence of any natural disaster will not affect the operation of the Vessel.

## 10. VALUATION APPROACH

### General Valuation Approaches

The following generally accepted valuation approaches have been considered in the course of our valuation: (1) the income approach; (2) the market approach; and (3) the cost approach.

#### *Income Approach*

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

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The discounted cash flow (DCF) method is the most fundamental and prominent method of the income approach. In applying the DCF method, the free cash flows of the subject asset in future years were determined from the net income after tax plus non-cash expenses, such as depreciation and amortization expenses, and after-tax interest expense; the result was then less non-cash incomes, investment in capital expenditure and investment in net working capital.

## *Market Approach*

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The sales comparison method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

## *Cost Approach*

The cost approach provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing the same or a substitute asset with equal utility as the subject asset.

Under the cost approach, the historical cost method measures the cost incurred throughout the development of the subject asset at the time it was developed. The replication cost method measures the amount of investment that would be required to develop an asset similar to the subject asset. The replacement cost method measures the amount of investment that would be required to develop the subject asset as it currently exists.

# BMI APPRAISALS

## **Selected Valuation Approach**

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 income approach was considered to be the most appropriate valuation approach in the valuation, as it takes the future growth potential and asset-specific issues of the Vessel into consideration.

## **11. VALUATION METHODOLOGY**

Under the income approach, the Multi-period Excess Earnings Method was adopted in the valuation.

The Multi-period Excess Earnings Method is predicated on the basis that the value of an intangible asset is the present value of the earnings it generates, net of a reasonable return on other assets which also contribute to that stream of earnings. The excess earnings are the amount of anticipated economic benefits that exceeds the required rates of return on the contributory assets, including the working capital and the workforce assembled, used to generate those anticipated economic benefits.

In the valuation, the after-tax required rates of return on the net working capital and the workforce assembled of 4.90% and 11.03% respectively were adopted.

## **12. VALUATION PARAMETERS**

### **Comparable Companies**

For the purpose of our valuation, we referred to the information in respect of publicly listed companies that are considered to be comparable to the Vessel (referred to as the "Comparable Companies").

# BMI APPRAISALS

## *Selection Criteria of the Comparable Companies*

The selection of the Comparable Companies was based on the comparability of the overall industry sector and geographical location. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The selection criteria of the Comparable Companies are as follows:

- The company is principally engaged in the fishing industry and the related operation;
- Shares of the company are listing in a major stock exchange and are actively trading in a reasonable period of time; and
- Detailed financial and operational information in respect of the company are available at other publicly available sources.

## *Selected Comparable Companies*

Given the abovementioned selection criteria, the Comparable Companies were considered to be fair and representative samples. Details of the Comparable Companies are as follows:

## Comparable Company 1

Name of Company : Shanghai Kaichuang Marine International Co., Ltd.  
Stock Code : 600097  
Stock Exchange : Shanghai  
Company : The company is principally engaged in marine fishing  
Description : business. The company provides various fish products, including mackerel, tuna, fish fillets, krill, pilchard and menhaden. The company distributes its products in domestic market and overseas markets. Through its subsidiaries, the Company is engaged in long range fishing and food processing business.

## Comparable Company 2

Name of Company : CNFC Overseas Fisheries Co., Ltd.  
Stock Code : 000798  
Stock Exchange : Shenzhen  
Company : The company is principally engaged in the fishing, storage,  
Description : transportation, distribution, import and export of ocean aquatic products. The company's fish products primarily include squids, sauries and tuna. The Company distributes its products within domestic market and to overseas markets.

## Comparable Company 3

Name of Company : Dongwon Fisheries Co., Ltd.  
Stock Code : 030720  
Stock Exchange : Korea  
Company : The company is a Korea-based company specialized in  
Description : deep-sea fishing, marine products distribution and food processing businesses. The company operates its business through three segments: marine products segment, marine products distribution segment and food processing segment.



## Comparable Company 4

Name of Company : Oceana Group Ltd.  
Stock Code : OCEJ  
Stock Exchange : South Africa  
Company : The company is engaged in catching, processing and  
Description : procurement of various marine species, including pilchard, anchovy, redeye herring, gulf menhaden, tuna, lobster, squid, horse mackerel and hake.

## Comparable Company 5

Name of Company : Dongwon Industries Co., Ltd.  
Stock Code : 006040  
Stock Exchange : Korea  
Company : The company is a Korea-based company engaged in the  
Description : provision of marine products. The company operates its business through three main divisions: fisheries division, logistics division and other business division. Its fisheries division catches and distributes tunas and other marine products. Its logistics division is engaged in the provision of processing, transportation and distribution of marine products. Its other business division engages in the rental business.

## Comparable Company 6

Name of Company : Silla Co., Ltd.  
Stock Code : 004970  
Stock Exchange : Korea  
Company : The company is a Korea-based company mainly engaged in  
Description : the deep-sea fishing business and steel distribution business. Its deep-sea fishing business focuses on the provision of tunas for making canned food and tunas for dining services.

## Comparable Company 7

Name of Company	: Oyang Corp.
Stock Code	: 006090
Stock Exchange	: Korea
Company	: The company is a Korea-based company mainly engaged in
Description	manufacturing of fishery products. The company operates its business mainly through two divisions: deep-sea fishing division and food making division. Its deep-sea fishing division is engaged in the catching fish such as tuna fish, pollack, squids, cods, herrings, halibuts, snappers, red catfish, whiting and others in the Pacific ocean and New Zealand sea. Its food making division produces seafood products such as fish paste products, salted seafood, frozen foods, livestock meat, sea food and noodles manufactured in Anseong plant and crab-flavored meat pastes manufactured in Namdaejeon plant.

## Comparable Company 8

Name of Company	: Pingtan Marine Enterprise Ltd.
Stock Code	: PME
Stock Exchange	: Nasqad
Company	: The company is a marine enterprises company. The
Description	Company, through its subsidiary, Fujian Provincial Pingtan County Ocean Fishing Group Co., Ltd. (Pingtan Fishing), is primarily engaged in ocean fishing. The company provides seafood to its customers, including distributors, restaurant owners and exporters in the PRC.

## Discount Rate

The Weighted Average Cost of Capital (WACC) was adopted as the discount rate for the valuation. It is the required return on the capital investment of a company. The cost of capital will be different for each source of capital and class of securities a company has, reflecting the different risks. The WACC is the weighted average of the costs of each of the different types of capital, and the weights are proportion of the company's capital that comes from each source.

The WACC was computed using the following formula:

$$WACC = R_e (E / V) + R_d (D / V) (1 - T_c)$$

Where:

$WACC$	=	weighted average cost of capital
$R_e$	=	cost of equity
$R_d$	=	cost of debt
$E$	=	value of the firm's equity
$D$	=	value of the firm's debt
$V$	=	sum of the values of the firm's equity and debt
$T_c$	=	corporate tax rate

The WACC comprises two components: the cost of equity and the cost of debt. The cost of equity was determined using the Capital Asset Pricing Model (CAPM). The CAPM 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 additional risk associated.

The cost of equity under the modified CAPM was computed using the following formula:

$$R_e = R_f + \beta * MRP + RP_S + RP_U$$

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Where:

$R_e$	=	cost of equity
$R_f$	=	risk-free rate
$\beta$	=	beta coefficient
$MRP$	=	market risk premium
$RP_s$	=	size premium
$RP_U$	=	company-specific risk premium

## *Risk-free Rate*

$R_f$  The risk-free rate ( $R_f$ ) represents the time value of money. It is the theoretical rate of return of an investment with no risk of financial loss. The yield rate of bonds issued by a government or agency where the risks of default are so low as to be negligible are commonly applied as the risk-free rate.

The yield rate of the 10-year Central Government Bond of the as at the date of valuation was adopted as the risk-free rate in the valuation.

## *Beta Coefficient*

$\beta$  The beta coefficient ( $\beta$ ) measures the risk of an asset relative to the overall market. It reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets, including economic growth rates, interest rates, exchange rates and inflation rates.

In the valuation, as the Vessel is not listing in any major stock exchange or be marketable in any over-the-counter market, it is not possible to determine its beta coefficient directly. Instead, the beta coefficient for the Vessel was determined as the median of the betas of the Comparable Companies, with adjustment for differences in corporate tax rates and leverage compositions.

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The adjusted betas of the Comparable Companies, which measure their risks relative to the market, 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:

$$\text{Adjusted Beta} = (1/3) + (2/3) * \text{Raw Beta}$$

The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the Vessel and the Comparable Companies. The unlevered beta removes the effects of the use of leverage on the capital structure of a firm. Removing the debt component allows an investor to compare the base level of risk between various companies.

The unlevered beta was computed using the following formula:

$$\beta_{\text{unlevered}} = \beta_{\text{levered}} / [1 + (1 - T_c) (D / E)]$$

Where:

$\beta_{\text{unlevered}}$	=	unlevered beta
$\beta_{\text{levered}}$	=	levered beta
$T_c$	=	corporate tax rate
$D$	=	value of the firm's debt
$E$	=	value of the firm's equity
$D / E$	=	debt-to-equity ratio

The median of the unlevered betas of the Comparable Companies was then being relevered based on the specific corporate tax rate and the expected debt-to-equity ratio applied to the Vessel.

The relevered beta was computed using the following formula:

$$\beta_{\text{relevered}} = \beta_{\text{unlevered}} * [1 + (1 - T_c) (D / E)]$$

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Where:

$\beta_{relevered}$	=	relevered beta
$\beta_{unlevered}$	=	unlevered beta
$T_c$	=	corporate tax rate
$D$	=	value of the firm's debt
$E$	=	value of the firm's equity
$D / E$	=	debt-to-equity ratio

## *Market Risk Premium*

*MRP* The market risk premium (*MRP*) is the implied risk premium expected from the market using forecasted growth rates, earnings, dividends, payout ratios and current values. It represents the additional return required by an investor as compensation for investing in equities rather than a risk-free instrument.

The market risk premium of the PRC as at the date of valuation was computed using the market risk premium of the United States and the country risk premium of the PRC.

## *Size Premium*

By considering the size of the Vessel business, a size premium was adopted in the valuation.

## *Cost of Equity*

The cost of equity was determined using the CAPM.

## *Cost of Debt*

The cost of debt was determined by the expected lending rate of the Vessel.

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## *After-tax Cost of Debt*

Since the interest paid on debts are tax-deductible expense for a company, the cost of the company of obtaining debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the corporate tax rate of the Vessel by the cost of debt.

## *Weight of Debt*

The weight of debt was determined by the median of the weights of debt of the Comparable Companies, assuming that the weight of debt of the Vessel moves toward that of the median of the Comparable Companies over time.

## *Weight of Equity*

The weight of equity was determined by the median of the weights of equity of the Comparable Companies, or calculated as one minus the weight of debt of the Vessel.

## **Adopted Rates of Valuation Parameters**

In the valuation, the adopted rates of the abovementioned valuation parameters are as follows:

	<b>Valuation Parameter</b>	<b>As at 31 December 2016</b>
a.	Risk-free Rate	3.07%
b.	Beta Coefficient	0.696
c.	Market Risk Premium	9.64%
d.	Size Premium	3.58%
e.	Cost of Equity	13.36%
f.	Cost of Debt	4.90%
g.	After-tax Cost of Debt	4.90%
h.	Weight of Debt	27.55%

i.	Weight of Equity	72.45%
j.	Discount Rate	11.03%

### 13. LIMITATION OF CIRCULATION

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.

This report is for the exclusive use of the addressee and for the purpose stated herein. No responsibility is accepted for the use of this report by any party other than the addressee or any other purpose other than that stated herein, and we reserve the right to claim for any monetary or non-monetary damage done.

### 14. STATEMENT OF INDEPENDENCE

We hereby certify that we have neither present nor prospective interest in the Company, the Vessel or the result reported. In addition, our directors are neither directors nor officers of the Company or the Vessel.

In the course of our valuation, we are acting independent of all parties.

Our fees are agreed on a lump-sum basis and are not correlated with the result of our valuation.

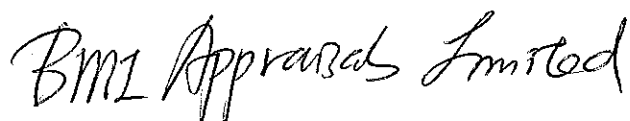


## 15. CONCLUSION OF VALUE

Based on our analysis outlined in this report, it is our independent opinion that the market value of Fu Yuan Yu 7881 (i.e. the Vessel) as at 31 December 2016 was **RMB88,900,000 (RENMINBI EIGHTY EIGHT MILLION AND NINE HUNDRED THOUSAND ONLY).**

Yours faithfully,

**BMI APPRAISALS LIMITED**

A handwritten signature in black ink that reads "BMI Appraisals Limited". The signature is written in a cursive, flowing style.

---

JC/ab/ss/VAL5964

## 16. LIMITING CONDITIONS

- The result of our valuation does not constitute and should not be interpreted as an investment advice or legal evidence. It also serves as neither a substitute nor any part of due diligence work in respect of the truth and accuracy of the financial and operational information in respect of the subject asset.
- The actual consideration in any past or possible transaction in relation to the subject asset or similar assets may be different from the result of our valuation. The differences may be due to factors such as the motivation of the parties, expected synergistic benefits and economies of scale arising from the transaction.
- The date of valuation is a specific point of time as at which an opinion of value applies. As economic and market conditions may change over time, the result of our valuation only reflects the existing economic and market conditions as at the date of valuation, not as at either a past or future date.
- In view of prospective data including projected economic and market conditions as well as financial and operational information in respect of the subject asset to derive the result of our valuation, there may be differences between the forecasted and actual results because of events and circumstances occurred out of expectation.
- To the best of our knowledge, all data set forth in our valuation and this report are true and accurate. Although gathered from reliable sources, no guarantee is made or liability is assumed for the truth and accuracy of any data provided to us or obtained from other publicly available sources.
- Our valuation relied on research of market data, industrial information and statistical figures. The scope of research is at our own discretion. Moreover, there may be parameters adopted in our valuation that are derived by our professional judgment and technical expertise or opinion of any other party of which written supporting document may not be available.
- The result of our valuation assumes continuation of appropriate management policies to maintain the character and integrity of the subject asset over a reasonable period of time, including adoption of reasonable and appropriate contingency measures against any human disruption and natural disaster.

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- The result of our valuation is based on generally accepted valuation procedures and practices that rely on the use of numerous assumptions and the consideration of a lot of uncertainties, not all of which can be easily ascertained or quantified, and no responsibility is assumed for the differences between the actual outcome and our adopted assumptions.
- Whilst the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to uncertainties and contingencies that are beyond the control of us. We assume no responsibility for unexpected changes in economic and market conditions that may require adjustments in the valuation.
- We will not give testimony or attendance in court or to any governmental authority by reason of our valuation, unless prior arrangements have been made. Moreover, no opinion is intended to be expressed for matters, which require legal or other specialized expertise or knowledge, beyond that customarily employed by appraisers.
- Any information provided to us for the valuation will be treated as confidential information, but we may disclose the information to our directors or employees who need to know the information for the purpose of carrying out the valuation or any authority as required by the laws of any jurisdiction.
- All research findings, working papers and valuation model developed by us during the course of our valuation are deemed to be our property. We will retain the research findings, working papers and valuation model, either in physical form or in electronic form, for at least seven years after completion of our valuation.
- We reserve the right to include the addressee's name, scope of valuation, date of valuation and nature of subject asset in our client list and track record that may be presented to our existing or prospective clients, but we will maintain the confidentiality of the information provided to us, our valuation model and the contents of this report.
- We may not disclose any arrangement in relation to referral, cooperation, sub-contract or subscription of research report conducted by third party as well as compensation of our directors or employees that are deemed to have no impact on our independence and objectivity and have no conflict of interest with the addressee.