

## APPENDIX III

## PROPERTY VALUATION REPORT

*The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this document received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the property interests of Wisdom Education International Holdings Company Limited as at 30 June 2016.*



16/F  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

[●] 2016

The Directors  
Wisdom Education International Holdings Company Limited  
68 Guangming Road  
Dongcheng District  
Dongguan  
Guangdong Province  
the PRC

Dear Sirs,

### Instructions, Purpose & Valuation Date

In accordance with your instructions for us to value the property interests of Wisdom Education International Holdings Company Limited (referred to as the "Company") and its subsidiaries (together referred to as the "Group") in the People's Republic of China (the "PRC") (as more particularly described in the attached valuation certificates), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such property interests as at 30 June 2016.

### Definition of Market Value

Our valuations of each of the properties represent its Market Value. The definition of Market Value adopted in The HKIS Valuation Standards 2012 Edition follows the International Valuation Standards published by the International Valuation Standards Council ("IVSC"). Market Value is defined by the IVSC as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### Valuation Basis and Assumptions

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties in the PRC, we have assumed that, unless otherwise stated, the transferable land use rights of the properties for their respective terms at nominal annual land use fees have been granted and that any premium payable has already been fully

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paid. We have relied on the information and advice given by the Company and its legal adviser, Commerce & Finance Law Offices (通商律師事務所) regarding the title to each of the properties and the interests of the Group in the properties. In valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licenses, in accordance with the information provided by the Group are set out in the notes of the respective valuation certificates.

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

### Method of Valuation

In valuing the property in Group I, which is held by the Group for investment in the PRC, we have used Investment Approach on the basis of capitalization of net rental income derived from the existing tenancies with due allowance for reversionary income potential of the property or by reference to comparable sales evidences as available in the relevant market.

In valuing properties in Group II, which are held and occupied by the Group in the PRC, we have used Depreciated Replacement Costs ("DRC") Approach, which requires a valuation of the market value of the land in its existing use and an estimate of the new replacement cost of the buildings and structures, from which deductions are made to allow for the age, condition and functional obsolescence. The reported market value by Depreciated Replacement Cost Approach only applies to the whole of the property as a unique interest, and no piecemeal transaction of the property is assumed. The market value is subject to adequate potential profitability of the business from the use of the property as a whole.

In valuing properties in Group III and IV, which are held by the Group under development and for future development, we have valued it on the basis that it will be developed and completed in accordance with the latest development proposals provided to us by the Group (if any). We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In arriving at our valuation, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs as well as the costs that will be expended to complete the development. The "market value when completed" represents our opinion of the aggregate selling prices of the development assuming that it were completed as at the valuation date.

In valuing the properties in Group V, which are leased and occupied by the Group in the PRC, we consider that the properties have no commercial value due mainly to the prohibition against assignment and subletting or otherwise to the lack of substantial profit rents.

### Sources of Information

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, Commerce & Finance Law Offices (通商律師事務所) regarding the title to each of the properties and the interests of the Group in the properties. We have

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accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

### Title Investigation

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Group regarding the Group's interests in the PRC properties.

### Site Inspection

Our valuers, Mr. Victor Li and Jeffery Wang, inspected the exterior and, whenever possible, the interior of the properties in December 2015. Mr. Victor Li has about 2 years' experience in property valuation in the PRC. Mr. Jeffery Wang has about 10 years' experience in property valuation in the PRC and is a Registered China Real Estate Appraiser. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

### Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi, the official currency of the PRC.

We enclose herewith a summary of our valuations and our valuation certificates.

Yours faithfully,  
for and on behalf of  
**DTZ Cushman & Wakefield Limited**  
**Andrew K.F. Chan**  
Registered Professional Surveyor (General Practice)  
Registered China Real Estate Appraiser  
*MSc., M.H.K.I.S.*  
*Senior Director*

*Note:* Mr. Andrew K. F. Chan is a Registered Professional Surveyor who has over 28 years of experience in the valuation of properties in the PRC.

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### SUMMARY OF VALUATIONS

#### Group I – Property held by the Group for investment in the PRC

Property	Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
1. Units 1601 to 1608 of Huicheng Building, No. 102 Hongfu Road, Nancheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市南城區鴻福路102號 匯成大廈1601 至1608單元	18,300,000	100	18,300,000
<b>Sub-total of Group I:</b>	<u>18,300,000</u>		<u>18,300,000</u>

#### Group II – Properties held and occupied by the Group in the PRC

2. Dongguan Guangming School, Guangming Road, Dongcheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市東城區 光明大道東莞市光明中學	251,000,000	100	251,000,000
3. Dongguan Guangming Primary School, Guangming Road, Dongcheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市東城區 光明大道東莞市光明小學	No commercial value	100	No commercial value

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Property	Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
4. Dongguan Guangzheng Preparatory School, Zengbu Village, Chashan County, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市茶山鎮增埗村 東莞市光正實驗學校	239,000,000	100	239,000,000
5. The completed portion of Huizhou Guangzheng Preparatory School, Xia Village, Ruhu Town, Jiangbei District, Huicheng District, Huizhou, Guangdong Province, the PRC  中國廣東省惠州市惠城區江北區汝湖鎮 蝦村惠州市光正實驗學校完工部份	No commercial value	100	No commercial value
6. The completed portion of Panjin Guangzheng Preparatory School, south of Youyi Street, east of Zhonghua Road, Xinglongtai District, Panjin, Liaoning Province, the PRC  中國遼寧省盤錦市興隆台區 中華路東友誼街南盤錦市 光正實驗學校完工部分	No commercial value	100	No commercial value
<b>Sub-total of Group II:</b>	<u>490,000,000</u>		<u>490,000,000</u>

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### Group III – Properties held by the Group under development in the PRC

Property	Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
7. The under construction portion of Huizhou Guangzheng Preparatory School, Xia Village, Ruhu Town, Jiangbei District, Huicheng District, Huizhou, Guangdong Province, the PRC  中國廣東省惠州市惠城區江北區汝湖鎮蝦村惠州市光正實驗學校在建部分	No commercial value	100	No commercial value
8. The under construction portion of Weifang Guangzheng Preparatory School, south of Xuanwu Street, west of Qingping Road, north of Lechuan Street, Kuiwen District, Weifang, Shandong Province, the PRC  中國山東省濰坊市奎文區玄武街以南、清平路以西、樂川街以北 濰坊市光正實驗學校在建部份	No commercial value	100	No commercial value
<b>Sub-total of Group III:</b>	No commercial value		No commercial value

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### Group IV – Property held by the Group for future development in the PRC

Property	Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
9. The development site for Panjin Guangzheng Preparatory School, south of Youyi Street, east of Zhonghua Road, Xinglongtai District, Panjin, Liaoning Province, the PRC  中國遼寧省盤錦市興隆臺區 中華路東友誼街南盤錦市 光正實驗學校待建部分	No commercial value	100	No commercial value
10. The development site for portion of Weifang Guangzheng Preparatory School, south of Xuanwu Street, west of Qingping Road, north of Lechuan Street, Kuiwen District, Weifang, Shandong Province, the PRC  中國山東省濰坊市奎文區 玄武街以南、清平路以西、樂川街以北 濰坊市光正實驗學校待建部分	No commercial value	100	No commercial value
<b>Sub-total of Group IV:</b>	No commercial value		No commercial value

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### Group V – Properties leased and occupied by the Group in the PRC

Property	Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
11. Properties leased for Dongguan Guangming School, Guangming Road, Dongcheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市東城區 光明大道東莞市光明中學 租賃物業	No commercial value	100	No commercial value
12. Properties leased for Dongguan Guangzheng Preparatory School, Zengbu Village, Chashan County, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市茶山鎮增埗村 東莞市光正實驗學校租賃物業	No commercial value	100	No commercial value
13. Room 201, Unit 3, Building 12, District 2 of Jinxing Garden, 57 Liaohe South Road, Xinglongtai District, Panjin, Liaoning Province, the PRC  中國遼寧省盤錦市興隆臺區 遼河南路57號錦興花園2區 12號樓3單元201號房	No commercial value	100	No commercial value



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		Market value in existing state as at 30 June 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 30 June 2016 (RMB)
14.	<b>Property</b>  Room 3-601, Building 3, Qingping Garden, 3197 Fushou West Road, Weicheng District, Weifang, Shandong Province, the PRC  中國山東省濰坊市濰城區 福壽西路3197號清平花園小區 3號樓3-601房	No commercial value	100	No commercial value
	<b>Sub-total of Group V:</b>	No commercial value		No commercial value
	<b>Grand total of Groups I to V:</b>	508,300,000		508,300,000

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### VALUATION CERTIFICATE

#### Group I – Property held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
1. Units 1601 to 1608 of Huicheng Building, No. 102 Hongfu Road, Nancheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市南城區鴻福路102號匯成大廈1601至1608單元	Completed in 2007, Huicheng Building is a 17-storey commercial building with 2 basements.  The property comprises 8 office units on Level 16 of Huicheng Building with a total gross floor area of approximately 1,475.95 sq m.  The property is held with land use rights for a term due to expire on 25 May 2055 for office use.	As at the valuation date, the property was leased to a single tenant for a term due to expire on 31 December 2020 at an annual rent of RMB1,115,818 from 1 January 2016 to 30 June 2018 and RMB1,227,400 from 1 July 2018 to 31 December 2020.	RMB18,300,000  (100% interest attributable to the Group: RMB18,300,000)

Notes:–

- (1) According to eight Real Estate Title Certificates issued by 東莞市房產管理局 (Bureau of Housing Management of Dongguan Municipality), the land use rights and building ownership of the property have been vested in 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) with details as follows:

No.	Certificate No.	Date of Issue	Location in Huicheng Building	Gross floor area (sq m)
1	0400036704	3-Jul-2009	Unit 1601	173.70
2	0400041756	16-Jul-2009	Unit 1602	171.98
3	0400041759	16-Jul-2009	Unit 1603	243.65
4	0400041760	16-Jul-2009	Unit 1604	171.98
5	0400041757	16-Jul-2009	Unit 1605	173.70
6	0400041755	16-Jul-2009	Unit 1606	168.28
7	0400041761	16-Jul-2009	Unit 1607	188.17
8	0400041758	16-Jul-2009	Unit 1608	184.49
<b>Total:</b>				<b>1,475.95</b>

- (2) According to Business License No. 441900000068478 dated 13 October 2014, 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) has been established with a registered capital of RMB83,400,000 and a valid operation period since 10 October 2002.

- (3) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:–

- (i) The Real Estate Title Certificates of the property are legal, valid and enforceable under the PRC laws;
- (ii) The land use rights and building ownership of the property have been vested in 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.); and
- (iii) 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) has the right to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.

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- (4) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:–

Real Estate Title Certificates	Yes
Business License	Yes

- (5) Our major assumptions in our valuation method are as follows:

Use	Average market monthly unit rent (RMB/sq m)	Capitalisation rate
Office	64	5.5%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The monthly rental levels of those major lettings of office properties with range from approximately RMB50 per sq m to RMB80 per sq m.

We have gathered and analysed various recent sales transactions of office properties and noted that the capitalisation rates implied in those transactions are generally within the range from 5% to 6% for office premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rates used are reasonable having regard to the capitalisation rates analysed from sales of comparable properties which we have collected.

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#### Group II – Properties held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016														
2. Dongguan Guangming School, Guangming Road, Dongcheng District, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市東城區光明大道東莞市光明中學	<p>The property is a school developed on three parcels of adjoining land with a total site area of approximately 135,247.21 sq m.</p> <p>Completed in the period between 2003 and 2008, the property comprises various office buildings, teaching buildings, dormitories and related ancillary facilities. The property has a total gross floor area of approximately 138,429.90 sq m.</p> <p>For portion of the property with a total gross floor area of approximately 120,923.28 sq m, relevant certificates and approval in respect of construction issued by the government have been obtained with details as follows:</p> <table><tr><th>Use</th><th>Approximate gross floor area (sq m)</th></tr><tr><td>Teaching Buildings</td><td>23,940.81</td></tr><tr><td>Dormitories</td><td>49,264.00</td></tr><tr><td>Experimental Building</td><td>11,564.58</td></tr><tr><td>Office Buildings</td><td>24,232.19</td></tr><tr><td>Literature and Art Building</td><td>11,621.70</td></tr><tr><td>Total</td><td>120,623.28</td></tr></table> <p>Such certificates and approval have not been obtained for the remaining buildings with a total gross floor area of approximately 17,806.52 sq m.</p> <p>The property is held with land use rights for terms due to expire on 19 February 2053 for education use.</p>	Use	Approximate gross floor area (sq m)	Teaching Buildings	23,940.81	Dormitories	49,264.00	Experimental Building	11,564.58	Office Buildings	24,232.19	Literature and Art Building	11,621.70	Total	120,623.28	As at the valuation date, the property was occupied by the Group as a school.	RMB251,000,000  (100% interest attributable to the Group: RMB251,000,000)
Use	Approximate gross floor area (sq m)																
Teaching Buildings	23,940.81																
Dormitories	49,264.00																
Experimental Building	11,564.58																
Office Buildings	24,232.19																
Literature and Art Building	11,621.70																
Total	120,623.28																

Notes:–

- (1) We have ascribed no commercial value to the portion of the property with a total gross floor area of approximately 17,806.52 sq m that relevant certificates and approval from the government in respect of the construction have not been obtained.

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- (2) According to three State-owned Land Use Rights Certificates all issued by 東莞市人民政府 (Dongguan Peoples' Government), the land use rights of the property with a total site area of 135,247.21 sq m have been vested in 東莞市光正實業投資有限公司 (Dongguan Guangzheng Investment Enterprise Co., Ltd.) for education use with details as follows:-

No.	Certificate No.	Date of issue	Land use	Expiry date of land use term	Site area (sq m)
1	(2003) 115	26-Mar-2003	Education	19-Feb-2053	28,245.76
2	(2003) 116	26-Mar-2003	Education	19-Feb-2053	51,918.00
3	(2003) 117	26-Mar-2003	Education	19-Feb-2053	55,083.45
<b>Total:</b>					<b>135,247.21</b>

- (3) According to six Real Estate Title Certificates issued by 東莞市房產管理局 (Bureau of Housing Management of Dongguan Municipality), the land use rights and building ownership of the property have been vested in 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) with details as follows:

No.	Certificate No.	Date of Issue	Location in Dongguan Guangming School	Gross floor area (sq m)
1	0200949203	20-May-2016	Experimental Literature and Art Building	11,621.70
2	0200949204	20-May-2016	Teaching Building	11,822.88
3	0200949205	20-May-2016	Office Building	17,821.43
4	0200954200	30-May-2016	Office Building Phase 2	6,410.76
5	0200954201	30-May-2016	Teaching Building Phase 2	12,117.93
6	0200954202	30-May-2016	Experimental Building	11,564.58
<b>Total:</b>				<b>71,359.28</b>

Real Estate Title Certificates have not been obtained for portion of the property with a total gross floor area of 67,070.00 sq m.

- (4) According to three Planning Permits for Construction Use of Land issued by 東莞市城市規劃局 (Construction Planning Bureau of Dongguan Municipal), the construction site of land with a site area of 135,247.00 sq m are in compliance with the urban planning requirements and have been approved with the following details:

No.	Certificate No.	Date of issue	Project Name in Guangming School	Land area (sq m)
1	02988	11-Dec-2002	Junior High School Teaching Area	55,087.00
2	02989	11-Dec-2002	Living Quarters	28,245.00
3	02990	11-Dec-2002	Teaching Area	51,915.00
<b>Total:</b>				<b>135,247.00</b>

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- (5) According to eight Planning Permits for Construction Works issued by 東莞市城建規劃局 (Planning Bureau of Dongguan Municipal), the subject development, situated at Guangming Road, Dongcheng District with a total gross floor area of 97,776.10 sq m are in compliance with the urban planning requirements and have been approved with details as follows:

No.	Certificate No.	Date of issue	Project Name in Guangming School	Construction Scale (sq m)
1	A2003035	29-Jan-2003	Office Building	12,182.00
2	A2003036	29-Jan-2003	Office Building	17,924.00
3	A2003037	29-Jan-2003	Experimental Literature and Art Building	11,805.00
4	A2003038	29-Jan-2003	Corridor A/B	1,379.00
5	A2004112	2-Jun-2004	Experimental Building Phase 2	12,541.90
6	A2004113	2-Jun-2004	Teaching Building Phase 2	13,208.10
7	A2004114	2-Jun-2004	Dormitory Building Phase 2	21,110.00
8	A2004115	2-Jun-2004	Office Building Phase 2	7,626.10
<b>Total:</b>				<b>97,776.10</b>

- (6) According to nine Permits for Commencement of Construction Works issued by 東莞市建設局 (Construction Bureau of Dongguan Municipal), the subject development is in compliance with the requirements for works commencement and have been permitted with details as follows:

No.	Certificate No.	Date of issue	Project Name in Guangming School	Construction Scale (sq m)
1	441900200302120301	12-Feb-2003	Teaching Building	12,182.00
2	441900200302120401	12-Feb-2003	Comprehensive Office Building Frame	17,924.00
3	441900200302120501	12-Feb-2003	Literature and Art Building	11,805.00
4	441900200302120601	12-Feb-2003	Corridor A/B	N/A
5	441900200303060301	06-Mar-2003	Living Quarters Dormitory Building	30,224.00
6	441900200503070401	07-Mar-2005	Dormitory Building Phase 2	19,040.00
7	441900200503070501	07-Mar-2005	Teaching Building Phase 2	13,692.90
8	441900200503070601	07-Mar-2005	Experimental Building Phase 2	11,967.45
9	441900200503070701	07-Mar-2005	Office Building Phase 2	6,928.41
<b>Total:</b>				<b>123,763.76</b>

- (7) According to four Proof Reports of Completion and Acceptance for Construction Works issued by 東莞市建設局 (Construction Bureau of Dongguan Municipal), the subject development with a total gross floor area of 123,763.76 sq m have been completed with details as follows:

No.	Certificate No.	Date of issue	Project Name in Guangming School	Construction Scale (sq m)
1	441900200711200001	20-Nov-2007	Dormitory Building Phase 2	19,040.00
2	441900200711200002	20-Nov-2007	Experimental Building Phase 2	11,967.45
3	441900200711280006	28-Nov-2007	Teaching Building Phase 2	13,692.90
4	441900200711280007	28-Nov-2007	Office Building Phase 2	6,928.41
<b>Total:</b>				<b>51,628.76</b>

- (8) According to Business License No. 441900000068478 dated 13 October 2014, 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) has been established with a registered capital of RMB83,400,000 and a valid operation period since 10 October 2002.

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- (9) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:–
- (i) The State-owned Land Use Rights Certificates and Real Estate Title Certificates of the property are legal and valid under the PRC laws;
  - (ii) The land use rights and building ownership of the property have been vested in 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.);
  - (iii) 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) is the legal land user of the property;
  - (iv) 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) has the right to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
- (10) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:–
- |   |     |
|---|-----|
| State-owned Land Use Rights Certificates                          | Yes |
| Real Estate Title Certificates                                    | Yes |
| Planning Permits for Construction Use of Land                     | Yes |
| Planning Permits for Construction Works                           | Yes |
| Permits for Commencement of Construction Works                    | Yes |
| Proof Reports of Completion and Acceptance for Construction Works | Yes |
| Business License  | Yes |

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016														
3.	Dongguan Guangming Primary School, Guangming Road, Dongcheng District Dongguan, Guangdong Province, the PRC  中國廣東省東莞市東城區光明大道 東莞市光明小學	<p>The property is a school developed on seven parcels of adjoining land with a total site area of approximately 24,192.04 sq m.</p> <p>Completed in the period between 2008 and 2010, the property comprises various office buildings, teaching buildings, dormitories and related ancillary facilities.</p> <p>As advised by the Group, the property has a total gross floor area of approximately 69,471.88 sq m with details as follows:–</p> <table><thead><tr><th>Use</th><th>Approximate Gross Floor Area (sq m)</th></tr></thead><tbody><tr><td>Teaching Building</td><td>20,962.30</td></tr><tr><td>Office Building</td><td>3,747.70</td></tr><tr><td>Art Building</td><td>15,209.60</td></tr><tr><td>Experimental Building</td><td>4,114.00</td></tr><tr><td>Dormitories</td><td>25,438.28</td></tr><tr><td>Total</td><td>69,471.88</td></tr></tbody></table> <p>Relevant certificates and approval in respect of the construction of the property have not been obtained from the government.</p> <p>The property is held with collectively-owned land use rights (For details, please see Note (2)).</p>	Use	Approximate Gross Floor Area (sq m)	Teaching Building	20,962.30	Office Building	3,747.70	Art Building	15,209.60	Experimental Building	4,114.00	Dormitories	25,438.28	Total	69,471.88	As at the valuation date, the property was occupied by the Group as a school.	No commercial value
Use	Approximate Gross Floor Area (sq m)																	
Teaching Building	20,962.30																	
Office Building	3,747.70																	
Art Building	15,209.60																	
Experimental Building	4,114.00																	
Dormitories	25,438.28																	
Total	69,471.88																	

Notes:–

- (1) As advised by the Group, the Land Use Right Certificates for the property had not been obtained since the procedures for purchasing collectively-owned Land use right had not been completed. We have ascribed no commercial value to the property.



## APPENDIX III

## PROPERTY VALUATION REPORT

- (2) According to Transfer Contract of Collective-owned Land Use Rights entered into between 東莞市康華信用擔保有限公司 (Dongguan Kanghua Credit Guarantee Co., Ltd.) (the Transferor) and 東莞市光正實業投資有限公司 (Dongguan Guangzheng Investment Enterprise Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : The intersection of Guangming First Ring Road and Second Ring Road, Dongcheng District, Dongguan City
- (ii) Site area : 11,700.00 sq m
- (iii) Consideration : RMB8,190,000

According to Transfer Contract of Collective-owned Land Use Rights entered into between 吳澤森 (the Transferor) and 東莞市光正實業投資有限公司 (Dongguan Guangzheng Investment Enterprise Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : The intersection of Guangming First Ring Road and Second Ring Road, Dongcheng District, Dongguan City
- (ii) Site area : 4,157.00 sq m
- (iii) Consideration : RMB12,500,000

According to Transfer Contract of Collective-owned Land Use Rights entered into between 朱仕花 (the Transferor) and 東莞市光正實業投資有限公司 (Dongguan Guangzheng Investment Enterprise Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : 48 Puxin Village, Dongcheng District, Dongguan City
- (ii) Site area : 1,355.00 sq m
- (iii) Consideration : RMB7,000,000

According to Transfer Contract of Collective-owned Land Use Rights entered into between 溫勝田 (the Transferor) and 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : Puxin Village, East Dongguan Guangming Primary School, Dongcheng District, Dongguan City
- (ii) Site area : 212.00 sq m
- (iii) Consideration : RMB148,400

According to Transfer Contract of Collective-owned Land Use Rights entered into between 溫勝田 (the Transferor) and 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : Puxin Village, East Dongguan Guangming Primary School, Dongcheng District, Dongguan City
- (ii) Site area : 455.00 sq m
- (iii) Consideration : RMB318,500

## APPENDIX III

## PROPERTY VALUATION REPORT

According to Transfer Contract of Collective-owned Land Use Rights entered into between 鄧志堅 (the Transferor) and 東莞市光明小學 (Dongguan Guangming Primary School) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : Puxin Village, Guangming Community, Dongcheng District, Dongguan City
- (ii) Site area : 2,138.44 sq m
- (iii) Consideration : RMB7,400,000

According to Transfer Contract of Collective-owned Land Use Rights entered into between 鄧日通 (the Transferor) and 東莞市光正實業投資有限公司 (Dongguan Guangzheng Investment Enterprise Co., Ltd.) (Transferee), the Transferor has agreed to grant the land use rights of the property to the Transferee with the details as follows:–

- (i) Location : Guangming Management District, Dongcheng District, Dongguan City
- (ii) Site area : 4,174.60 sq m
- (iii) Consideration : RMB8,000,000

(3) According to Business License No. 441900000068478 dated 13 October 2014, 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) has been established with a registered capital of RMB83,400,000 and a valid operation period since 10 October 2002.

(4) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:–

- (i) 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) and 東莞市光明小學 (Dongguan Guangming Primary School) have submitted application for the Land Use Right Certificates. According to the PRC Legal Opinion, the Land Use Right Certificate will be issued by the relevant departments upon completion of the application procedures; and
- (ii) 廣東光正教育集團有限公司 (Guangdong Guangzheng Educational Group Co., Ltd.) and 東莞市光明小學 (Dongguan Guangming Primary School) have the right to freely occupy and use the land use rights and building ownership of the property.

(5) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:–

Transfer Contracts of Collective-owned Land Use Rights	Yes
Business Licence	Yes

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016										
4. Dongguan Guangzheng Preparatory School, Zengbu Village, Chashan County, Dongguan, Guangdong Province, the PRC  中國廣東省東莞市茶山鎮增埗村東莞市光正實驗學校	<p>The property is a school developed on three parcels of adjoining land with a total site area of approximately 193,265.27 sq m.</p> <p>Completed in the period between 2003 and 2015, the property comprises various office buildings, teaching buildings, dormitories and related ancillary facilities. The property has a total gross floor area of approximately 138,525.57 sq m.</p> <p>For portion of the property with a total gross floor area of approximately 76,379.78 sq m, relevant certificates and approval in respect of construction issued by the government have been obtained with details as follows:</p> <table><tr><th>Use</th><th>Approximate Gross Floor Area (sq m)</th></tr><tr><td>Teaching Buildings</td><td>30,743.85</td></tr><tr><td>Canteen</td><td>8,083.70</td></tr><tr><td>Dormitories</td><td>37,552.23</td></tr><tr><td>Total</td><td>76,379.78</td></tr></table> <p>Such certificates and approval have not been obtained for the remaining buildings with a total gross floor area of approximately 62,145.79 sq m.</p> <p>The property is held with land use rights for terms of 50 years for education use. (For details, please see Note (2).</p>	Use	Approximate Gross Floor Area (sq m)	Teaching Buildings	30,743.85	Canteen	8,083.70	Dormitories	37,552.23	Total	76,379.78	As at the valuation date, the property was occupied by the Group as a school.	RMB239,000,000  (100% interest attributable to the Group: RMB239,000,000)
Use	Approximate Gross Floor Area (sq m)												
Teaching Buildings	30,743.85												
Canteen	8,083.70												
Dormitories	37,552.23												
Total	76,379.78												

Notes:—

- (1) We have ascribed no commercial value to the portion of the property with a total gross floor area of approximately 62,145.79 sq m that relevant certificates and approval from the government in respect of the construction have not been obtained.

## APPENDIX III

## PROPERTY VALUATION REPORT

- (2) According to three State-owned Land Use Rights Certificates all issued by 東莞市人民政府 (Dongguan Peoples' Government), the land use rights of the property with a total site area of 193,265.27 sq m have been vested in 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) for education use with details as follows:–

No.	Certificate No.	Date of issue	Land use	Expiry date of land use term	Site area (sq m)
1	(2005)1522	16-Jul-2013	Public Building	27-Mar-2055	131,211.65
2	(2006)882	16-Jul-2013	Education	19-Mar-2056	15,269.87
3	(2007)68	16-Jul-2013	Education	19-Mar-2056	46,783.75
<b>Total:</b>					<b>193,265.27</b>

- (3) According to eight Real Estate Title Certificates issued by 東莞市房產管理局 (Bureau of Housing Management of Dongguan Municipality), the land use rights and building ownership of the property have been vested in 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) with details as follows:

No.	Certificate No.	Date of Issue	Location in Dongguan Guangzheng Preparatory School	Gross floor area (sq m)
1	3300965574	17-June-2016	Teaching Building A	10,247.95
2	3300965575	17-June-2016	Teaching Building A1	10,247.95
3	3300965576	17-June-2016	Teaching Building A2	10,247.95
4	3300965577	17-June-2016	Dormitory A	7,592.86
5	3300965575	17-June-2016	Dormitory A1	7,592.86
6	3300965579	17-June-2016	Dormitory A2	7,592.86
7	3300965580	17-June-2016	Dormitory B	7,387.65
8	3300965581	17-June-2016	Dormitory C	7,386.00
<b>Total:</b>				<b>68,296.08</b>

Real Estate Title Certificates have not been obtained for portion of the property with a total gross floor area of 70,229.49 sq m.

- (4) According to Planning Permit for Construction Use of Land No. 2004-29-10008 issued by 東莞市城建規劃局 (Construction Planning and Construction Bureau of Dongguan Municipal) on 5 March 2004, the construction site of land with a site area of 327,314.70 sq m are in compliance with the urban planning requirements and have been approved.
- (5) According to Planning Permit for Construction Works No. 2004-29-10005 issued by 東莞市城建規劃局 (Construction Planning and Construction Bureau of Dongguan Municipal) on 5 March 2004, the construction works situated Zengbu Village, Chashan County, with a total gross floor area of 8,084.00 sq m are in compliance with the urban planning requirements and have been approved.

## APPENDIX III

## PROPERTY VALUATION REPORT

- (6) According to three Permits for Commencement of Construction Works issued by 東莞市建設局 (Construction Bureau of Dongguan Municipal), the property is in compliance with the requirements for works commencement and have been permitted with details as follows:

No.	Certificate No.	Date of issue	Project Name	Construction Scale (sq m)
1	441900200406301001	30-Jun-2004	Canteen	8,083.70
2	441900200406300801	30-Jun-2004	Teaching Building A, A1, A2	32,199.00
3	441900200406300901	30-Jun-2004	Student Dormitories A, B, C	43,781.70
<b>Total:</b>				<b>84,064.40</b>

- (7) According to two Proof Reports of Completion and Acceptance for Construction Works issued by 東莞市建設局 (Construction Bureau of Dongguan Municipal), the subject development with a total gross floor area of 69,127.26 sq m have been completed with details as follows:

No.	Certificate No.	Date of issue	Project Name	Construction Scale (sq m)
1	441900200806190001	19-Jun-2008	Zengbu Village, Chashan County	32,199.00
2	441900200806200003	20-Jun-2008	Zengbu Village, Chashan County	36,928.26
<b>Total:</b>				<b>69,127.26</b>

- (8) According to Registration Certificate of Private Non-enterprise Entities No. 010475 dated 25 November 2013, 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) has been established with a registered capital of RMB50,434,793.86 and a valid operation period from 25 November 2013 to 29 November 2017.

- (9) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:-

- (i) The State-owned Land Use Rights Certificates and Real Estate Title Certificates of the property are legal and valid under the PRC laws;
- (ii) The land use rights and building ownership of the property have been vested in 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School);
- (iii) 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) is the legal land user of the property; and
- (iv) 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) has the right to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.

- (10) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:-

State-owned Land Use Rights Certificates	Yes
Real Estate Title Certificates	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Proof Reports of Completion and Acceptance for Construction Works	Yes
Business License	Yes

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016								
5.	<p>The completed portion of Huizhou Guangzheng Preparatory School, Xia Village, Ruhu Town, Jiangbei District, Huicheng District, Huizhou, Guangdong Province, the PRC</p> <p>中國廣東省惠州市惠城區江北區汝湖鎮蝦村 惠州市光正實驗學校完工部份</p>	<p>Upon completion, Huizhou Guangzheng Preparatory School is a school developed on a parcel of land with a total site area of approximately 64,321.10 sq m.</p> <p>Completed in the period between 2013 and 2015, the property comprises the completed portion of Huizhou Guangzheng Preparatory School and comprises various teaching buildings, dormitories and related ancillary facilities.</p> <p>As advised by the Group, the property has a total gross floor area of approximately 63,988.76 sq m with details as follows:–</p>	<p>As at the valuation date, the property was occupied by the Group as a preparatory school.</p>	<p>No commercial value</p>								
		<table><tr><th></th><th>Approximate gross floor area (sq m)</th></tr><tr><td>Teaching Buildings</td><td>22,913.39</td></tr><tr><td>Student Dormitories</td><td>41,075.37</td></tr><tr><td>Total</td><td>63,988.76</td></tr></table>		Approximate gross floor area (sq m)	Teaching Buildings	22,913.39	Student Dormitories	41,075.37	Total	63,988.76		
	Approximate gross floor area (sq m)											
Teaching Buildings	22,913.39											
Student Dormitories	41,075.37											
Total	63,988.76											
		<p>The property is held with allocated land use rights for education use.</p>										

*Notes:-*

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificate No. (2014)13020100008 issued by 惠州市人民政府 (Huizhou Peoples' Government) on 2 April 2014, the land use rights of the property with a total site area of 64,321.10 sq m have been allocated to 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) for education use.
- (3) According to three Real Estate Title Certificates issued by 惠州市房產管理局 (Bureau of Housing Management of Huizhou Municipality), the land use rights and building ownership of the property have been vested in 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) with details as follows:

No.	Certificate No.	Date of Issue	Location in Huizhou Guangzheng Preparatory School	Gross floor area (sq m)
1	100380113	1-April-2016	Primary School Teaching Building	22,913.39
2	100380114	1-April-2016	Dormitory	12,627.64
3	100380117	1-April-2016	Dormitory	<u>28,447.73</u>
<b>Total:</b>				<u><u>63,988.76</u></u>

## APPENDIX III

## PROPERTY VALUATION REPORT

- (4) According to Planning Permit for Construction Use of Land issued by 惠州市住房和城鄉規劃建設局 (Housing & Urban and Rural Planning Bureau of Huizhou Municipal) on 13 April 2012, the construction site of land with a site area of 179,575.00 sq m are in compliance with the urban planning requirements and have been approved.
- (5) According to four Planning Permits for Construction Works issued by 惠州市住房和城鄉規劃建設局 (Housing & Urban and Rural Planning Bureau of Huizhou Municipal), the construction works, situated Xia Village, Ruhu Town, Jiangbei District, Huicheng District, with a total gross floor area of 97,776.10 sq m are in compliance with the urban planning requirements and have been approved with details as follows:

No.	Certificate No.	Date of issue	Project Name	Construction Scale (sq m)
1	441302(2013)10149	14-Mar-2013	Primary School Teaching Building	21,180.00
2	441302(2013)10150	14-Mar-2013	Primary School Dormitory Building	26,969.00
3	441302(2013)10151	14-Mar-2013	Senior High School Dormitory Building	11,782.00
4	441302(2013)10602	06-Sep-2013	Junior High School Teaching Building	32,679.00
<b>Total:</b>				<b>92,610.00</b>

- (6) According to two Permits for Commencement of Construction Works issued by 惠州市惠城區城鄉規劃建設局 (Urban and Rural Planning and Construction Bureau of Huicheng District, Huizhou Municipal), the property is in compliance with the requirements for works commencement and have been permitted with details as follows:

No.	Certificate No.	Date of issue	Project Name	Construction Scale (sq m)
1	442501201306190101	12-Feb-2003	Primary School Teaching Building, Dormitory Building, Senior High School Dormitory Building	59,931.00
2	442501201404040101	04-Apr-2014	Junior High School Teaching Building	32,679.00
<b>Total:</b>				<b>92,610.76</b>

- (7) According to three Proof Reports of Completion and Acceptance for Construction Works issued by 惠州市住房和城鄉規劃建設局 (Housing & Urban and Rural Planning Bureau of Huizhou Municipal), the subject development with a total gross floor area of 12,193.20 sq m have been completed with details as follows:

No.	Certificate No.	Date of issue	Project Name	Construction Scale (sq m)
1	(2014)0054	21-Apr-2014	Senior High School Dormitory Building	1,736.90
2	(2014)0055	21-Apr-2014	Primary School Teaching Building	5,074.10
3	(2014)0056	21-Apr-2014	Primary School Dormitory Building	5,383.20
<b>Total:</b>				<b>12,194.20</b>

- (8) According to Business License No. 441300000084474 dated 21 July 2014, 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB20,000,000 and a valid operation period since 23 July 2009.

## APPENDIX III

## PROPERTY VALUATION REPORT

- (9) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:–
- (i) The Allocated-owned Land Use Rights Certificate and Real Estate Title Certificates of the property are legal and valid under the PRC laws;
  - (ii) The land use rights and building ownership of the property have been vested in 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.);
  - (iii) 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) is the legal land user of the property; and
  - (iv) 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.
- (10) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:–

Allocated Land Use Rights Certificate	Yes
Real Estate Title Certificates	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Proof Reports of Completion and Acceptance for Construction Works	Yes
Business License	Yes



## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016														
6. The completed portion of Panjin Guangzheng Preparatory School, south of Youyi Street, east of Zhonghua Road, Xinglongtai District, Panjin, Liaoning Province, the PRC	<p>Panjin Guangzheng Preparatory School is a school developed on two parcels of land with a total site area of approximately 206,340.70 sq m.</p> <p>Completed in 2014, the property comprises the completed portion of Panjin Guangzheng Preparatory School and comprises various teaching buildings, gymnasiums, dormitories and related ancillary facilities.</p>	As at the valuation date, the property was occupied by the Group as a school.	No commercial value														
中國遼寧省盤錦市興隆臺區中華路東友誼街南盤錦市光正實驗學校完工部分	<p>The property has a total gross floor area of approximately 76,588.22 sq m with details as follows:—</p> <table><thead><tr><th>Use</th><th>Approximate gross floor area (sq m)</th></tr></thead><tbody><tr><td>Teaching Buildings</td><td>32,755.52</td></tr><tr><td>Gymnasiums</td><td>5,573.00</td></tr><tr><td>Kindergarten</td><td>5,900.00</td></tr><tr><td>Dormitories</td><td>31,879.70</td></tr><tr><td>Ancillary Facilities</td><td>480.00</td></tr><tr><td>Total</td><td>76,588.22</td></tr></tbody></table> <p>The property is held with allocated land use rights for education use.</p>	Use	Approximate gross floor area (sq m)	Teaching Buildings	32,755.52	Gymnasiums	5,573.00	Kindergarten	5,900.00	Dormitories	31,879.70	Ancillary Facilities	480.00	Total	76,588.22		
Use	Approximate gross floor area (sq m)																
Teaching Buildings	32,755.52																
Gymnasiums	5,573.00																
Kindergarten	5,900.00																
Dormitories	31,879.70																
Ancillary Facilities	480.00																
Total	76,588.22																

Notes:-

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificates Nos. (2016)300124 and (2016)300125 issued by 盤錦市人民政府 (Panjin Peoples' Government) on 5 May 2016, the land use rights of the property with a total site area of 104,729.20 sq m and 101,611.50 respectively have been allocated to 盤錦市光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) for education use.

## APPENDIX III

## PROPERTY VALUATION REPORT

- (3) According to two Planning Permits for Construction Use of Land issued by 盤錦市規劃局興隆臺區分局 (Planning Bureau of Xinglongtai District, Panjin Municipal), the construction site of land with a site of 312,095.40 sq m are in compliance with the urban planning requirements and have been approved with the following details:

No.	Certificate No.	Date of issue	Project Name in Panjin Guangzheng Preparatory School	Construction Scale (sq m)
1	211100201330019	23-Aug-2013	Phase 1	132,225.70
2	211100201430002	26-Jan-2014	Phase 2	179,869.70
<b>Total:</b>				<b>312,095.40</b>

- (4) According to two Planning Permits for Construction Works issued by 盤錦市規劃局興隆臺區分局 (Planning Bureau of Xinglongtai District, Panjin Municipal), the construction works, situated South of Youyi Street, East of Zhonghua Road, Xinglongtai District with a total gross floor area of 192,108.70 sq m are in compliance with the urban planning requirements and have been approved with details as follows:

No.	Certificate No.	Date of issue	Project Name in Panjin Guangzheng Preparatory School	Construction Scale (sq m)
1	211100201330045	11-Nov-2013	Phase 1	50,187.10
2	211100201430005	28-Feb-2014	Phase 2	141,921.60
<b>Total:</b>				<b>192,108.70</b>

- (5) According to Business License No. 130000400003614 dated 21 October 2011, 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB80,000,000 and a valid operation period since 13 March 2013.

- (6) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:-

- (i) The Allocated-owned Land Use Rights Certificates of the property are legal and valid under the PRC laws;
- (ii) The land use rights and building ownership of the property have been vested in 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.);
- (iii) 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) is the legal land user of the property; and
- (iv) 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.

- (7) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:-

Allocated Land Use Rights Certificates	Yes
Planning Permits for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Business License	Yes

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

#### Group III – Properties held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
7. The under construction portion of Huizhou Guangzheng Preparatory School, Xia Village, Ruhu Town, Jiangbei District, Huicheng District, Huizhou, Guangdong Province, the PRC  中國廣東省惠州市惠城區江北區汝湖鎮蝦村 惠州市光正實驗學校在建部份	Upon completion, Huizhou Guangzheng Preparatory School is a school developed on a parcel of land with a total site area of approximately 64,321.10 sq m.  The property comprises the under construction portion Huizhou Guangzheng Preparatory School. Upon completion, the property will comprise teaching buildings with a planned gross floor area of approximately 32,679 sq m  As advised by the Group, the property is scheduled to be completed in 2016.  The property is held with allocated land use rights for education use.	As at the valuation date, the property was under construction.	No commercial value

*Notes:–*

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificate No. (2014)13020100008 issued by 惠州市人民政府 (Huizhou Peoples' Government) on 2 April 2014, the land use rights of the property with a total site area of 64,321.10 sq m have been allocated to 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) for education use.
- (3) According to Planning Permit for Construction Use of Land issued by 惠州市住房和城鄉規劃建設局 (Housing & Urban and Rural Planning Bureau of Huizhou Municipal) on 13 April 2012, the construction site of land with a site area of 179,575.00 sq m are in compliance with the urban planning requirements and have been approved.
- (4) According to Planning Permit for Construction Works No. 441302(2013)10602 issued by 惠州市住房和城鄉規劃建設局 (Housing & Urban and Rural Planning Bureau of Huizhou Municipal) dated 6 September 2013, the construction works, situated Xia Village, Ruhu Town, Jiangbei District, Huicheng District, with a total gross floor area of 32,679.00 sq m are in compliance with the urban planning requirements and have been approved.
- (5) According to Permit for Commencement of Construction Works No. 442501201404040101 issued by 惠州市惠城區城鄉規劃建設局 (Urban and Rural Planning and Construction Bureau of Huicheng District, Huizhou Municipal) dated 4 April 2014, the property is in compliance with the requirements for works commencement and have been permitted
- (6) According to Business License No. 441300000084474 dated 21 July 2014, 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB20,000,000 and a valid operation period since 23 July 2009.
- (7) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - (i) The Allocated-owned Land Use Rights Certificate and Real Estate Title Certificates of the property are legal and valid under the PRC laws;
  - (ii) The land use rights and building ownership of the property have been vested in 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.);
  - (iii) 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) is the legal land user of the property; and
  - (iv) 惠州市光正投資有限公司 (Huizhou Guangzheng Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.

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## APPENDIX III

## PROPERTY VALUATION REPORT

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- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:-

Allocated Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business License	Yes

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
8. The under construction portion of Weifang Guangzheng Preparatory School, South of Xuanwu Street, West of Qingping Road, North of Lechuan Street, Kuiwen District, Weifang, Shandong Province, the PRC  中國山東省濰坊市奎文區玄武街以南、清平路以西、樂川街以北 濰坊市光正實驗學校在建部份	Upon completion, Weifang Guangzheng Preparatory School is a school erected on a parcel of land with a total site area of approximately 104,758.00 sq m.  The property comprises the under development portion of Weifang Guangzheng Preparatory School.  As advised by the Group, the property is scheduled to be completed in 2016.  The property will have a total above-ground gross floor area of approximately 84,764.00 sq m.  The property is held with allocated land use rights for education use.	As at the date of valuation, the property was under construction.	No commercial value

Notes:—

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificate No. (2016)B57 issued by 濰坊市人民政府 (Weifang Peoples' Government) on 14 July 2016, the land use rights of the property with a total site area of 104,758.00 sq m have been allocated to 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) for education use.
- (3) According to Planning Permit for Construction Use of Land No. 07022015WK018 issued by 濰坊市規劃局 (Planning Bureau of Weifang) on 28 December 2015, the construction site of land with a site area of 104,758.00 sq m and a construction scale of 94,823.50 sq m are in compliance with the urban planning requirements and have been approved.
- (4) According to 8 Planning Permits for Construction Works issued by 濰坊市規劃局 (Planning Bureau of Weifang), the construction works with a total gross floor area of 84,764.60 sq m are in compliance with the urban planning requirements and have been approved with details as follows:

No.	Certificate No.	Date of issue	Construction Scale (sq m)
1	3707022016WK067	2 August 2016	16,869.80
2	3707022016WK068	2 August 2016	180.32
3	3707022016WK069	2 August 2016	26,648.22
4	3707022016WK070	2 August 2016	3,858.67
5	3707022016WK071	2 August 2016	4,325.38
6	3707022016WK072	2 August 2016	6,060.63
7	3707022016WK073	2 August 2016	6,214.93
8	3707022016WK074	2 August 2016	20,606.65
<b>Total</b>			<b>84,764.60</b>

- (5) As advised by the Group, the total expended construction cost of the property as at the Valuation Date was RMB200,000,000 whilst the outstanding construction cost for completion of the property as at the Valuation Date was RMB50,000,000.

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## PROPERTY VALUATION REPORT

- (6) According to Business License No. 91370702MA3BX2CX19 dated 9 October 2015, 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB30,000,000 and a valid operation period from 9 October 2015 to 8 October 2065.
- (7) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:–
- (i) The Allocated-owned Land Use Rights Certificate of the property is legal and valid under the PRC laws;
  - (ii) The land use rights and building ownership of the property have been vested in 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.);
  - (iii) 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) is the legal land user of the property; and
  - (iv) 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.
- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:–

Allocated Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

#### Group IV – Properties held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
9. The development site for portion of Panjin Guangzheng Preparatory School, south of Youyi Street, east of Zhonghua Road, Xinglongtai District, Panjin, Liaoning Province, the PRC	Panjin Guangzheng Preparatory School is a school developed on two parcels of land with a total site area of approximately 206,340.70 sq m.  The property is the land portion of Panjin Guangzheng Preparatory School for future development. Upon completion, the property will comprise various teaching buildings, gymnasiums, dormitories and related ancillary facilities.	As at the date of valuation, the property was bare land.	No commercial value
中國遼寧省盤錦市興隆臺區中華路東友誼街南盤錦市光正實驗學校待建部分	The property will have a total gross floor area of approximately 235,507.18 sq m.  The property is held with allocated land use rights for education use.		

Notes:–

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificate Nos. (2016)300124 and (2016)300125 issued by 盤錦市人民政府 (Panjin Peoples' Government) on 5 May 2016, the land use rights of the property with a total site area of 104,729.20 sq m and 101,611.50 respectively have been allocated to 盤錦市光正投資有限公司 (Panjin Guangzheng Enterprise Co., Ltd.) for education use.
- (3) According to two Planning Permits for Construction Use of Land issued by 盤錦市規劃局興隆臺區分局 (Planning Bureau of Xinglongtai District, Panjin Municipal), the construction site of land with a site of 312,095.40 sq m are in compliance with the urban planning requirements and have been approved with the following details:

No.	Certificate No.	Date of issue	Project Name in Panjin Guangzheng Preparatory School	Construction Scale (sq m)
1	211100201330019	23-Aug-2013	Phase 1	132,225.70
2	211100201430002	26-Jan-2014	Phase 2	179,869.70
<b>Total:</b>				<b>312,095.40</b>

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## PROPERTY VALUATION REPORT

- (4) According to two Planning Permits for Construction Works issued by 盤錦市規劃局興隆臺區分局 (Planning Bureau of Xinglongtai District, Panjin Municipal), the construction works, situated South of Youyi Street, East of Zhonghua Road, Xinglongtai District with a total gross floor area of 192,108.70 sq m are in compliance with the urban planning requirements and have been approved with details as follows:

No.	Certificate No.	Date of issue	Project Name in Panjin Guangzheng Preparatory School	Construction Scale (sq m)
1	211100201330045	11-Nov-2013	Phase 1	50,187.10
2	211100201430005	28-Feb-2014	Phase 2	141,921.60
<b>Total:</b>				<b>192,108.70</b>

- (5) According to two Permits for Commencement of Construction Works issued by 盤錦市興隆臺區住房和城鄉建設局 (Housing & Urban and Rural Construction Bureau of Xinglongtai District, Panjin Municipal), the property is in compliance with the requirements for works commencement and have been permitted with details as follows:

No.	Certificate No.	Date of issue	Project Name in Panjin Guangzheng Preparatory School	Construction Scale (sq m)
1	211103201512150101	15-December-2015	Phase 2	43,352.70
2	211103201510270501	27-October-2015	Phase 1	33,235.52
<b>Total:</b>				<b>76,588.22</b>

- (6) According to Business License No. 130000400003614 dated 21 October 2011, 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB80,000,000 and a valid operation period since 13 March 2013.

- (7) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:-

- (i) The Allocated-owned Land Use Rights Certificates of the property are legal and valid under the PRC laws;
- (ii) The land use rights and building ownership of the property have been vested in 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.);
- (iii) 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) is the legal land user of the property; and
- (iv) 盤錦光正投資有限公司 (Panjin Guangzheng Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.

- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:-

Allocated Land Use Rights Certificates	Yes
Planning Permits for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Business License	Yes



## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
10. The development site for portion of Weifang Guangzheng Preparatory School, South of Xuanwu Street, West of Qingping Road, North of Lechuan Street, Kuiwen District, Weifang, Shandong Province, the PRC  中國山東省 濰坊市奎文區 玄武街以南、 清平路以西、 樂川街以北 濰坊市光正實驗 學校待建部分	Upon completion, Weifang Guangzheng Preparatory School is a school erected on a parcel of land with a total site area of approximately 104,758.00 sq m.  The property comprises the land portion of Weifang Guangzheng Preparatory school for future development.  The property will have a total above-ground gross floor area of approximately 10,059.50 sq m.  The property is held with allocated land use rights for education use.	As at the date of valuation, the property was bare land.	No commercial value

*Notes:—*

- (1) The land use rights of the property are allocated in nature. We have therefore ascribed no commercial value to the property.
- (2) According to Allocated Land Use Rights Certificate No. (2016)B57 issued by 濰坊市人民政府 (Weifang Peoples' Government) on 14 July 2016, the land use rights of the property with a total site area of 104,758.00 sq m have been allocated to 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) for education use.
- (3) According to Planning Permit for Construction Use of Land No. 07022015WK018 issued by 濰坊市規劃局 (Planning Bureau of Weifang) on 28 December 2015, the construction site of land with a site area of 104,758.00 sq m and a construction scale of 94,823.50 sq m are in compliance with the urban planning requirements and have been approved.
- (4) According to Business License No. 91370702MA3BX2CX19 dated 9 October 2015, 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) has been established as a limited company with a registered capital of RMB30,000,000 and a valid operation period since from 9 October 2015 to 8 October 2065.
- (5) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:—
  - (i) The Allocated-owned Land Use Rights Certificate of the property is legal and valid under the PRC laws;
  - (ii) The land use rights and building ownership of the property have been vested in 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.);
  - (iii) 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) is the legal land user of the property; and
  - (iv) 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) has the right to freely occupy and use of the land use rights and building ownership of the property.
- (6) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:—

Allocated Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Business License	No

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

#### Group IV – Properties leased and occupied by the Group in the PRC

	Property	Description and particulars of tenancy	Market value in existing state as at 30 June 2016
11.	<p>Properties leased for Dongguan Guangming School, Guangming Road, Dongcheng District, Dongguan, Guangdong Province, the PRC</p> <p>中國廣東省東莞市東城區光明大道東莞市光明中學租賃物業</p>	<p>The property comprises various properties leased for Dongguan Guangming School.</p> <p>The property comprises a parcel of land with a site area of 2,398.00 sq m occupied by Dongguan Guangming School for leisure and recreational activities, and various properties with a total gross floor area of approximately 63,008.31 sq m occupied as dormitories or apartments for students or staff.</p> <p>The property is leased from various independent third parties to 東莞市光明中學 (Dongguan Guangming School) with various expiry dates of tenancies from 30 October 2016 to 21 March 2036 at a total monthly rent of RMB248,633.</p> <p>According to the PRC legal opinion, the lessors have not provided the Building Ownership Certificates of the property and it is not certain whether the lessors are entitled to lease the property.</p> <p>The leases have not been registered in the relevant authority.</p>	No commercial value
12.	<p>Properties leased for Dongguan Guangzheng Preparatory School, Zengbu Village, Chashan County, Dongguan, Guangdong Province, the PRC</p> <p>中國廣東省東莞市茶山鎮增埗村東莞市光正實驗學校租賃物業</p>	<p>The property comprises various properties currently occupied by Dongguan Guangzheng Preparatory School as staff dormitories.</p> <p>The property has a gross floor area of 13,836 sq m and is currently occupied by the Group as staff dormitories.</p> <p>The property is leased from two independent third parties to 東莞市光正實驗學校 (Dongguan Guangzheng Preparatory School) under two tenancy agreements at a total monthly rent of RMB118,800.</p> <p>According to the PRC legal opinion, the lessors have not provided the Building Ownership Certificates of the property and it is not certain whether the lessors are entitled to lease the property.</p> <p>The leases have not been registered in the relevant authority.</p>	No commercial value

## APPENDIX III

## PROPERTY VALUATION REPORT

### VALUATION CERTIFICATE

	Property	Description and particulars of tenancy	Market value in existing state as at 30 June 2016
13.	Room 201, Unit 3, Building 12, District 2 of Jinxing Garden, 57 Liaohe South Road, Xinglongtai District, Panjin, Liaoning Province, the PRC  中國遼寧省盤錦市興隆臺區 遼河南路57號錦興花園2區 12號樓3單元201房間	<p>The property comprises one room in Unit 3, Building 12, District 2 of Jinxing Garden.</p> <p>The property has a gross floor area of approximately 122.50 sq m and is currently occupied by the Group for office and staff dormitory use.</p> <p>The property is leased from an independent third party to 盤錦市光正實驗學校 (Panjin Guangzheng Preparatory School) for a term of one year from 1 August 2015 to 31 July 2016 at a monthly rent of RMB9,000.</p> <p>According to the PRC legal opinion, the lessors have not provided the Building Ownership Certificates of the property and it is not certain whether the lessors are entitled to lease the property.</p> <p>The leases have not been registered in the relevant authority.</p>	No commercial value
14.	Room 3-601, Building 3, Qingping Garden, 3197 Fushou West Road, Weicheng District, Weifang, Shandong Province, the PRC  中國山東省濰坊市濰城區 福壽西路3197號 清平花園小區3號樓3-601房	<p>The property comprises one room in Building 3 of Qingping Garden.</p> <p>The property has a gross floor area of approximately 197.09 sq m and is currently occupied by the Group for residential use.</p> <p>The property is leased from an independent third party to 濰坊光正實驗學校投資有限公司 (Weifang Guangzheng Preparatory School Investment Co., Ltd.) for a term of one year from 10 November 2015 to 9 November 2016 at a monthly rent of RMB1,706.</p> <p>According to the PRC legal opinion, the lessors have not provided the Building Ownership Certificates of the property and it is not certain whether the lessors are entitled to lease the property.</p> <p>The leases have not been registered in the relevant authority.</p>	No commercial value