



Guangdong – Hong Kong Greater Bay Area Holdings Limited

In respect of

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

Valuation Date : 31 March 2025
Report Date : 29 July 2025
Our Reference : 1624/2332/137429-48755



Moore Transaction Services Limited

1013, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

T +852 2375 3180
F +852 2375 3828
www.moore.hk

29 July 2025

The Directors

Guangdong - Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower
Shun Tak Centre, 168-200 Connaught Road Central
Hong Kong

Dear Sirs,

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

1. Executive Summary

1.1. Introduction

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

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

1.2. Scope of Valuation

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

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

1.3. Purpose of Valuation

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

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

1.4. Date of Valuation

The Valuation Date is 31 March 2025.

1.5. Scope of Work

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

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

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

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

2. Background

2.1 Background of the Company

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

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

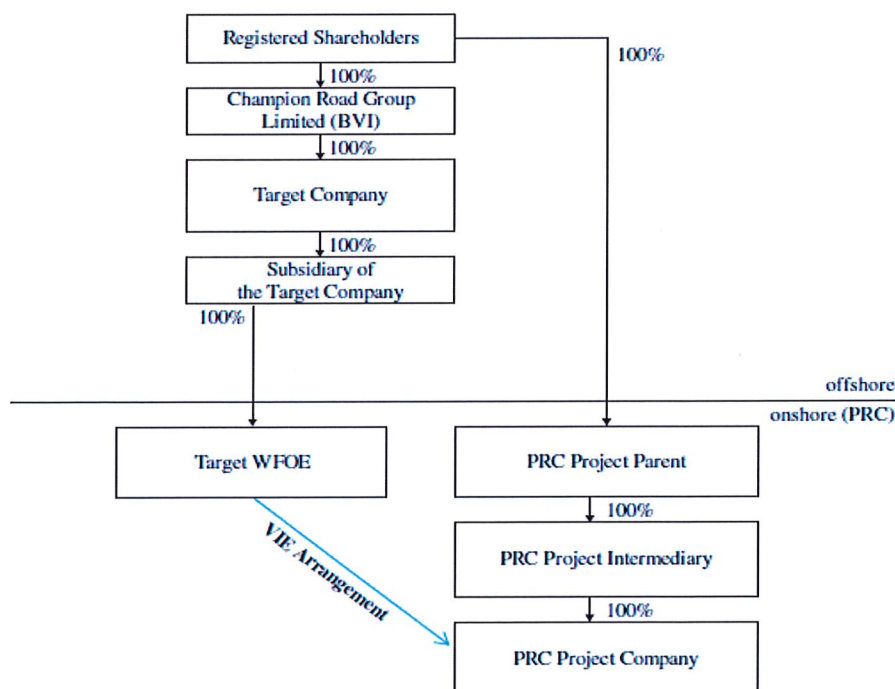
2.2 Background of the Target Group

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

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

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

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



Source: Target Management

2.3. Historical Financial Review

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

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

Source: Target Management

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

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

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

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

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

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

2.4. Major Risk Factors

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

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

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

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

3. Industry Overview

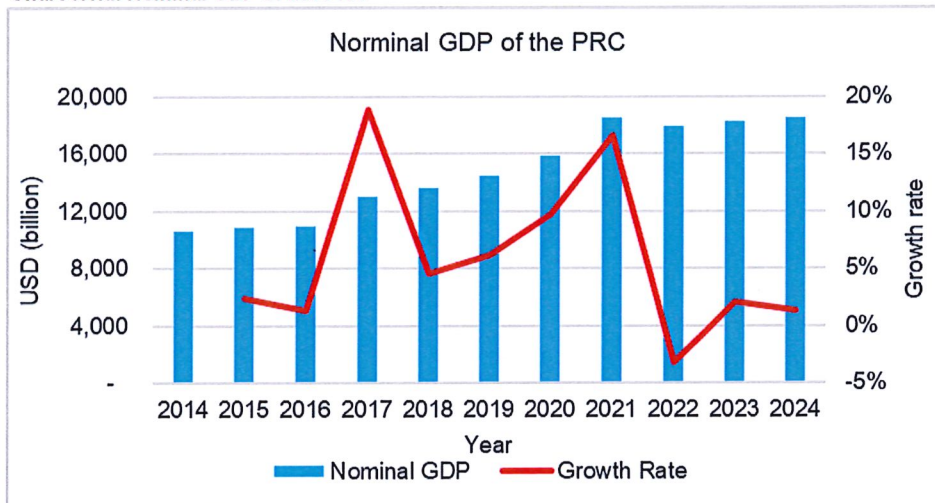
3.1. PRC Economy

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

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

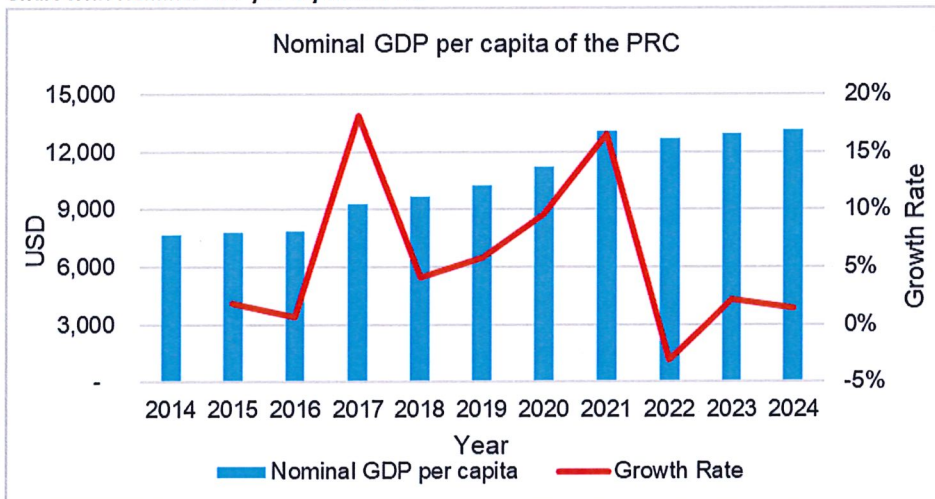
The historical trends of the Nominal GDP and Nominal GDP per capita are shown below:

Chart 3.1.a: Nominal GDP of the PRC



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

Chart 3.1b: Nominal GDP per capita of PRC



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

PRC economy faced continued challenges in 2024 amid persistent structural adjustments and external uncertainties. Escalating geopolitical tensions with the U.S. and slower-than-expected global demand further strained trade-dependent sectors, while domestic deflationary pressures and a prolonged property market downturn weighed on domestic consumption. Nevertheless,

the economy stabilized modestly through targeted fiscal stimulus and accelerated industrial upgrading in high-tech manufacturing and green energy sectors.

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

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

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

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

Chart 3.1c: Leading export countries/locations in 2024



Source: Statista

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

and green transition. Going forward, the PRC government remains confident that the local economy is resilient and will recover steadily.

3.2. Internet Data Centre Industry of the PRC

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

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

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

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

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

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

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

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