Notice of General Meeting and Explanatory Memorandum

Site Group International Limited ACN 003 201 910

Date of Meeting:	2 November 2022
Time of Meeting:	10:00 am (Brisbane time)
Place of Meeting:	Site Group International Limited Level 2, 488 Queen Street Brisbane, Queensland

This Notice of General Meeting, Explanatory Memorandum and Independent Expert Report should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

The Independent Expert, Advisory Partner Connect Pty Ltd, has concluded that the Proposed Transaction is **not fair but reasonable** to the Non-Associated Shareholders.

Important Information

The Company will hold a General Meeting (Meeting) at the Company's offices, Level 2, 488 Queen Street, Brisbane, on 2 November 2022 at 10:00 am (Brisbane time).

The Board has made the decision that it will hold a physical Meeting with appropriate social gathering and physical distancing measures in place to comply with any applicable restrictions at that time for physical gatherings.

Each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting.

Shareholders are encouraged to complete and lodge their proxies in accordance with the instructions set out in the proxy form and the Notice. Your proxy voting instruction must be received by 10:00 am (Brisbane time) on 31 October 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Computershare Investor Services Pty Limited on, 1300 850 505 (within Australia) or +61 (3) 9415 4000 (overseas).

If you are attending in person please bring your Proxy form with you to assist registration. Given there is still some uncertainty arising from the COVID-19 pandemic, Site Group strongly encourages and requests Shareholders to lodge a directed proxy in advance of the Meeting.

If Shareholders wish to attend the Meeting in person they will need to contact the Company Secretary Mr Craig Dawson (email: Craig.Dawson@site.edu.au) in order for the Company to ensure it is able to maintain compliance with any COVID related restrictions applicable as at the Meeting date.

Notice of General Meeting

Notice is given that a General Meeting of Shareholders of Site Group International Limited ACN 003 201 910 (**Company**) will be held at the offices of Site Group International Limited, Level 2, 488 Queen Street, Brisbane Queensland on 2 November 2022 at 10:00 am (Brisbane time).

Terms used in this Notice of Meeting are defined in section 4 (Interpretation) of the accompanying Explanatory Memorandum.

The Explanatory Memorandum, the Proxy Form and the Independent Expert Report accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

Agenda

Ordinary business

1. Resolution 1 – Approval of Proposed Transaction in respect of Site Group Holdings Pty Ltd under Listing Rule 10.1 and Chapter 2E of the Corporations Act.

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

"That in accordance with Listing Rule 10.1, Chapter 2E of the Corporations Act and for all other purposes, the Company be authorised, with effect from the passing of this Resolution 1, to proceed with the issue of ordinary shares in its subsidiary Site Group Holdings Pty Ltd to the Investor Group (the ***Proposed Transaction****) in accordance with the terms and conditions of the Share Subscription Deed, the details of which are summarised in the Explanatory Memorandum."*

Notes
For the purpose of Listing Rule 10.5.10, an Independent Expert Report prepared by Advisory Partners Connect Pty Ltd is **enclosed** with this Notice of Meeting in Attachment 1.

The Independent Expert, Advisory Partners Connect Pty Ltd, has concluded that the Proposed Transaction is **not fair but reasonable** to the Non-Associated Shareholders.

Further details regarding the Proposed Transaction are set out in the accompanying Explanatory Memorandum and Independent Expert Report which the Directors recommend Shareholders read in full before making any decision in relation to Resolution 1.

Voting Exclusion Statement – Listing Rule 10.1
For the purposes of Listing Rule 10.1, the Company will disregard any votes cast in favor of this Resolution by or on behalf of:

(a) the Investor Group and any other person who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) an associate of any of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if:

(a) it is cast by a person as a proxy for a person who is entitled to vote on the Resolution, in accordance with the directions to the proxy or attorney to vote on the Resolution in that way;

(b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the chair to vote as the chair decides; or

(c) it is cast by a holder acting solely as a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Exclusion Statement – Chapter 2E of the Corporations Act
For the purposes of Chapter 2E of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- Punta Properties Inc, Nicasio Alcantara and any other related party of the Company to whom the Resolution would permit a financial benefit to be given; and
- an associate of those related parties.

However, this does not prevent the casting of a vote on Resolution 1 if it is cast by a person appointed as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a related party or associate of a kind referred to above.

2. Ratification of previous issue of Placement Shares

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

*"That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue of 126,354,169 Shares in the Company at an issue price of $0.0035 per share (**Placement Shares**) to unrelated professional, sophisticated or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act (**Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting exclusion statement
The Company will disregard any votes cast in favour of this Resolution 2 by or on behalf of:

- a person who participated in the issue of the Placement Shares or is a counterparty to the agreement being approved; and
- an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on

behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Ratification of previous issue of Placement Shares

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

*"That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue under Listing Rule 7.1A of 83,645,831 Shares in the Company at an issue price of $0.0035 per share (**Placement Shares**) to unrelated professional, sophisticated or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act (**Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

- a person who participated in the issue of the Placement Shares or is a counterparty to the agreement being approved; and

- an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board

Craig Dawson
Company Secretary

28 September 2022

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Site Group International Limited 003 201 910 (**Company**) to explain the Resolutions to be put to Shareholders at the General Meeting to be held at the offices of Site Group International Limited, Level 2, 488 Queen Street, Brisbane Queensland on 2 November 2022 at 10:00 am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting, this Explanatory Memorandum and the Independent Expert's Report in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Memorandum are defined in section 4.

2. Resolution 1 - Approval of Proposed Transaction in respect of Site Group Holdings Pty Ltd under Listing Rule 10.1 and Chapter 2E of the Corporations Act

2.1 Overview

(a) On 7 March 2022, the Company announced a proposed transaction involving its subsidiary Site Group Holdings Pty Ltd ACN 121 485 729 (**SGH**). On 1 August 2022, amended terms for the proposed transaction were announced by the Company. the Company proposes to enter into the formal transaction documents in respect of the Proposed Transaction.

(b) The Proposed Transaction involves SGH, which is the holder of a long-term lease in the Clark Freeport Zone in the Philippines. The Clark Lease is a long-term property lease with Clark Development Corporation which consists of 30.7136 hectares. SGH currently uses only small part of the site the subject of the Clark Lease for its training and competency assurance services.

(c) The Company has for some time now been considering development opportunities for the Clark Lease site. The Company believes that the opportunity for development of the site remains and has entered into the Proposed Transaction with a view to securing partners to progress the development strategy.

2.2 Proposed Transaction

(a) The Proposed Transaction will be between the Company, SGH and the following parties:

(1) Punta Properties Inc, an entity which is owned by Mr Nicasio Alcantara, the Chairman of the Company and a director of SGH and Mr Alcantara's relatives. Mr Alcantara owns 10.54% of Punta Properties and is Chairman of Punta Properties, with other family members owning the remaining 89.46%;

(2) Wayburn Holdings Pty Ltd, an entity controlled by Mr Vernon Wills, a former director of the Company and a current director of SGH;

(3) Armada Investments Pty Limited ACN 001 065 989;

(4) Lucerne Finance Pty Ltd ACN 618 123 845; and

(5) Llwyn Pty Ltd ACN 641 843 156 as trustee for the Llwyn York Trust and Llwyn Wentbridge Trust.

(b) Armada Investments Pty Ltd is an entity associated with Armada Trading Pty Limited, which currently holds 132,500,000 SIT Shares, representing 12.59% of the total issued capital of the Company. Armada Trading Pty Limited also holds 12,500,000 options to subscribe for SIT Shares exercisable at $0.03 each on or before 2 March 2026.

(c) Wayburn Holdings Pty Ltd together with Mr Vern Wills and related entities currently holds 193,395,630 SIT Shares, representing 18.4% of the total issued capital of the Company.

(d) Nicasio Alcantara (a shareholder and Chairman of Punta Properties) and related entities currently holds 8,371,325 SIT Shares, representing 0.80% of the total issued capital of the Company.

(e) Lucerne Finance Pty Ltd does not currently hold any SIT Shares. Lucerne Finance Pty Ltd also holds 16,666,667 options to subscribe for SIT Shares exercisable at $0.0028 each on or before 31 December 2023.

(f) Llwyn Pty Ltd does not currently hold any SIT Shares and is not related to a director of the Company.

(g) As at 31 August 2022, the Company owed Punta Properties USD$6.87million (**Punta Conversion Amount**) being for funds advanced by Punta Properties to the Company, and interest payable by the Company, pursuant to a loan agreement dated in or about June 2018 (**Punta Loan**).Interest will continue to accrue on the Punta Loan (or that amount of the Punta Loan outstanding) until it has been repaid in full and any interest over and above the interest included in the Punta Conversion Amount will be paid in cash.

(h) As at 31 August 2022, the Company owed Wayburn Holdings USD$420,000 (**Wayburn Conversion Amount**) being for funds advanced by Wayburn to the Company and interest payable by the Company on that advance, pursuant to a loan provided by Wayburn on or about March 2021 (**Wayburn Loan**). Interest will continue to accrue on the Wayburn Loan (or that amount of the Wayburn Loan outstanding) until it has been repaid in full and any interest over and above the interest included in the Wayburn Conversion Amount will be paid in cash.

(i) Lucerne has advanced AUD$2,000,000 to the Company (**Lucerne Loan**) pursuant to a loan facility dated 31 December 2019. Interest on the Lucerne Loan is paid by the Company monthly in arrears. Lucerne intends to convert an amount of USD$315,000 (**Lucerne Conversion Amount**) of the Lucerne Loan to equity in SGH. The balance of the Lucerne Loan will be payable in accordance with the terms of the Lucerne Loan.

(j) As at 31 August 2022 the Company owed Armada Trading Pty Ltd (an entity associated with Armada) AUD$884,000 being for funds advanced by Armada Trading to the Company and interest payable by the Company on that advance (**Armada Loan**). Interest will continue to accrue on the Armada Loan (or that amount of the Armada Loan outstanding) until it has been repaid in full.

(k) The Investor Group is proposing to provide total consideration of USD$10.005 million to SGH to subscribe for an aggregate interest of 61.6% in SGH by way of the issue of 161,591,727 new SGH Shares. Part of the consideration will be the deemed repayment of:

(1) the Punta Conversion Amount, being USD$6,870,000;

(2) the Wayburn Conversion Amount, being USD$420,000; and

(3) the Lucerne Conversion Amount, being USD$315,000.

The Armada Loan (including interest) and the Lucerne Loan (including interest), together with any further interest that has accrued on the Punta Loan and the Wayburn Loan, will remain payable by the Company in accordance with their terms. The total amount of the consideration which will be satisfied by the deemed repayment of the Punta Conversion Amount, the Wayburn Conversion Amount and the Lucerne Conversion Amount will be USD$7.605 million, with the remaining consideration of USD$2.4 million to be received in cash.

(l) Following completion of the Proposed Transaction, the Company will have an obligation to repay outstanding amounts owed to the Investor Group as follows:

(1) Punta Properties– interest accrued on the outstanding amount of the Punta Loan since 31 August 2022 until repayment of the Punta Loan in full, which as at 31 October 2022 is estimated to be approximately USD$109,000;

(2) Wayburn - interest accrued on the outstanding amount of the Wayburn Loan since 31 August 2022 until repayment of the Wayburn Loan in full, which as at 31 October 2022 is estimated to be approximately AUD$15,000;

(3) Armada – AUD$884,000 plus interest accrued on the outstanding amount of the Armada Loan since 31 August 2022 until repayment of the Armada Loan in full, which as at 31 October 2022 is estimated to be approximately AUD$30,000; and

(4) Lucerne – AUD$1.55 million (interest on the Lucerne Loan is paid by the Company monthly in arrears).

(m) The balance of the consideration being USD$2.4 million will be cash consideration and will be received by SGH. SGH will retain an amount of USD$250,000 for working capital purposes and will apply the remaining cash consideration of USD$2.15 million in repayment of amounts SGH owes to the Company.

(n) Upon completion of the Proposed Transaction, the Company will retain a 38.4% interest in SGH, with the Investor Group holding the balance 61.6%.

2.3 Summary of the Proposed Transaction terms

(a) SGH is currently a wholly owned subsidiary of the Company. The Company and SGH propose to enter a Share Subscription Deed pursuant to which the following parties will subscribe for new SGH Shares for the consideration set out below:

Investor Group Party	Number of SGH Shares Subscribed for	% holding of SGH upon completion	Consideration
Punta Properties	117,095,454	44.62%	USD$6,870,000, by way of the repayment of the Punta Conversion Amount and the balance of USD$380,000 by way of cash
Wayburn Holdings	6,783,461	2.58%	USD$420,000 by way of the repayment of the Wayburn Conversion Amount
Armada	25,841,755	9.85%	USD$1,600,000 in cash

Investor Group Party	Number of SGH Shares Subscribed for	% holding of SGH upon completion	Consideration
Lucerne	5,087,596	1.94%	USD$315,000 by way of repayment of the Lucerne Conversion Amount
Llwyn	6,783,461	2.58%	USD$420,000 in cash

(b) The Proposed Transaction is subject to the following conditions:

(1) execution of a shareholders agreement by each of the Investor Group parties and the Company dealing with the ongoing management of SGH;

(2) the Company obtaining all required shareholder approvals to the Proposed Transaction including without limitation approval under Chapter 2E of the Corporations Act and Listing Rule 10.1 of the Listing Rules;

(3) the Company and SGH obtaining all regulatory consents or authorisations required to implement the Proposed Transaction in accordance with all applicable laws; and

(4) the Company and SGH obtaining all necessary consents and authorisations required pursuant to the Clark Lease to implement the Proposed Transaction.

(c) The SGH Shares to be issued to the Investor Group will rank equally with all other SGH Shares on issue.

(d) SGH will apply USD$2,150,000 of the Cash Consideration (being the full amount of the Cash Consideration (being USD$2,400,000) less USD$250,000) to repay the SGH Debt to the Company. That is, the amount of USD$2,150,000will ultimately be received by the Company. Section 2.4 of this Explanatory Memorandum set outs the proposed use of the funds to be received by the Company. The balance of USD$250,000 will be retained by SGH and applied for working capital purposes.

(e) Following completion of the Proposed Transaction, the Company will retain a 38.4% interest in SGH and will be entitled to appoint one of three directors to the board of SGH. Each of Punta and Armada are also entitled to appoint a director to the Board of SGH.

(f) Upon the issue of the SGH Shares to Punta Properties pursuant to the Proposed Transaction, all of the obligations of the Company pursuant to the Punta Loan to repay the Punta Conversion Amount, shall be satisfied by the issue of the SGH Shares to Punta. Any further interest which accrues on the Punta Loan from 31 August 2022 will remain payable by the Company.

(g) Upon the issue of the SGH Shares to Wayburn pursuant to the Proposed Transaction, all of the obligations of the Company to repay the Wayburn Conversion Amount, shall be satisfied by the issue of the SGH Shares to Wayburn. Any further interest which accrues on the Wayburn Loan from 31 August 2022 will remain payable by the Company.

(h) Upon the issue of the SGH Shares to Lucerne pursuant to the Proposed Transaction, the Lucerne Loan shall be deemed to be repaid to the extent of Lucerne Conversion Amount by the issue of the SGH Shares to Lucerne. The balance of the Lucerne Loan (together with interest) will remain payable by the Company in accordance with its terms.

(i) On or before completion of the Proposed Transaction all assets of SGH that are not directly related to the Clark Lease (as at 30 June 2022 totalling AUD$3,838,505) must be assigned to, and liabilities of SGH that are not incurred directly in respect of the Clark Lease (as at 30 June 2022 totalling AUD$1,321,024) (in addition to any amounts that SGH owes to the Company must be assumed by the Company or another Group Company. The overall effect of this is that the only assets and liabilities of SGH as at completion of the Proposed Transaction will be the Clark Lease and assets and liabilities directly associated with the Clark Lease.

(j) Following completion of the Proposed Transaction, SGH will grant to a Group Company a right to occupy that part of the Clark Lease that is reasonably required by the Company to operate the ongoing business in respect of the assets and liabilities transferred by SGH to the Group Company. The area to be sub-leased to the Group Company shall not be less than the area currently utilised by SGH. Under the terms of this sub-lease:

  (1) the costs of running the area the subject of the sub-lease which directly relate to maintenance, utilities and security shall be met by the Company; and

  (2) if SGH undertakes a redevelopment of the entire area of the Clark Lease, SGH will give the Company written notice and the Company must then vacate the sub-lease area within 9 months.

(k) SGH will provide usual warranties and representations to the Investor Group in respect of the operations, capital structure, financial position and financial performance, potential claims and other usual matters.

(l) The Company will also indemnify the Investor Group in respect of any claims or liabilities that arise directly as a result of any act or omission of SGH prior to Completion.

(m) The Company will be responsible for all costs incurred by itself, SGH and the Investor Group in the negotiation and performance of the Share Subscription Deed, including legal costs. As at the date of this Explanatory Memorandum, the Company anticipates the costs to be incurred by the Company relating to the Proposed Transaction will be approximately AUD$130,000, comprising the costs of the independent experts, legal costs of the Investor Group and the Company's legal costs.

2.4 **Related Parties**

(a) The Chair of the Company, Nicasio Alcantara, is a shareholder and the Chairman of Punta Properties (one of the members of the Investor Group). Mr Alcantara and Punta Properties are related parties of the Company.

(b) As noted above, SGH will issue 117,095,454 SGH Shares to Punta Properties, an entity associated with Mr Alcantara. Upon completion of the Proposed Transaction, this will represent 44.62% of the issued capital of SGH.

(c) The Company has obtained the Independent Expert's Report which is included as Attachment 1 to this Explanatory Memorandum. Further comments in respect of the Independent Expert's Report are set out below. The Independent Expert's Report notes that the value of a 61.6% interest in the Clark Leasehold Interest would be between AUD$14,292,378 and AUD$14,807,013. On the basis that the interest of Punta Properties in SGH will represent 44.62%, this would equate to an attributed value of between AUD$6,337,259 million and AUD$6,606,889.

(d) The issue of the SGH Shares to Punta Properties will be in full and final satisfaction of the repayment of the Punta Conversion Amount, being USD$6,870,000. In addition, Punta Properties will pay a cash consideration amount to SGH of USD$380,000. Any interest on the Punta Loan accruing after 31 August 2022, or any other amounts advanced by Punta to the Company will remain payable by the Company in accordance with the terms on which the funds are advanced. The Company estimates that as at 31 October 2022 the additional cash amount payable to Punta Properties to repay the Punta Loan will be approximately USD$109,000.

2.5 **Rationale for the Proposed Transaction**

The Non-Interested Directors have given detailed consideration to the Proposed Transaction. The rationale for the Proposed Transaction includes:

(a) The Proposed Transaction will allow the Company to pay down a large proportion of the debt currently owed by the Company both through the conversion of the Punta Conversion Amount, the Wayburn Conversion Amount and the Lucerne Conversion Amount to equity in SGH and the application of the Cash Consideration to payment of liabilities by the Company.

(b) Under the terms of the Share Subscription Deed, the Group will retain a sub-lease to that part of the Clark Lease area that they currently use for operation, thereby enabling the existing business operations currently undertaken by SGH to continue to be operated by another Group Company.

(c) The participation of the Investor Group in SGH will provide opportunities for SGH to explore development of the Clark Lease site, with the Company retaining a 38.4% interest in SGH.

(d) There are limited alternative options available to the Company with regard to the Clark Lease site or to raise capital.

(e) The Proposed Transaction does not impact the issued capital of the Company.

2.6 **Key advantages and disadvantages of the Proposed Transaction**

The passing of Resolution 1 at the Meeting will allow the Company to undertake the Proposed Transaction.

(a) Advantages

The advantages to Non-Associated Shareholders of the Proposed Transaction include:

(1) Limited capital raising opportunities are available

From 1 July 2021 to 1 July 2022, the Company's share price performance has fallen by approximately 72.7%.. The Company's shares are illiquid which means there is limited opportunity to sell shares through the market. With both points considered, there is a small group of investors who would invest in the Company.

(2) The Company's continuation is dependent on achieving certain objectives

The Directors consider that the continued going concern of the Company is based on realising value of the Clark Lease site. The Directors consider that this value may be able to be realised through third-party investors providing funds to enable SGH to proceed with its strategy of maximising the value of the leasehold. The Investor Group provides this opportunity to the Company.

(3) Investor Group provides industry and country knowledge

The introduction of the Investor Group to SGH will provide the industry and country knowledge that can enable Site Group to realise the value of the Clark Lease. Punta Properties is associated with Nic Alcantara, who is based in the Philippines and the other member of the Investor Group have extensive experience in property development.

(4) The Company will retain an interest in SGH

Following completion of the Proposed Transaction, the Company will retain a 38.4% interest in SGH and therefore benefit from any value realised in the proposed development of the Clark Lease site.

(5) Some of the existing loans of the Company will be repaid, providing the Company with a strengthened balance sheet.

Currently, the Company owes:

(A) Punta Properties USD$6,870,000 pursuant to the Punta Loan;

(B) Wayburn USD$420,000 pursuant to the Wayburn Loan;

(C) Lucerne AUD$2,000,000 pursuant to the Lucerne Loan.

Of this amount, a total of USD$7,605,000 will be repaid by the issue of SGH Shares. In doing so, the Company's balance sheet will be strengthened, and the existing loans to the extent of this amount will be repaid.

(b) Disadvantages

The disadvantages to Non-Associated Shareholders of the Proposed Sale include:

(1) Additional finance will be required

After the Proposed Transaction, SGH will need to enter third party contracts such as development joint ventures or services contracts to undertake development work at the Clark Lease site. Additional funding will be required by SGH to undertake any such works at the Clark Lease site and this may impact on the continued interest held in SGH by the Company.

(2) Capital is raised at a discount to the value assessed by Colliers

The low and high value of 61.6% of the Clark Leasehold Interest on a controlling basis was valued at $14,292,378 and $14,807,013 respectively. By comparison, the assessed low and high value of the consideration provided for under the offer is $13,397,696. As such, the capital will be raised at between an 6.26% and9.52% discount.

(3) The Company's ownership will be diluted in SGH

The Company currently own 100% of SGH. Post Proposed Transaction (after the sale of 61.6% of shares to the Investor Group and the existing loan repaid by the issue of Equity), the Company will own 38.4% of SGH. However, the debts owed by the Company to the value of USD$7,605,000 will be extinguished.

(4) Security of tenure

The terms of the Proposed Transaction will include an arrangement whereby the Group will be provided tenure at the Clark Lease Site to operate the existing business currently undertaken by SGH. This will provide certainty to enable continued operates of the Group's ongoing international business activities. However, if SGH progresses the development of the Clark Lease Site, the Group will be required to vacate these leased premises and will have to find an alternate location to operate those business activities from. The Group will also lose control of the Clark Lease and this may increase the risk of adverse occurrences under the Clark Lease that may impact on the Group.

(c) Other considerations

The Independent Expert has noted other considerations in the Independent Expert's Report as follows:

(1) The Company and the Group are continuing to operate as a going concern

The auditor at 30 June 2021 has indicated that there is material uncertainty as to the going concern of the Company. The directors have indicated that they are able to continue as a going concern and one of the key objectives is to realise value from the Clark Lease. If this transaction does not proceed, this may impact the directors plans in relation to going concern.

(2) Other financing options

Management have not secured an alternative offer at this stage and believe that it would be unlikely for any alternative transactions and financing options to become available. This is due to the Company's financial position, limited trading liquidity, overall market sentiment and the Company's bargaining position.

(3) The value of the Clark Lease by a recognised and reputable property valuer

The opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries.

(4) The existing shareholding structure of Site Group

The Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to maintain a 38.4% investment in the project.

(5) SITE share price if the Proposed Transaction does not proceed

It is possible that the Company's share price will drop further if the Proposed Transaction does not proceed.

(6) Availability of alternative transaction

The Board have not secured an alternative offer in respect of the Clark Lease site at this stage.

2.7 Independent Expert and Non-Interested Director consideration

The Independent Expert has assessed that **the Proposed Transaction** is **not fair but reasonable to Non- Associated Shareholders**.

By way of summary only, the Independent Expert formed this opinion on the basis set out below. Shareholders should have regard to all of the information set out in the Independent Expert's Report which appears at Attachment 1 to this Explanatory Memorandum and are also referred to section 2.7 of this Explanatory Memorandum for further details as to the contents of the Independent Expert Report.

Fairness – Proposed Transaction

The Independent Expert compared the assessed fair value of 61.6% of SGH (with all assets and liabilities except for the Clark Lease being transferred to another wholly owned subsidiary of the Company) with the consideration offered by the Investor Group for the subscription of 61.6% of the issued capital of SGH. The assessed value of the 61.6% of the Clark Leasehold Interest (on a controlling basis) was between AUD$14,292,378 and AUD$14,807,013, and the consideration to be provided by the Investor Group is AUD$13,397,696. As the consideration is below the range of the fair values of 61.6% of the Clark Leasehold Interest, the Independent Expert considered the Proposed Transaction is not fair.

Reasonableness – Proposed Transaction

ASIC Regulatory Guide 111 "Content of Expert Reports" (**RG 111**) establishes that an offer can be 'reasonable' if despite being 'not fair'. The Independent Expert believes that the offer is 'reasonable' as there are sufficient reasons for Shareholders to approve the Proposed Transaction in absence of any higher bid before the completion of the Proposed Transaction.

In the context of a takeover bid, RG 111.15 mentions that a bidder may also offer a price which is 'not fair' where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g. an orderly realisation of the target's assets).

In the Company's audit report at 30 June 2021, the auditor noted that a material uncertainty exists that may cast significant doubt on the ability of the Company and its controlled entities (**the Group**) to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amount stated in the Financial Report. Additionally, the Company's Short-Term Liquidity and Long-Term Solvency Ratios analysed in the Independent Expert's Report further highlight the financial distress of the Company. Given that the Company is currently continuing its operations as a going concern, the Company has very limited alternative options available to remedy the financial distress. Such options are likely to be less attractive to security holders than a successful transaction.

The Independent Expert considered the advantages and disadvantages of the Proposed Transaction to determine whether it was reasonable, along with other considerations. The advantages and disadvantages are summarised below.

In the opinion of the Independent Expert, the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders of the Company and as such the Independent Expert formed the opinion that the Proposed Transaction is Reasonable.

The advantages and disadvantages considered by the Independent Expert were as follows:

(a) Advantages:

   (1) limited capital raising opportunities are available the Company;

   (2) the Company's continuation is dependent on SGH achieving certain objectives;

   (3) the Proposed Transaction provides project focus;

(4) the Company will retain an interest in SGH;

(5) existing loans will be repaid and the Company will have a strengthened balance sheet;

(6) current debt providers agreement with the Proposed Transaction avoids the Company being requested to repay the loans to the Investor Group and the potential of liquidation; and

(7) alternative financing arrangements would require the agreement of current debt providers and the Independent Expert considers it unlikely that a new financier would agree to replacing the current debt holders on their current debt terms.

(b) Disadvantages:

(1) additional financing will be required;

(2) capital is raised at a discount to the value of the Clark Leasehold Interest as assessed by Colliers International Philippines;

(3) the Company's interest in SGH will be diluted.

In consideration whether the Proposed Transaction is reasonable, the Independent Expert also considered other factors, including:

- The Company and the Group are continuing to operate as a going concern

  The auditor at 30 June 2021 has indicated that there is material uncertainty as to the going concern of the Company. The Directors have indicated that they are able to continue as a going concern and one of the key objectives is to realise value from the Clark Lease. If this transaction does not proceed, this may impact the Directors plans in relation to going concern.

- Availability of alternative offer and alternative transaction

  Management have not secured an alternative offer at this stage and indicated to the Independent Expert that it would be unlikely for any alternative transactions and financing options to become available. This is due to the Company's financial position, limited trading liquidity, overall market sentiment and the Company's bargaining position.

- The value of the Clark Lease by a recognised and reputable property valuer

  The opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries.

- The existing shareholding structure of Site Group

  The Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to maintain a 38.4% investment in the project.

- SITE share price if the Proposed Transaction does not proceed

  It is possible that the Company's share price will drop further if the Proposed Transaction does not proceed.

The Non-Interested Directors have given detailed consideration to the Proposed Transaction. The Non-Interested Directors consider that the Proposed Transaction is in the best interests of the Company and recommend the Proposed Transaction to Shareholders for the following reasons:

- the Proposed Transaction is expected to improve the financial position of the Company as a result of the reduction of the Company's liabilities through the deemed repayment of debt under the Proposed transaction;
- the Proposed Transaction gives the Company the opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries;
- the Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to benefit from maintaining a 38.4% investment in the project; and
- the Company has not received any alternative offers or proposals in respect of the Clark Site.

As disclosed, Mr Alcantara has an interest in the outcome of the Proposed Transaction as he is associated with Punta Properties, one of the members of the Investor Group. Accordingly, Mr Alcantara makes no recommendation to Shareholders in respect of the proposed Transaction. Further in Mr Alcantara's opinion, his interest amounts to material personal interest and accordingly, Mr Alcantara has not participated in any Board discussions, deliberations or decisions relating to the Proposed Transaction. As noted in the voting exclusion statement in respect of Resolution 1 in the Notice of Meeting, Mr Alcantara must not cast a vote in respect of Resolution 1.

2.8 Potential Position of Shareholders if Resolution 1 is Not Approved

As outlined above, if Shareholders do not approve Resolution 1 the Company will not be able to undertake the Proposed Transaction. This will have a number of consequences.

(a) The Company will require alternative capital raising to repay the existing financial arrangements

If the Company is required to repay the full current amounts outstanding under the Punta Conversion Amount, the Wayburn Conversion Amount and the Lucerne Conversion Amount, the Company will be required to seek alternative methods of capital raising in order to do so. Each of the Punta Loan, Wayburn Loan, Armada Loan and Lucerne Loan are currently payable by the Company on demand. The Company has reached agreement with each of Punta, Wayburn, Armada and Lucerne that the amounts owing under the Punta Loan, Wayburn Loan, Armada Loan and Lucerne Loan will be repaid through the Proposed Transaction, either by the issue of shares in SGH for the respective conversion amounts, or for the Armada Loan (AUD$884,000) and the balance of the Lucerne Loan (AUD$1.550 million) from the cash component of the consideration paid by SGH to the Company under the terms of the Proposed Transaction and other funds that may be available to the Company.

If the Proposed Transaction does not proceed, the Company will be required to renegotiate these terms with each of Punta, Wayburn, Armada and Lucerne and this may require alternative means of funding will be required.

The Directors consider that the alternatives available to the Company in circumstances where Resolution 1 is not approved and the Company is required to repay the Punta Loan, Wayburn Loan, Armada Loan and Lucerne Loan through alternate means include:

(1) **Raising additional equity capital**

This option has been considered by the Directors of the Company. The Company recently undertook a placement as announced by the Company on 2 August 2022. The placement exhausted the Company's capacity under Listing Rules 7.1 and 7.1A and raised the Company $490,000 in cash and a further amount of $245,000 of debt was converted to equity. Two of the three participants in the Placement are part of the Investor Group in the Proposed Transaction.

The Company also announced on 2 August 2022 its intention to proceed with a rights issue to existing shareholders in the near future, and that EGP Capital Fund (one of the participants in the recent placement) has provided a commitment to the Company, subject to regulatory requirements, to take up their rights and contribute to any shortfall up to a combined amount of $1 million. The Company intends to progress the rights issue shortly and further information will be provided to shareholders in due course. Funds raised by the rights issue are intended to be applied to working capital requirements and to reduce the Company's debt.

While the Company was able to undertake this recent placement, the Company has faced difficulty raising additional equity to fund the development of the Clark Lease Site and working capital requirements of the Company over past years. The Company is also looking to improve its financial position by retiring a portion of its debt.

While the undertaking a rights issue in the near future will provide the Company with the opportunity to secure some additional equity funding, the Company expects that the funds raised from the rights issue will not alone be sufficient for the Company to develop the Clark Lease Site, retire debt and provide working capital. Accordingly, the Company is looking to implement a number of strategies to meet these objectives, namely the recent placement, the Proposed Transaction and the proposed rights issue.

Shareholders should note that further attempts to identify alternative investors on terms reasonable to the Company may require considerable amounts of time and even if an alternative investor was able to be identified, there is no guarantee of the price at which they would invest in the Clark Lease Site or other terms and conditions that would be required.

(2) **Raising additional debt capital**

The Company also notes that the Investor Group largely comprises substantial holders in the Company or entities that have provided finance to the Company. To date the Company has maintained the support of its existing debt providers to manage maturing facilities and the Company considers that the participation of the Investor Group in undertaking the Proposed Transaction is further support of its debt providers. If the Proposed Transaction does not proceed, alternative arrangements will need to be made with the Company's financiers to enable the repayment of the amounts owed by the Company. If the Company was able to secure such a facility, there is no guarantee that it would be on terms whether with respect to pricing, security or otherwise that are favourable to the Company.

The difficulty the Company may face in raising additional debt capital was highlighted in prior years where the Company has undertaken to seek funding from various parties to fund the development of the Clark Lease Site and working capital requirements of the Company. To date, the only successful financing arrangements available to the Company were the facilities provided the Investor Group and short term funding arrangements with Aligned Capital Partnership (a short term finance facility for working capital at a significantly higher interest rate than other finance facilities obtained by the Company.

(b) **Going Concern considerations**

As noted in the Company's half year financial report for the 6 month period ended 31 December 2021, the continuation of the Company and the Group as a going concern is dependent on the ability to achieve, amongst other things, forecast cash flow from realisation of the value of the Clark Lease Site in the form of third party investors providing funds to enable the group to proceed with its strategy of maximising the value of the leasehold.

2.9 **Shareholder Approval**

Resolution 1 seeks Shareholder approval under Listing Rule 10.1 and Chapter 2E of the Corporations Act to the Proposed Transaction.

2.10 **Listing Rules – Listing Rule 10.1**

Listing Rule 10.1

Listing Rule 10.1 requires the Company to obtain Shareholder approval prior to the acquisition or disposal of a substantial asset by the Company or a Subsidiary of the Company from or to a Related Party, a child entity, a substantial holder (within the meaning of Listing Rule 10.1.3) or an Associate of any of them. An asset is a substantial asset if its value or the value of the consideration being paid or received by the entity for it is 5% or more of the equity interests of the Company as set out in the latest accounts given to ASX by the Company.

The interests of the Group (through SGH which is a Subsidiary of the Company) in 61.6% the Clark Lease is a "substantial asset" of the Company given the consideration to be provided by the Investor Group (in the form of the Conversion Consideration and the Cash Consideration totalling USD$10.005million) is significantly higher than 5% of the equity interests of the Company (an amount of $-17.7 million per the 31 December 2021 accounts).

Punta Properties is an entity associated with Nicasio Alcantara, the Chairman of the Company, and is therefore a Related Party of the Company.

Armada Investments Pty Ltd is an entity associated with Armada Trading Pty Ltd and Tony Berg, is a substantial (10%+) holder in the Company, holding 12.59% of the issued capital of the Company as at the date of this Explanatory Memorandum.

Wayburn Holdings Pty Ltd together with Vern Wills and related entities is a substantial (10+) holder in the Company holding 18.40% of the issued capital of the Company as at the date of this Explanatory Memorandum.

As such, the Proposed Transaction involves the disposal of a substantial asset to a Related Party and 2 substantial (10%+) holder, and therefore requires the approval of the Shareholders under Listing Rule 10.1.

The following information is provided for the purposes of Listing Rule 10.5:

Listing Rule	Information
10.5.1 – the name of the person to whom the entity is acquiring or disposing the substantial asset	Punta Properties Inc, an entity associated with Nicasio Alcantara, the Chairman of the Company. Armada Investments Pty Ltd ACN 001 065 989. Wayburn Holding Pty Ltd ACN 009 320 852
10.5.2 – the category in rules 10.1.1 – 10.1.5 the person falls into and why	Punta Properties Inc is an entity associated with Nicasio Alcantara, the Chairman of the Company, and is therefore an associate of a Related Party of the Company and falls within Listing Rule 10.1.4. Armada is an entity associated with Armada Trading Pty Ltd which is a substantial (10%+) holder in the Company and falls within Listing Rule 10.1.3. Wayburn is a substantial (10%+) holder in the Company and falls within Listing Rule 10.1.3.
10.5.3 – details of the asset being acquired or disposed of	Under the Proposed Transaction, SGH will issue new SGH Shares to the Investor Group, including Punta Properties, Armada and Wayburn.
10.5.4 – the consideration for the acquisition or disposal	The consideration for the Proposed Transaction payable by Investor Group comprises: (a) the deemed repayment of the Punta Conversion Amount; (b) the deemed repayment of the Wayburn Conversion Amount; (c) the deemed repayment of the Lucerne Conversion Amount; and (d) cash consideration of USD$2,400,000.
10.5.5 – in the case of an acquisition, the intended source of funds (if any to pay for the acquisition)	Not applicable
10.5.6 – in the case of a disposal, the intended use of funds (if any) received for the disposal	The Cash Consideration (less an amount of USD$250,000) will be received by SGH and will be applied by SGH to repay loans owed by SGH to the Company. The Company will apply the funds received from SGH to the payment of existing creditors and debt facilities, including the Armada Loan that is owed by the Company to Armada Trading Pty Ltd. The funds retained by SGH (USD$250,000) will be applied towards SGH's working capital costs.

Listing Rule	Information
10.5.7 – the timetable for completing the acquisition or disposal.	The Company anticipates that the Proposed Transaction will be completed as soon as possible after shareholder approval is obtained. The shareholder approval is the last outstanding condition precedent to the Proposed Transaction. The Company anticipates that completion will occur within 7 days of obtaining shareholder approval.
10.5.8 – if the acquisition or disposal is occurring under an agreement, a summary of any material terms of the agreement	Refer to section 2.3 above for a summary of the terms of the Proposed Transaction.
10.5.9 – a voting exclusion statement	A voting exclusion statement is contained in the Notice.
10.5.10 – a report on the transaction from an independent expert	Refer to Annexure 1.

Listing Rule 10.5.10 provides that Shareholder approval sought for the purpose of Listing Rule 10.1 must include a report on the proposed acquisition from an independent expert. Accompanying this Explanatory Memorandum is an Independent Expert Report prepared by Advisory Partner Connect Pty Ltd. This report provides a detailed examination of the Proposed Transaction, and the Independent Expert has concluded that the Proposed transaction is not fair but reasonable to the Non-Associated Shareholders.

The Independent Expert Report is in part for the purpose of assisting the Non-Associated Shareholders' consideration and assessment of the merits of the Proposed Transaction and the making of their decision whether to vote in favour of Resolution 1. Shareholders are urged to carefully read the Independent Expert Report, to understand the scope of the report, the methodology of the valuation and the assumptions made.

A copy of the Independent Expert Report has been provided to each Shareholder entitled to receive this Notice of Meeting and Explanatory Memorandum. Irrespective of this, a copy of the Independent Expert Report is available on the Company's website at www.site.edu.au and hard copies, free of charge, may be requested by a Shareholder by contacting the Company's registered office.

2.11 Chapter 2E of the Corporations Act

(a) Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met (**Shareholder Approval Exception**).

A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company, or an entity the public company controls, paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The Corporations Act provides a number of exceptions to the requirement for shareholder approval for the provision of a financial benefit. Relevantly one exception in section 210 of the Corporations Act is the giving of a financial benefit on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm’s length terms. Given that there are a number of parties comprising the Investor Group, the Non-Interested Directors considered whether the Company should rely on this exception. Having regard to the requirement of the Company to obtain shareholder approval for the purposes of Listing Rule 10.1, the Non-Interested Directors determined, out of an abundance of caution, to also seek shareholder approval for the purposes of Chapter 2E of the Corporations Act.

A copy of this Notice and the Explanatory Memorandum has been lodged with ASIC in accordance with section 218 of the Corporations Act.

2.12 **Shareholder approval requirement**

This proposed Resolution, if passed, will confer Financial Benefits and involve the issue of SGH Shares to a Related Party, being Punta Properties (an entity associated with Nicasio Alcantara the Chairman of the Company).

Therefore, the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act.

2.13 **Information for Shareholders**

Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act and for all other purposes the following information is provided to shareholders:

(a) The Related Parties to whom Resolution and would permit the Financial Benefit to be given (section 219(1)(a))

The proposed Financial Benefit will be given to Punta Properties, an entity associated with Nicasio Alcantara, the Chairman of the Company.

(b) The nature of the Financial Benefit (section 219(1)(b))

The nature of the proposed Financial Benefit to be given is the issue of 117,094,454 SGH Shares, to be issued by SGH a Subsidiary of the Company.

(c) Directors’ recommendation (section 219(1)(c))

The Non-Interested Directors recommend that Shareholders vote in favour of this Resolution. Mr Alcantara who has an interest in the outcome of the Resolution, makes no recommendation on the Resolution.

The reasons for the recommendation of the Non-Interested Directors are set out in section 2.7 above and the potential consequences for the Company if Resolution 1 is not approved are set out in section 2.8 above.

(d) Directors' interest and other remuneration (section 219(1)(d))

Nicasio Alcantara has a material personal interest in the outcome of Resolution 1, as it is proposed that 117,095,454 SGH Shares be issued to Punta Properties, an entity associated with Mr Alcantara) as set out in Resolution 1. Upon completion of the Proposed Transaction, this will represent 44.62% of the issued capital of SGH.

Nicasio Alcantara (or entities associated with him) hold 8,371,325 SIT Shares. In addition, Nicasio Alcantara currently receives director's remuneration of US$60,000 per annum from the Company for services as Chairman of the Company.

No other Director has any interest in the outcome of Resolution 1.

(e) Valuation

As noted above, SGH will issue 117,095,454 SGH Shares to Punta Properties, an entity associated with Mr Alcantara. Upon completion of the Proposed Transaction, this will represent 44.62% of the issued capital of SGH.

The Company has obtained the Independent Expert's Report which is included as Attachment 1. The Independent Expert's Report notes that the value of a 61.6% interest in the Clark Leasehold Interest would be between AUD$14,292,378 and AUD$14,807,013. On the basis that the interest of Punta Properties in SGH will represent 44.62%, this would equate to an attributed value of between AUD$6,606,889 and AUD$7,806,320.

The issue of the SGH Shares to Punta Properties will be in full and final satisfaction of the repayment of the Punta Conversion Amount, being USD$6,870,000. In addition, Punta Properties will pay a cash consideration amount to SGH of USD$380,000. Any interest on the Punta Loan accruing after 31 August 2022, or any other amounts advanced by Punta to the Company will remain payable by the Company in accordance with the terms on which the funds are advanced.

(f) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors (section 219(1)(e) and 219(2))

Save as set out elsewhere in this Explanatory Memorandum, there is no other information known to the Company or any of its Directors that will be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by Resolution 1.

2.14 **Directors' Recommendation**

The Non-Interested Directors have given detailed consideration to the Proposed Transaction. The Non-Interested Directors consider that the Proposed Transaction is in the best interests of the Company and recommend the Proposed Transaction to Shareholders for the following reasons:

- the Proposed Transaction is expected to improve the financial position of the Company as a result of the reduction of the Company's liabilities through the deemed repayment of debt under the Proposed transaction;
- the Proposed transaction provides the Company the opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries;

- the Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to maintain a 38.4% investment in the project; and

- the Company has not received any alternative offers or proposals in respect of the Clark Site.

Each of the Non-Interested Directors recommend that Shareholders vote in favour of Resolution 1.

As disclosed, Mr Alcantara has an interest in the outcome of the Proposed Transaction as he is associated with Punta Properties, one of the members of the Investor Group. Accordingly, Mr Alcantara makes no recommendation to Shareholders in respect of the proposed Transaction. Further in Mr Alcantara's opinion, his interest amounts to material personal interest and accordingly, Mr Alcantara has not participated in any Board discussions, deliberations or decisions relating to the Proposed Transaction. As noted in the voting exclusion statement in respect of Resolution 1 in the Notice of Meeting, Mr Alcantara must not cast a vote in respect of Resolution 1.

3. Resolutions 2 and 3 - Ratification of previous issue of Placement Shares

3.1 Introduction

As announced on 2 August 2022, the Company successfully placed to unrelated professional, sophisticated and other investors Shares at an issue price of $0.0035 to raise $735,000 (**Placement Shares**). These Placement Shares were issued on 3 August 2022. The issue of the Placement Shares was partially for cash and partially in satisfaction of debts owed by the Company. Funds raised from the Placement Shares are to be used for working capital purposes. This issue was undertaken within the Company's capacity under both Listing Rule 7.1 and Listing Rule 7.1A.

As noted in the Company's announcement to the ASX on 2 August 2022:

(a) 126,354,169 Placement Shares have been issued under the operation of Listing Rule 7.1; and

(b) 83,645,831 Placement Shares were issued under Listing Rule 7.1A pursuant to the approval obtained at the Company's last annual general meeting held on 31 January 2022.

3.2 Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue and allotment of the Placement Shares, being issues of securities made by the Company on 3 August 2022 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in the 12 month period immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for 12 months or more) or the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement (if the entity has been admitted to the official list for less than 12 months) without the prior approval of its shareholders.

Under Listing Rule 7.1A, shareholders can give prior approval (by special resolution at an annual general meeting) to the issue of securities equivalent to an additional 10% of its capital over a 12 month period. Shareholders gave their approval for the issue of additional shares under Listing Rule 7.1A at the last annual general meeting of the Company held on 31 January 2022.

Equity securities issued with shareholder approval under Listing Rule 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

As the issue of the Placement Shares has been split between the capacity available under each of Listing Rule 7.1 and the approval obtained under Listing Rule 7.1A, the approval (by way of ratification) sought under Listing Rule 7.4 is separated between Resolution 2 (for those Placement Shares issued under Listing Rule 7.1) and Resolution 3 (for those Placement Shares issued under the approval given under Listing Rule 7.1A).

If Resolutions 2 and 3 are approved it will have the effect of refreshing the Company's ability, to the extent of the Placement Shares, to issue further capital during the next 12 months pursuant to both Listing Rule 7.1 and the approval given pursuant to Listing Rule 7.1A without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolutions 2 and 3 are not passed, the Placement Shares will be counted, as applicable, toward the respective 15% limit pursuant to Listing Rule 7.1 and the10% limit pursuant to Listing Rule 7.1A for a period of 12 months from the date of issue.

3.3 Information for Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		**Information**
7.5.1	The names of the persons to whom the Securities are issued or agreed to be issued or the basis on which those persons were identified or selected	The Placement Shares were issued to unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act determined by the Board, namely: • EGP Capital Fund; • Armada Trading Pty Ltd; and • Wayburn Holdings Pty Ltd.
7.5.2	The number and class of Securities issued or agreed to be issued	Listing Rule 7.1 – 126,354,169 Placement Shares. Approval under Listing Rule 7.1A – 83,645,831 Placement Shares.
7.5.3	Summary of the material terms of the Securities	The Placement Shares rank parri passu with all other fully paid ordinary shares then on issue in the Company.
7.5.4	Date or dates on which the Securities were or will be issued	The Securities were issued on 3 August 2022.
7.5.5	The price or other consideration the entity has received or will receive for the issue	$0.0035 per Placement Share.

Listing Rule		Information
7.5.6	The purpose of the issue, including the use or intended use of any funds raised by the issue	The total consideration for the issue of the Placement Shares was $735,000, comprising: • $245,000 by way of conversion of debt to equity; and • $490,000 by way of cash consideration. The cash consideration raised from the issue of the Placement Shares are intended to be used for working capital purposes.
7.5.7	Summary of the material terms of the agreement	The Securities were issued under a placement acceptance letter that contained standard terms for the issue of the Securities.
7.5.8	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolutions 2 and 3.

3.4 Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolutions 2 and 3.

4. Interpretation

$ means Australian dollars, unless otherwise stated.

Armada Investments means Armada Investments Pty Ltd ACN 001 065 989.

ASIC means the Australian Securities & Investments Commission.

Associates has the meaning given to that term in the Corporations Act, and **Associated** has a corresponding meaning.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

Board means the board of directors of the Company.

Business Day means a day on which all banks are open for business generally in Brisbane.

Cash Consideration means that part of the consideration for the Proposed Transaction to be provided by way of cash, being an amount of USD$1,780,000.

Chair means the person who chairs the Meeting.

Clark Lease means the lease agreement between Clark Development Corporation (CDC) and the Company dated in or about October 2009 pursuant to which CDC has granted a lease of certain land and structures for a period of 25 years, with an option for a further period of 25 years.

Clark Lease Site means the area of the Clark Freeport Zone, Philippines, which is the subject of the Clark Lease.

Clark Leasehold Interest means the interest of SGH in the Clark Lease.

Company means Site Group International Limited 003 201 910.

Constitution means the constitution of the Company from time to time.

Conversion Consideration means the consideration for the Proposed Transaction to be satisfied by way of the deemed repayment of the:

(a) Punta Conversion Amount;

(b) Wayburn Conversion Amount; and

(c) Lucerne Conversion Amount.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Director means a director of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Financial Benefit has the meaning given to that term in section 229 of the Corporations Act.

Independent Expert means Advisory Partner Connect Pty Ltd.

Independent Expert Report means the Independent Expert report set out in Attachment 1 of the Notice.

Investor Group means the entities proposing to subscribe for SGH Shares pursuant to the Proposed Transaction namely:

(a) Punta Properties;

(b) Armada Investments;

(c) Wayburn;

(d) Lucerne; and

(e) Llwyn.

Group means the Company and each of its Related Bodies Corporate and **Group Company** means any of them.

Listing Rule means the official listing rules of the ASX as amended from time to time.

Llwyn means Llwyn Pty Ltd ACN 641 843 156 as trustee for the Llwyn York Trust & Llwyn Wentbridge Trust.

Lucerne means Lucerne Finance Pty Ltd ACN 618 123 845.

Meeting, General Meeting or **EGM** means the annual general meeting to be held at Level 2, 488 Queen Street, Brisbane, 4000 on 2 November 2022 as convened by the accompanying Notice of Meeting.

Non-Associated Shareholders means the Shareholders whose votes are not to be disregarded on Resolution 1.

Non-Interested Directors means Craig Dawson and Jason Anfield.

Notice of Meeting or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

Official List means the official list of ASX.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Proposed Transaction means the proposed issue of SGH Shares to the Investor Group as completed by the Share Subscription Deed, shareholder approval for which is the subject of the Notice.

Punta Properties means Punta Properties Inc

Punta Loan means the loan provided by Punta Properties to the Company pursuant to the Punta Loan Deed, which as at the date of this Explanatory Memorandum is an amount of approximately USD$6.87m.

Punta Loan Deed means the loan deed between the Company and Punta Properties dated in or about June 2018.

Related Body Corporate has the meaning given to it in the Corporations Act.

Related Party has the meaning in section 228 of the Corporations Act.

Resolution means a resolution as set out in the Notice of Meeting.

Securities has the meaning in section 92(1) of the Corporations Act.

SGH Debt means all amounts owed by SGH to the Company

SGH Shares means fully paid ordinary shares in the issued capital of Site Group Holdings Pty Ltd ACN 121 485 729.

Share means an ordinary fully paid share in the issued capital of the Company.

Share Subscription Deed means the Share Subscription Deed proposed to be entered between the Company, SGH and the Investor Group, the terms of which are summarised in section 2.3 of this Explanatory Memorandum.

Shareholder means a holder of Shares in the Company.

SIT Shares means fully paid ordinary shares in the issued capital of the Company.

Subsidiaries has the meaning given to that term in the Corporations Act.

Trading Day has the meaning given to that term in the Listing Rules.

Wayburn means Wayburn Holdings Pty Ltd ACN 009 320 852.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Craig Dawson (**Company Secretary**):

Level 2, 488 Queen Street, Brisbane, QLD 4000

Proxy Form

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the Meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the Meeting under section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act 2001* (Cth).

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the Share Registry, the address listed below,** 48 hours before the time for holding the Meeting, or the adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Computershare Investor Services Pty Limited
GPO Box 242,
Melbourne VIC 3001

Facsimile: 1800 783 447 within Australia or +61 3 9473 2555 outside Australia

Phone: 1300 850 505 within Australia or +61 3 9415 4000 outside Australia

If a representative of the corporation is to attend the Meeting the appropriate “Certificate of Appointment of Corporate Representative” should be produced prior to admission. A form of the certificate may be obtained from the Company’s share registry.

A proxy form is attached to this notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm (Sydney time) on 31 October 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Attachment 1- Independent Expert Report

Site

Site Group International Limited
Independent Expert's Report
27 September 2022

Financial Services Guide

About us

Advisory Partner Connect Pty Ltd ("**Advisory Partner**") a Corporate Authorised Representative of AP Lloyds Pty Ltd ACN 643 090 359 Australian Financial Services Licence ("**AFSL**") 526061 has been engaged by Site Group International Limited (ASX:SIT) ("**SITE**") or **("the Company**") to prepare the independent expert report ("**the Report**") to the shareholders of the Company setting out our opinion as to whether the Offer to invest USD$10.005M for 161,591,727 fully paid ordinary shares by investors in a fully owned subsidiary, Site Group Holdings Pty Ltd ("**Site Group**") **or** ("**SGH**") ("**the Proposed Transaction**") is fair and reasonable. Our Report sets out our opinion as to the Fair Market Value of the shares in Site Group. The Corporations Act 2001 (Cth) requires us to provide this Financial Services Guide ("**FSG**") in connection with the attached Report prepared for SITE. You are not the party who engaged us to prepare this Report and we are not acting for any person other than SITE. This FSG provides important information designed to assist Shareholders in forming their views of the Offer and in understanding any general financial advice provided by Advisory Partner in this Report. Our Report is not intended to comprise personal retail financial product advice to retail investors or market-related advice to retail investors. This FSG contains information about our engagement by the directors of SITE to prepare this Report in connection with the Proposed Transaction, the financial services we are authorised to provide, the remuneration we (and any other relevant parties) may receive in connection with the Engagement, and details of our internal and external dispute resolution systems and how these may be accessed.

Financial services we are authorised to provide

Advisory Partner, the holder of Australian Financial Services Licence number 526061, is responsible to you for the services provided under this FSG. Our Australian Financial Services Licence authorises us to provide the following services to both retail and wholesale clients, financial product advice in relation to securities, fixed income and derivatives.

General financial product advice

This Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. Where the advice relates to the application for or acquisition of a financial product, you should also obtain and read carefully the relevant offer document or explanatory memorandum provided by the issuer or seller of the financial product before making a decision regarding the application for or acquisition of the financial product.

Remuneration, commissions and other benefits

Advisory Partner charges fees for its services and will receive a fee of $35,000 (excluding GST) for its work on this Report. These fees have been agreed on, and will be paid solely by SITE, which has engaged our services for the purpose of providing this Report. Advisory Partner may seek reimbursement of any out of pocket expenses incurred in providing these services. Our advisers are directors and employees of Advisory Partner who are paid salaries and dividends by Advisory Partner and may also receive bonuses and other benefits from Advisory Partner. Our advisers may alternatively be paid by means of commission determined by a percentage of revenue written by the adviser.

Associations and relationships

Other than as set out in this FSG or this Report, Advisory Partner has no association or relationship with any person who might reasonably be expected to be capable of influencing them in providing advice under the Engagement. Advisory Partner, its officers and employees and other related parties have not and will not receive, whether directly or indirectly, any commission, fees, or benefits, except for the fees to be paid to Advisory Partner for services rendered in producing this Report. Advisory Partner, its directors and employees do not have an interest in securities, directly or indirectly, which are the subject of this Report. Advisory Partner may perform paid services in the ordinary course of business for entities, which are the subject of this Report.

Risks associated with our advice

This Advisory Partner advice is provided in connection with the attached Report relating to the Proposed Transaction. The Report comprises general product advice and does not comprise personal retail financial product advice to retail investors or market-related advice to retail investors. The Report is an expression of Advisory Partner's opinion as to whether the Offer is fair and reasonable. However, Advisory Partner's opinion should not be construed as a recommendation as to whether or not to approve the Proposed Transaction. Approval or rejection of the Offer is a matter for individual Shareholders based on their own circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. Shareholders who are in any doubt as to the action they should take in relation to the Offer should consult their own independent professional advisers. Further information on the risks, assumptions and qualifications associated with the advice is contained within the Report.

Compensation arrangements

The law requires Advisory Partner to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Advisory Partner or its representatives. Advisory Partner has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

Complaints

As an Australian Financial Services Licence holder, we are required to have an internal complaints-handling mechanism. All complaints can be addressed to us at Level 3, 349 Coronation Drive, Milton QLD 4064. You may contact us on **T** +61 7 3106 3399 or **F** +61 7 3054 0438, E:admin@advisorypartner.com.au. If we are not able to resolve your complaint to your satisfaction within 30 days of first lodging it with us, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA). You will not be charged for using the AFCA service. To contact the AFCA: Tel: 1800 931 678 or make a complaint at https://www.afca.org.au/make-a-complaint.

Privacy & use of information

We do not collect personal information on individual clients and are bound by the Advisory Partner Privacy Policy in the way that it governs personal information collected on clients. If you have any questions on privacy please see our privacy policy on our website.

27 September 2022

The Directors
Site Group International Limited
L2, 488 Queen Street
Brisbane QLD 4000

Dear Sirs

INDEPENDENT EXPERT'S REPORT

Introduction
On 7 March 2022, Site Group International Limited ("**SITE**") or ("**the Company**") signed a non-binding indicative term sheet with a group of investors to partner, through cash and conversion of debt to equity, with SITE's 100% owned subsidiary Site Group Holdings Pty Ltd ("**Site Group**") or ("**SGH**") the holder of a property in the Clark Freeport Zone ("**Proposed Transaction**") or ("**the Offer**").

Site Group holds a long-term property lease with Clark Development Corporation ("**CDC**") which consists of 30.7136 hectares, and is bounded by Price Balagtas Highway and Creekside Road, Clark Freeport Zone, Philippines ("**the Clark Lease**").

The Investor Group looking to partner with Site Group, includes the related party investor, Punta Properties Inc ("**Punta**"), an entity associated with Site's Chairman, Mr Alcantara, substantial shareholders of the group including Wayburn Holdings Pty Ltd ("**Wayburn**") and Armada Investments Pty Ltd ("**Armada**") as well as Lucerne Finance Pty Ltd ("**Lucerne**") and Llwyn Pty Ltd ATF Llwyn York Trust & Llwyn Wentbridge Trust (**"Llwyn"**), all together as the Investor Group ("**the Investor Group**").

The Investor Group is proposing to pay a total of USD$10.005M, comprised of debt converted to equity and cash, for a 61.6% interest in Site Group via the issue of 161,591,727 new ordinary shares. SITE will retain the balance of 38.4% in Site Group.

SITE currently has loan arrangements or funding agreement with the Investor Group as per the table below. If the Proposed Transaction proceeds the Investor Group loans of USD$7.605M will be converted to equity in SGH. The balance of the USD$10.005M consideration will be cash of USD$2.400M.

Lucerne remaining note holders will accept part payment of 50% (AUD$0.775M) on approval of the Proposed Transaction by shareholders and the balance (50%) from the rights issue (AUD$0.775M). SITE will invest USD$0.250M into SGH with first right to invest a further USD$0.750M.

Offer Consideration

Investor	Debt Converted as at 31 August 2022 (USD Million)	Cash (USD Million)	Total Consideration (USD Million)	%
Punta	6.870	0.380	7.2500	72.46%
Wayburn	0.420	0.000	0.4200	4.20%
Armada	0.000	1.600	1.6000	15.99%
Lucerne	0.315	0.000	0.3150	3.15%
Llwyn	0.000	0.420	0.4200	4.20%
Total	**7.605**	**2.400**	**10.0050**	**100%**

Purpose of the report
The Australian Securities Exchange ("**ASX**") Listing Rule 10.1 requires that an entity, or any of its child entities agrees to acquire or dispose of a substantial asset to a related party of the entity, child entity of the entity or a shareholder holding shares in at least 10% of the company's voting securities.

The ASX Listing Rule 10.2 deems an asset to be substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the listing rules.

As previously mentioned, Punta is a related party of the company, and the Clark Lease represents a substantial asset of Site Group. The Proposed Transaction remains subject to SITE obtaining shareholder approval pursuant to Listing Rule 10.1 and Chapter 2E of the Corporations Act, and as such SITE will hold an extraordinary general meeting to allow shareholders to approve the deal.

Accordingly, the directors of SITE have requested Advisory Partner Connect Pty Ltd ("**Advisory Partner**") to prepare an Independent Expert's Report to assist those shareholders in SITE whose votes are not to be disregarded in voting on the resolutions relating to the Proposed Transaction ("**Non-Associated Shareholders**") or to make a decision on the Offer. This report will express our opinion as to whether or not the Proposed Transaction is fair and reasonable.

Advisory Partner understands that this report will accompany the notice to convene an extraordinary general meeting of SITE Shareholders, to assist the Shareholders in the consideration of the Proposed Transaction.

Regulatory Guide 112 "Independence of Experts" ("**RG 112**") sections 112.67 – RG 112.70 recognises that we do not have the necessary specialist expertise on the matter that must be determined for the purposes of the report, and as such should retain an appropriate specialist for the matter who is independent of the commissioning party.

For the purpose of this Report, we have appointed Colliers International Philippines ("**Colliers**"), an independent and reputable property valuer to review and provide an assessment of the value of the Clark Lease. A copy of the 'Colliers International Philippines: Development Site Clark Freeport Zone, Philippines – Valuation Report' dated 7 April 2022 in respect of the Clark Lease is appended to this report as Appendix E ("**Colliers Valuation Report**"). Given the Colliers Valuation Report was undertaken in April 2022, we have requested Colliers to provide an update to the Colliers Valuation Report to confirm whether any circumstances have changed that may impact on the Colliers Valuation Report. To the extent that the update to be provided by Colliers does have an impact on our opinion, we will provide an update to SITE. We do note that any change in our opinion arising from the update to the Colliers Valuation Report will only impact our fairness assessment of the Proposed Transaction, not our reasonableness assessment.

Summary Opinion
In our opinion, the Offer is <u>Not Fair but Reasonable</u> for the Shareholders of SITE whose votes are not to be disregarded, being the Non-Associated Shareholders.

Fairness Assessment
The basis of our evaluation and reasoning of our conclusions are detailed in this report. Our opinion is based solely on information available as at the date of this Report. In forming our opinion to the fairness of the Offer, we have valued the fair market value of 61.6% of Site Group (with all assets and liabilities except for the Clark Lease being transferred to another wholly owned subsidiary of SITE) and the consideration offered by the Investor Group, summarised below:

Summary Opinion – Fair Value

Fairness of Offer	LOW $AUD	HIGH $AUD
Total Value of Consideration Offered	13,397,696	13,397,696
Value of 61.6% of Clark Leasehold Interest (Site Group) on a Controlling Basis	14,292,378	14,807,013
Premium / (Discount)	**-6.26%**	**-9.52%**

Source: AP Analysis & Colliers Valuation Report

Advisory Partner, along with Colliers, have assessed the low and high value of 61.6% of the Clark Leasehold Interest on a controlling basis to be $14,292,378 and $14,807,013 respectively.

By comparison, the assessed value of the consideration provided for under the offer is $13,397,696.

As demonstrated above, the value of the consideration being offered is between 6.26% and 9.52% lower than the value of the Clark Leasehold Interest and as a result, the Offer is considered 'not fair'.

Reasonableness Assessment

Regulatory Guide 111 "Content of Expert Reports" ("**RG 111**") establishes that an offer can be 'reasonable' if despite being 'not fair'. Advisory Partner believe that the offer is 'reasonable' as there are sufficient reasons for SITE security holders to accept the offer in absence of any higher bid before the close of the offer.

RG 111.15 mentions that a bidder may also offer a price which is 'not fair' where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g. an orderly realisation of the target's assets).

In the audit report at 30 June 2021, the auditor noted that a material uncertainty exists that may cast significant doubt on SITE and its Controlled Entities ("**The Group**") ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amount stated in the Financial Report. Additionally, SITE's Short-Term Liquidity and Long-Term Solvency Ratios analysed in section 5.9 further highlight the company's liquidity issues.

To further assist the Shareholders in their decision-making process we have summarised the following:

- The likely advantages and disadvantages associated with the Offer; and
- Alternatives, including the position of Shareholders if the Offer does not proceed.

Shareholders of SITE should read the full Report, where their matters are explained in more details.

Advantages of approving the Offer

Set out below is a summary of the key advantages to the Shareholders of accepting the Offer.

- **Limited capital raising opportunities are available**

  From the 1st July 2021 to the 1st July 2022, SITE's share price performance has fallen by 72.7%. SITE's shares are illiquid which means there is limited opportunity to sell shares through the market. With both points considered, there is a small group of investors who would invest in SITE.

- **SITE's continuation is dependent on the Company achieving certain objectives**

  The directors have indicated in their report that the continued going concern of the company is based on realising value of the Clark Leasehold. They have indicated that their plan is to attract investors funds to enable the company to proceed with its strategy of maximising the value of the leasehold.

- **Partnership provides project focus**

  The partnership with the Investor Group will provide focus for the project away from the SITE business. The Investor Group also provides industry and country knowledge that could enable Site Group to realise a higher value for the Clark Leasehold.

- **SITE will retain an interest in Site Group**

  Post-Transaction, SITE will retain a 38.4% interest in Site Group which holds the Clark Leasehold. This enables current shareholders to share in the potential upside in maximising the value of the Clark Leasehold.

- **Existing loans will be repaid and SITE will have a strengthened balance sheet**

  As at 31 August 2022 SITE owes the Investor Group USD$7.605M. All of the parties (SITE and the Investor Group) have agreed to vary the terms of the Existing Loan, for it to be repaid by the issue of equity to the Investor Group in Site Group. In doing so, SITE's balance sheet will be strengthened through the repayment of the loans. As at 30 June 2022, SITE's balance sheet has a deficiency of equity of $21,847,406. Post transaction, as at 30 June 2022, the proforma balance sheet will have a deficiency of equity of $2,686,738. This is further outlined in section 5.8.

- **Current Debt Providers agreement with the Proposed Transaction**

  The current loans are at call, which means that the debt providers can request repayment of the loans. SITE does not have the funds available to repay the loans. With the agreement of the current debt providers it avoids the company being requested to repay the loans and the potential of liquidation.

- **Alternative financing arrangements**

  Alternative financing would be reliant on the current debt providers agreement. The company has talked to several investors and has been unsuccessful in securing any additional funding. We consider that is unlikely that a new financier could be found that would agree to replacing the current debt holders on their current debt terms.

Disadvantages

We have also considered the following disadvantages in respect of the Transaction.

- **Additional finance will be required**

  After approving the transaction, SITE and Site Group will need to partner with a development company or employ the services of a development company to commence the construction work and to source further debt finance.

- **Capital is raised at a discount to the value assessed by Colliers**

- The low and high value of 61.6% of the Clark Leasehold Interest on a controlling basis was valued at $14,292,378 and $14,807,013 respectively. By comparison, the assessed low and high value of the consideration provided for under the offer is $13,397,696. As such, the capital will be raised at between a 6.26% and 9.52%.

- **SITE shareholder's ownership will be diluted in Site Group**

  SITE shareholders currently own 100% of Site Group. Post-Transaction (after the sale of 61.6% of shares to the Investor Group and the existing loans repaid by the issue of Equity), SITE shareholders will own 38.4% of Site Group with the USD$7.605M debt to the Investor Group being extinguished.

Other Considerations

In considering whether the Offer is reasonable, other factors that have been considered include:

- **The Company and the Group are continuing to operate as a going concern**

  The auditor at 30 June 2021 has indicated that there is material uncertainty as to the going concern of SITE. The directors have indicated that they are able to continue as a going concern and one of the key objectives is to realise value from the Clark Lease. If this transaction does not proceed, this may impact the directors plans in relation to going concern.

- **Availability of alternative offer and alternative transaction**

  Management have not secured an alternative offer at this stage and indicated to us that it would be unlikely for any alternative transactions and financing options to become available. This is due to SITE's financial position, limited trading liquidity, overall market sentiment and the entity's bargaining position.

- **The value of the Clark Lease by a recognised and reputable property valuer**

  The opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries.

- **The existing shareholding structure of Site Group**

  The Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to maintain a 38.4% investment in the project.

- **SITE share price if the Proposed Transaction does not proceed**

  It is possible that the SITE share price will drop further if the Proposed Transaction does not proceed.

In our opinion, the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders of SITE and as such we are of the opinion that the Proposed Transaction is Reasonable.

Shareholder Circumstances
Advisory Partner has not considered the effect of the Offer on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from that adopted in this Report. Accordingly, individuals may reach different conclusions as to whether or not the Offer is in their individual best interests. The decision of an individual Shareholder in relation to the Offer may be influenced by their particular circumstances (including their taxation position) and accordingly, Shareholders are advised to seek their own independent advice.

Other matters
This Report has been requested by the SITE Directors to assist the Shareholders in their decision to accept or reject the Proposed Transaction.

This Report should not be used for any other purpose and Advisory Partner does not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

Advisory Partner acknowledges that this Report may be lodged by the Directors with the ASX.

Conclusion
Based on the above, we have concluded that the Offer is "not fair" having assessed the consideration paid is less than the value of a Site Group share, yet "reasonable" as we are of the opinion that the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders of SITE.

Given the Colliers Valuation Report was undertaken in April 2022, we have requested Colliers to provide an update to the Colliers Valuation Report to confirm whether any circumstances have changed that may impact on the Colliers Valuation Report. To the extent that the update to be provided by Colliers does have an impact on our opinion, we will provide an update to SITE. We do note that any change in our opinion arising from the update to the Colliers Valuation Report will only impact our fairness assessment of the Proposed Transaction, not our reasonableness assessment.

This opinion should be read in conjunction with the full text of this report which sets out our findings.

Yours faithfully

Brett Plant
Director

Table of Contents

1.0 The proposed Transaction

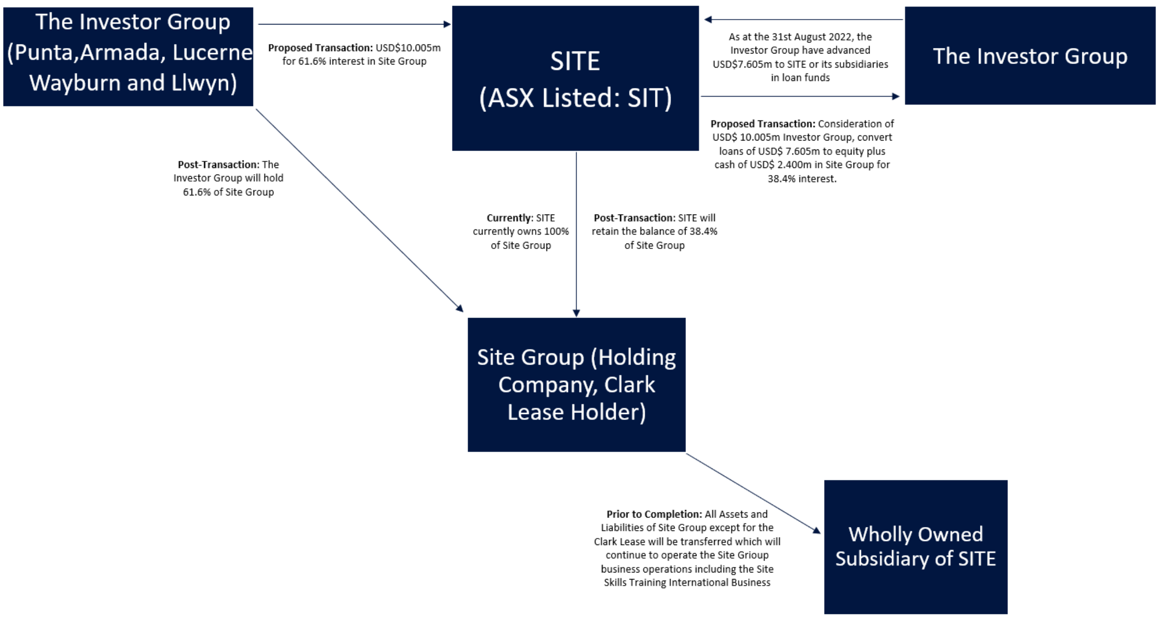
1.1 Summary of the Proposed Transaction

On 7 March 2022, SITE signed a non-binding indicative term sheet with a group of investors to partner with the Company's subsidiary Site Group, the holder of the Clark lease.

SITE entered a long-term lease with CDC on 30 October 2009, the Clark Lease. The Clark Lease consists of 30.7136 hectares in land and is bounded by Price Balagtas Highway and Creekside Road, Clark Freeport Zone, Philippines. The lease has an initial 25-year term, with the option to be renewed for an additional 25 years.

The Investor Group looking to partner with Site Group, includes the related party investor, Punta, an entity associated with Site's Chairman, Mr Alcantara and substantial shareholders of the group including Wayburn, Armada as well as Lucerne and Llwyn.

Proposed Transaction Diagram



The Investor Group is proposing to pay a total of USD$10.005m to subscribe for a 61.6% interest in Site Group via the issue of 161,591,727 new ordinary shares. SITE will retain the balance of 38.4% of Site Group.

The non-binding term sheet provides that subject to due diligence to its satisfaction and all other conditions precedent being satisfied (including shareholder approval).

Prior to completion, all assets and liabilities of Site Group except for the Clark Lease will be transferred to another wholly owned subsidiary of SITE which will continue to operate the Site Group business operations including the Site Skills Training international business.

2.0 Scope and Limitations

2.1 The ASX Listing Rules and Corporation Act

The ASX Listing Rules

The Proposed Transaction is subject to Chapter 10 of the Australian Stock Exchange Listing Rules ("**ASX Listing Rules**").

ASX Listing Rule 10.1 requires the approval of an entity's shareholders where it is proposed to acquire a substantial asset from, or dispose of a substantial asset to:

a) a related party of the entity.

b) a child entity of the entity.

c) a person who is or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity.

d) an associate of a person referred to above.

e) a person whose relationship to the entity or a person referred to above is such that, in ASX's opinion, the transaction should be approved by security holders.

ASX Listing Rule 10.2 states that an asset is substantial if its value or the value of the consideration being paid or received by the entity is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts provided to the ASX under the listing rules ("**Substantial Asset**").

ASX Listing Rule 10.5.10 requires that the Notice of Meeting and Explanatory Memorandum be accompanied by a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated unitholders.

Chapter 2E of the Corporation Act

Chapter 2E of the Corporation Act Section 208 requires a company to seek shareholder approval before giving a financial benefit to a related party unless the benefit falls within an exception provided for in section 210 of the Corporations Act. Regulatory Guide 76 "Related party Transactions" ("**RG 76**") states that it is necessary for entities to include a valuation from an independent expert with a notice of meeting for member approval under Chapter 2E of the Corporations Act where:

- The financial benefit is difficult to value.
- The transaction is significant from the point of view of the entity (see RG 76.112).
- The independent directors do not have the expertise or resources to provide independent advice to members about the value of the financial benefit.

2.2 Purpose and Scope

Purpose

Advisory Partner has been appointed by the directors of SITE to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the non-associated shareholders of SITE.

This report is to accompany the explanatory memorandum required to be provided to the Non-Associated Shareholders and has been prepared to assist the directors in fulfilling their obligation to provide shareholders with full and proper disclosure to enable them to assess the merit of the Proposed Transaction and to decide whether to agree by resolution to the Proposed Transaction.

This report should not be used for any other purpose and Advisory Partner does not accept any responsibility for use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our report, in whole or in part, should be reproduced without the written consent of Advisory Partner, as to the form and context in which it may appear.

For the purposes of our opinion, the term "fair market value" is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

Scope

The scope of the procedures we undertook in forming our opinion on whether the Offer is "fair and reasonable" were limited to the procedures we believe are required in order to form our opinion. Our procedures, in the preparation of the report, did not include verification work nor did they constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards issued by the Australian Auditing and Assurance Standards Board (**"AUS")** or its predecessors. Accordingly, Advisory Partner does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose.

In preparing this report, we have relied on the financial information provided by various officers of SITE and the independent valuer Colliers. We have not been engaged to audit the information provided. We have undertaken critical analysis of the information provided by the officers and other parties. Advisory Partner believes the information provided to be reliable, complete and not misleading and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming our opinion. Where Advisory Partner has relied on the views and judgement of Management the information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Advisory Partner is a Corporate Authorised Representative of AP Lloyds Pty Ltd ACN 643 090 359 Australian Financial Services Licence 526061. As a Corporate Authorised Representative of an Australian Financial Services Licence, we are required to provide a Financial Services Guide in situations where we may be taken as providing financial product advice to retail clients. A copy of Advisory Partner Financial Services Guide is set out in the beginning of this Report.

We have not considered the effect of the Proposed Transaction on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from the one adopted in this Report. Accordingly, individuals may reach different conclusions on whether or not the Proposed Transaction is fair and reasonable to them.

An individual Shareholder's decision in relation to the Proposed Transaction may be influenced by their particular circumstances and, therefore, Shareholders should seek independent advice.

2.3 Basis of Assessment

In our assessment of whether the Proposed Transaction is fair and reasonable to SITE's shareholders, we have given due consideration to Regulatory Guide 74 "Acquisitions Approved by Members", Regulatory Guide 111 "Content of Experts Reports" and Regulatory Guide 112 "Independence of Experts Reports", which establish certain guidelines in respect of independent expert's reports required under the Corporations Act or commissioned voluntarily.

The Corporations Act does not define the expressions "fair" and "reasonable", therefore we have drawn particular consideration towards RG111.

RG 111 draws a distinction between "fair" and "reasonable". An offer is fair if the consideration is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company irrespective of the percentage holding of the bidder or its associates in the target company.

RG 111 considers an offer to be "reasonable" if:

- The offer is "fair"; or
- Despite not being "fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher offer.

RG 111 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer including:

- The bidder's pre-existing voting power in the target company;
- Other significant security holding blocks in the target;
- The liquidity of the market in the target's securities;
- Taxation losses, cash flow or other benefits arising through achieving 100% ownership of the target;
- Any special value of the target to the bidder;
- The likely market price if the offer is unsuccessful; and
- The value to an alternative bidder and likelihood of an alternative offer being made.

In our opinion, the Offer will be fair if the value is greater than the market value of the securities in Site Group, inclusive of an appropriate premium for control.

In considering whether the Offer is reasonable, other factors that have been considered include:

- The value of the Clark Lease by a recognised and reputable property valuer;
- The existing shareholding structure of Site Group
- The likelihood of an alternative offer and alternative transactions that could realise fair value;
- The likely market price of SITE shares if the Proposed Transaction does not proceed; and
- Other advantages and disadvantages for SITE's Shareholders of approving the Transaction.

We have not considered special value in forming our opinion. Special value is the amount which a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

2.4 Reliance of Information

This Report is based upon financial and other information provided by SITE. Advisory Partner has considered and relied upon this information. Advisory Partner believes the information provided to be reliable, complete and not misleading, and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Offer is fair and reasonable.

SITE has agreed to indemnify Advisory Partner, and the directors, partners and employees of Advisory Partner and any related entity against any claim arising out of misstatements or omissions in any material supplied by SITE, its subsidiaries, directors or employees, on which Advisory Partner has relied.

Advisory Partner does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation. Preparation of this Report does not imply that Advisory Partner has audited in any way the financial accounts or other records of the Company.

It is understood that the accounting information provided to Advisory Partner was prepared in accordance with generally accepted accounting principles and except where noted, prepared in a manner consistent with the method of accounting used by the Company, in previous accounting periods.

An important part of the information base used in forming an opinion of the kind expressed in this report are the opinions and judgement of Management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

2.5 Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Accordingly, changes in those conditions may result in any valuation opinions becoming quickly outdated and in need of revision. Advisory Partner reserves the right to revise any valuation, or other opinion, in the light of material information existing at the date of this Report that subsequently becomes known to Advisory Partner.

2.6 Sources of Information

Appendix A to this Report sets out details of information referred to and relied upon by Advisory Partner during the course of preparing this Report and forming our opinion.

3.0 Philippines Overview

In arriving at our valuation opinion, we have considered The World Bank's outlook for the Philippines economy.

3.1 Economic Analysis

The Philippines has been one of the most dynamic economies in the East Asia Pacific region. Average annual growth increased to 6.4% between 2010-2019 from an average of 4.5% between 2000-2009. With increasing urbanization, a growing middle class, and a large and young population, the Philippines' economic dynamism is rooted in strong consumer demand supported by a vibrant labor market and robust remittances. Business activities are buoyant with notable performance in the services sector including business process outsourcing, real estate, tourism, and finance and insurance industries. The Philippine economy has also made progress in delivering inclusive growth, evidenced by a decline in poverty rates and its Gini coefficient. Poverty declined from 23.3% in 2015 to 16.6% in 2018 while the Gini coefficient declined from 44.9 to 42.7 over the same period.

3.2 COVID-19's Impact

However, the COVID-19 pandemic and community quarantine measures imposed in the country have severely impacted economic growth and poverty reduction. Growth contracted significantly in 2020, driven by heavy declines in consumption and investment growth, and exacerbated by the slowdown in tourism and remittances. Similarly, the previous trend in real wages, which is expected to have a positive impact on household incomes—particularly those from the lower income groups—has been severely hampered by the impact of the COVID-19, with negative consequences also for poverty reduction in the Philippines.

3.3 Outlook

Nevertheless, the economy has started to recover with a 5.6% year-on-year expansion in 2021, buoyed by public investment and a recovery in the external environment. With continued recovery and reform efforts, the country is getting back on track on its way from a lower middle-income country with a gross national income per capita of US$3,430 in 2020 to an upper middle-income country (per capita income range of USD$4,096–USD$12,695) in the short term. The economy is expected to further rebound, drawing strength from the recovering domestic environment with declining COVID-19 cases and wider economic reopening. Still, the economy faces downside risks from the weak external environment, reeling from an expected global growth deceleration, rising inflation, and geopolitical turmoil. The recovery is expected to also have overall positive impact on poverty reduction.

4.0 Clark Project Overview

4.1 Clark Project Overview

Over the past 3 years, SITE has been considering development opportunities for its 30.7 Hectare Clark leasehold property ("**the Property**") held by wholly owned subsidiary Site Group.

Palafox, a world-renowned urban renewal specialist, have developed concept plans for the Clark site which includes the proposal for garden apartments, condominiums, retail blocks, hotel developments, mixed-use developments, a transport hub, a river esplanade, an urban park, a sports and leisure club and the Site Skills Training Facility.

A Leasehold Interest (or Subordinate Interest) is a type of real property interest which normally gives the holder exclusive possession and control of a defined area of land or buildings for a defined period.

The leasehold interest is anchored on a 25-year lease agreement on a Development Site with a land area of 293,728 square meters.

4.2 Summary of Ownership

The following table summarises the ownership particulars of the Clark Lease.

Location of the Property

Item	Detail
Address	Centennial Road, Clark Freeport Zone, Philippines
Land Area (Sq m)	293,728
Tenure	Leasehold Interest
Lessor	Clark Development Corporation
Lessee	Site Group Holdings Pty Ltd.
Lease Term	Twenty-Five (25) years, renewable for another twenty-Five (25) years
Lease Commencement	30-Oct-09
Lease Rate	Minimum guaranteed lease at USD$30,713.60 per month, VAT exclusive, with 10.0 percent escalation every three (3) years starting on 4th year plus percentage of gross revenues from operations and percentage of gross rental revenue from sublessee(s) and/or consignee(s)/concessionaire(s)

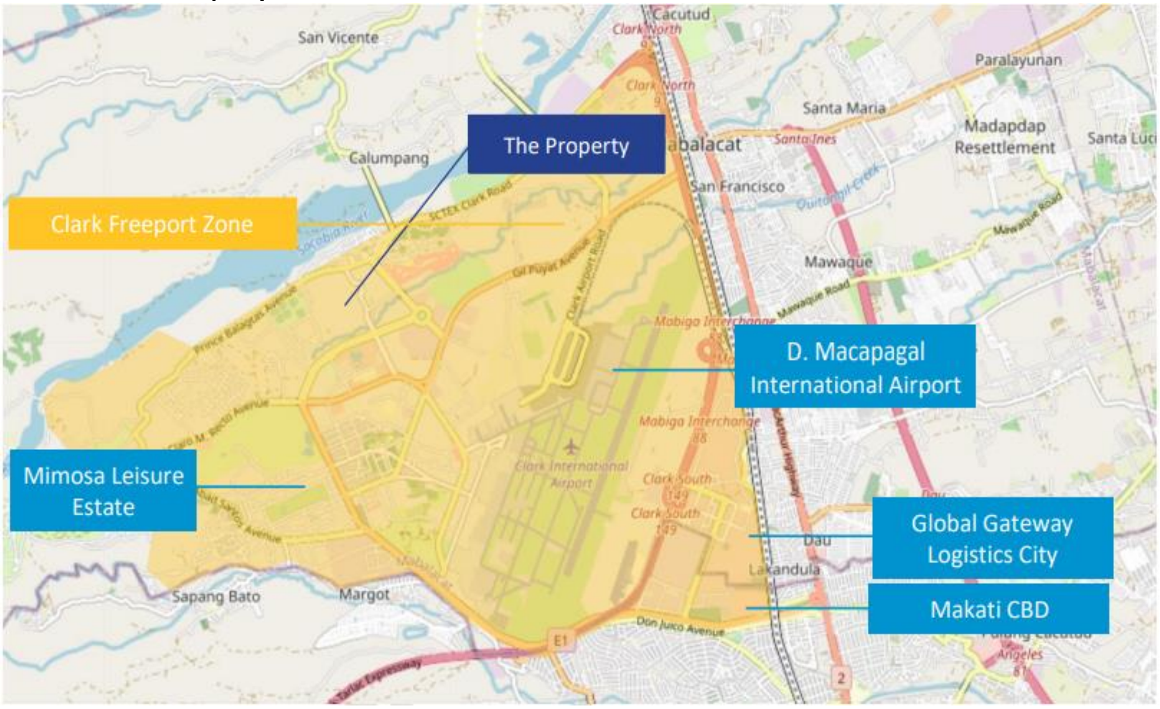
Source: Colliers Valuation Report

4.3 Location and Neighbourhood

The Property, identified as the site of former Expo Filipino, consists of leasehold interest on institutional land located at Centennial Road, adjacent to the southeast side of Foton Philippines and northwest side of Nayong Pilipino Clark, within Clark Freeport Zone, Philippines.

The Property is approximately 300 meters southeast from Prince Balagtas Avenue in the vicinity of Foton Philippines, some 550 meters northwest from Creekside Road, near Clear Water Resort and Country Club, or about 700 meters west from Panday Pira Avenue in the immediate vicinity of Clark International Speedway.

Location of the Property



Source: Colliers Valuation Report

4.4 Highest and Best Use Analysis

The Collier's Valuation Report has used a highest and best use methodology to value the Clark Site.

Based upon this methodology, Colliers are of the opinion that an institutional development would represent the highest and best use of the Property.

The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible.

The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. The highest and best use of an asset valued on a stand-alone basis may be different from its highest and best use as part of a group, when its contribution to the overall value of the group must be considered.

The determination of the highest and best use involves consideration of the following:

- to establish whether a use is possible, regard will be had to what would be considered reasonable by market participants;
- to reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, e.g. zoning designations, need to be taken into account; and
- the requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.

4.5 SWOT Analysis

SWOT Analysis – Clark Property Project

Strengths	Weaknesses
• The potential development of the 30 Hectare Leasehold Property. • Strong relationships with third party investors that are providing funding, which will enable the Group to proceed with its strategy of maximising the value of the leasehold. • Premium point-to-point bus services are recently provided to and from Clark Airport to Ninoy Aquino International Airport Terminal 3 in Metro Manila and to Dagupan in the province of Pangasinan. • Twenty-Five (25) year lease term, renewable for another twenty-Five (25) years.	• Significant financial support is still required to further develop the Clark site. • The lease payment for the land and structures is USD$30,713.60 per month with a 10% compounded increase starting on the 4th year and every three years thereafter. • The percentage of gross revenue payment begins at 1% from the start of operations and increases over time to become 3% by year 21 and onwards. • The percentage of gross rental revenues from sub-lessees' payment starts at 5% from years 1 to 7 and increases over time to 10% from year 16 and onwards.
Opportunities	**Threats**
• Clark is envisioned to be the hub for business, industry, aviation, education, and tourism in the Philippines. • The economy has started to recover with a 5.6% year-on-year expansion in 2021 and is expected to further rebound, drawing strength from the recovering domestic environment with declining COVID-19 cases and wider economic reopening. • Palafox, a world-renowned urban renewal specialist, have developed concepts plans for the Clark site which includes the proposal for garden apartments, condominiums, retail blocks, hotel developments, mixed-use developments, a transport hub, a river esplanade, an urban park, a sports and leisure club and the Site Skills Training Facility. • Manilla-Clark Railway Project is on track to be fully operational by 2024 which will significantly improve transport connectivity and mobility.	• COVID-19 has significantly affected the Philippines with high infection rates and a high number of lockdowns, leading to an adverse effect on many service industries. Developments have continued at Clark albeit at a much slow pace. COVID uncertainty still lingers into the future. • There was no obvious evidence of contamination or other hazards observed during the inspection however a professional may need to assess such concerns, which may have an impact on the Colliers Valuation. • Lack of funding to finance development.

5.0 SITE Company Profile

5.1 Company Overview

SITE is an emerging Brisbane based company with a strategic business model pursuing earnings-accretive acquisition opportunities along with organic growth.

SITE operates several businesses specialising in the delivery of education, training and labour services. Services are delivered to government, corporate and individual clients, predominately operating in energy, mining, construction and industrial sectors.

SITE operates facilities throughout Australia, as well as in Papua New Guinea, Myanmar and Malaysia, with a flagship 300,000sqm training and live-in environment in the Philippines. Further, SITE has delivered its services to governments and companies throughout the world, in countries including Indonesia, Singapore, China, UAE, Azerbaijan and others.

5.2 Key Personnel

The Directors and officers of SITE are detailed below.

Directors and Officers of SITE

Name & Position	Description	Common Stock Held
Nicasio Alcantara BA, MBA Chairman and Non-Executive Director	Mr Alcantara was appointed Director of the company on 12 October 2010 and has been a director of Site Group since June 2009. Mr Alcantara is an experienced director with over 40 years' experience in both public and private companies and his diverse industry experience includes manufacturing, banking & finance, property, information technology, agriculture, and power & energy.	8,371,325
Craig Dawson BCom, ACA Chief Financial Officer and Company Secretary	Mr Dawson brings extensive financial management experience gained in ASX listed entities with both local and international operations in a variety of industries including media, financial services, gaming and wagering and most recently in the rapidly growing online sector.	2,000,000
Jason Anfield BIntBus, MBA Executive Director	Mr. Anfield is an Executive Director from May 2022. He brings extensive experience in operational, managerial, and strategic roles across a wide range of industries and international settings. With 9 years based in Tokyo, Mr Anfield worked on commercialising projects in Southeast Asia, Europe and the US across industries as diverse as commercial real estate, fashion, hospitality, aquaculture, food processing and timber products. Partnering companies included TAG Group SA, Mitsubishi, Okura, Nichirei, House of Florence, and ABC Foods. Following experience in the Australia's Higher Education and Vocational Training sectors, in 2011 Mr Anfield established the Business Productivity Institute, servicing the upskilling needs of the business services and construction industries. Clients included Construction Skills Queensland, Department of Transport and Main Roads, QUT and Transcity.	1,050,000
Vernon Wills Executive	Vern established SITE to provide skills training and workforce planning solutions by initially developing a 300,000m² Philippines facility at the Expo Filipino site at Clark Freeport, after he identified a market gap in Australian training providers delivering international training for industry and major projects. Prior to SITE, Vern has had an extensive career in investment and finance as well as building start up and early-stage companies such as Go Talk Ltd and Dark Blue Sea Ltd.	193,395,630

Source: SITE Annual Report and Capital IQ

5.3 Corporate Structure

Subsidiaries of SITE

Subsidiaries of Site Group International Limited	Principle Activities	Country of Incorporation	Percentage Owned (%)
Site Group Holdings Pty Ltd	Holding Company	Australia	100%
Site Education Australia Pty Ltd	Holding Company	Australia	100%
Site WorkReady Pty Ltd	Labour Services	Australia	100%
Study Corp Australia Pty Ltd (Formerly Site Labourhire Pty Ltd)	Holding Company	Australia	100%
Site Skills Group Pty Ltd	Education and Training	Australia	100%
Site Skills Academy Pty Ltd	Education and Training	Australia	100%
Site WorkReady (Philippines) Pty Ltd	Holding Company	Australia	100%
Axis Training Group Pty Ltd	Education and Training	Australia	100%
Romea Consulting Pty Ltd	Education and Training	Australia	100%
Site Group International Pte Ltd	Competency Development	Singapore	100%
Competent Project Management Sdn Bhd	Competency Development	Malaysia	100%
Productivity Partners Pty Ltd	Education and Training	Australia	100%
Wild Geese International Pty Ltd	Oil & Gas Consultancy	Australia	100%
Site Institute Pty Ltd	Education and Training	Australia	100%

Source: SITE Annual Report and Capital IQ

5.4 Issued Capital

As at the 19th August 2022, SITE has 1,051,245,127 ordinary shares outstanding.

Total Shares Outstanding – 19th August 2022

Total Shares Outstanding	
Ordinary Shares Outstanding	1,051,245,127
Total Issued Shares	**1,051,245,127**

Source: Capital IQ Pro

The names of the ten largest holders of ordinary shares are detailed below.

Top 10 Shareholders as at 15th September 2021

Shareholder Name	Number of Ordinary Shares Held	Percentage Held of Issued Ordinary Capital
NATIONAL NOMINEES LIMITED	240,802,344	22.9%
ARMADA TRADING PTY LIMITED	132,500,000	12.6%
WAYBURN HOLDINGS PTY LTD	115,551,508	11.0%
MR VERNON ALAN WILLS & MS JILLAINE PATRICE WILLS	44,140,703	4.2%
MR PETER JOHN JONES	39,940,587	3.8%
MR VERNON ALAN WILLS & MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,414,188	2.8%
MR NEVILLE WAYNE MORCOMBE & MR DANIEL ROBERT ANDREW MORCOMBE <NEVILLE MORCOMBE SUPER A/C>	28,478,484	2.7%
LINWIERIK SUPER PTY LTD <LINTON SUPERANNUATION A/C>	21,000,000	2.0%
SMITHLEY SUPER PTY LTD <SMITH SUPER A/C>	20,100,000	1.9%
JGC ASSETS PTY LTD <JUDI COOK A/C>	16,746,700	1.6%
Top 10 Shareholders	688,674,514	65.5%
Other Shareholders	362,570,613	34.5%
Total Issued Shares	**1,051,245,127**	**100.0%**

Source: SITE Annual Report

The top ten shareholders hold 65.5% of the issued ordinary capital of SITE. Next, we detail the Free Float shares outstanding, also known as public float. Simply put, the term is used to describe the number of shares that are available to the public for trading in the secondary market. In calculating the Free Float Shares Outstanding, we have utilised Capital IQ Pro's 39.94% Free Float figure resulting in 419,867,304 shares.

Free Float Shares Outstanding - 19th August 2022

Free Float Shares Outstanding	
Total Issued Shares	**1,051,245,127**
Free Float	39.94%
Free Float Shares	**419,867,304**

Source: SITE Annual Report and Capital IQ Pro

5.5 Options on Issue

There are 41,666,667 detachable options issued to financiers in conjunction with loan facilities. Currently, the exercise price is well out of the money. Further details of these options are disclosed in the table below.

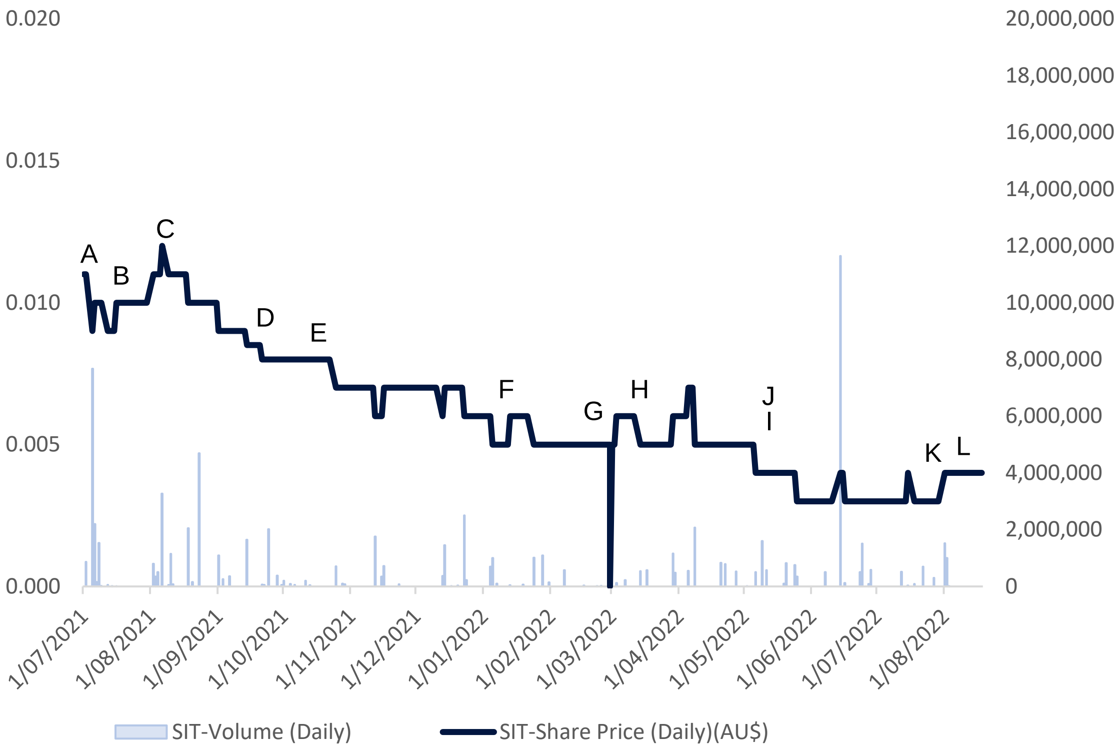
Current Options on Issue

Options Outstanding	Exercise Price (AUD$)	Expiration Date
25,000,000	0.03	2 March 2026
16,666,667	0.03	31 December 2023

Source: SITE Annual Report and Discussions with Management

5.6 Share Price Analysis

SITE Share Price Analysis



Source: Capital IQ and AP Analysis

SITE's recent Company Announcements

Announcement Date	Chart Reference	Details
2/07/2021	A	SITE informed the market that the Federal Court of Australia has made an adverse finding against its subsidiary, Productivity Partners Pty Ltd in proceedings commenced by the Australian Competition and Consumer Commission.
30/07/2021	B	SITE released their Quarterly Activities/Appendix 4C Cash Flow Report
23/08/2021	C	SITE informed the market that SIT has signed a non-binding term sheet to partner with the company's subsidiary Site Group Holdings Pty Ltd (SGH).
1/10/2021	D	SITE released their Annual Report to shareholders
29/10/2021	E	SITE released their Quarterly Activities/Appendix 4C Cash Flow Report
31/01/2022	F	SITE released their Quarterly Activities/Appendix 4C Cash Flow Report
1/03/2022	G	SITE released their half yearly Report and Accounts
7/03/2022	H	SITE released an announcement stating that term sheet was signed for the sale of 62.5% subsidiary
30/05/2022	I	Director appointed/resigned
30/05/2022	J	Final Director Notice and Initial Director Notice
1/08/2022	K	SITE released an announcement about the Clark Property Transaction
2/08/2022	L	SITE released a Placement announcement and the proposed issue of securities

Source: SITE ASX Announcements

The table below outlines SITE's monthly share volume traded, Monthly Volume Weighted Average Price ("**VWAP**"), monthly and cumulative volume traded as a % of Total Shares Outstanding as well as the monthly and cumulative volume traded as a % of Free Float Shares Outstanding.

Share Price Liquidity Analysis (12 months from August 2021)

Month End	Volume Traded	Monthly VWAP	Volume Traded as % of Total Shares	Cumulative Volume Traded as % of Total Shares	Volume Traded as % of Free Float Shares	Cumulative Volume Traded as % of Free Float Shares
Aug-21	13,082,124	0.0102	1.2%	1.2%	3.1%	3.1%
Sep-21	5,906,001	0.0100	0.6%	1.8%	1.4%	4.5%
Oct-21	1,470,031	0.0098	0.1%	1.9%	0.4%	4.9%
Nov-21	2,890,878	0.0096	0.3%	2.2%	0.7%	5.6%
Dec-21	4,573,199	0.0093	0.4%	2.7%	1.1%	6.7%
Jan-22	4,137,215	0.0089	0.4%	3.0%	1.0%	7.6%
Feb-22	1,209,333	0.0092	0.1%	3.2%	0.3%	7.9%
Mar-22	3,095,176	0.0086	0.3%	3.5%	0.7%	8.7%
Apr-22	4,763,000	0.0079	0.5%	3.9%	1.1%	9.8%
May-22	4,698,493	0.0080	0.4%	4.4%	1.1%	10.9%
Jun-22	14,940,501	0.0073	1.4%	5.8%	3.6%	14.5%
Jul-22	1,627,566	0.0069	0.2%	5.9%	0.4%	14.9%
Min			**0.1%**		**0.3%**	
Average			**0.5%**		**1.2%**	
Median			**0.4%**		**1.0%**	
Max			**1.4%**		**3.6%**	

Source: Capital IQ and AP Analysis

Over the past 12 months from August 2021, SITE's monthly VWAP has decreased substantially from $0.0102 to $0.0069 (representing a 31.96% decrease). Additionally, it is important to note that SITE's share price is highly illiquid with an average of 0.5% of the total Free Float Shares Outstanding being traded on a monthly basis and just 14.9% of the total Free Float Shares Outstanding over the entire 12-month period.

In arriving at these figures, and to ensure transparency in our calculations, we once again note, as outlined in Section 5.4 of this report, SITE has 1,051,245,127 ordinary shares outstanding. Of this, 419,867,304 shares are free float.

5.7 SITE Historical Profit and Loss

We detail below the past 4 years Profit and Loss for SITE with 2022 being unaudited. We note that no dividends have been paid during this period.

SITE's Profit and Loss

Income Statement (000's)	Actual			
	FY19	FY20	FY21	FY22 Unaudited
Continuing Operations				
Revenues from Contracts with Customer	30,913	27,259	7,363	7,142
Interest Income	66	24	15	13
Total Income	**30,979**	**27,283**	**7,377**	**7,155**
Expenses				
Contractor and Other Service Providers	5,100	4,506	776	1,311
Other Direct Fees and Costs	6,963	5,229	1,413	1,318
Employee Benefit Expense	12,755	12,727	5,065	3,441
Sales and Marketing Expenses	1,758	1,634	987	767
Occupancy Expense	3,812	2,186	518	375
Depreciation and Amortisation Expenses	1,414	2,581	1,437	1,363
Impairment Expenses	0	1,096	3,431	469
Finance Costs	415	2,182	1,723	1,523
Currency Translation Gain (Loss)	114	-110	-492	1,386
Fair Value Gain/loss of Financial Liabilities At Fair Value	-116	1,022	-980	-252
Other Expenses	3,712	3,327	2,197	2,061
Loss Before Tax from Continuing Operations	**-4,947**	**-9,097**	**-8,698**	**-6,605**
Income Tax (Expense)/benefit	1,515	-49	60	13
Loss for the Year from Continuing Operations	**-3,432**	**-9,146**	**-8,637**	**-6,592**
Profit/(Loss) for the year from Discontinued Operations	-1,194	-1,119	1,361	-757
Total Loss for the Year	**-4,626**	**-10,265**	**-7,276**	**-7,350**
Other Comprehensive Income				
Translation of Foreign Operations	564	297	-274	5
Remeasurement Gain/Loss on defined Benefit Plan	-58	-7	100	44
Total Other Comprehensive Loss/Income	**506**	**290**	**-174**	**49**
Total Comprehensive Loss	**-4,121**	**-9,975**	**-7,450**	**-7,301**

Source: SITE Group Annual/Half Year Reports and Preliminary Final Report

The following table provides a disaggregation of revenue by major revenue class and by geographical location as detailed in the 30 June 2022 Preliminary Final Report.

SITE's Financial Year 2022 Historical Segmented Revenue

Segmented Revenue Analysis (000's)	Australia	Asia	Corporate and Eliminations	Total
Revenue from Contracts with Customers - External				
Course Fees	3,187	2,949	-	**6,136**
Placement Services	0	101	-	**101**
Government Support and Subsidies	0	0	0	**0**
Project Income	310	260	-	**571**
Other Revenue	1	232	100	**334**
Total Revenue from Contracts with Customers - external	**3,499**	**3,543**	**100**	**7,142**
Revenue from Contracts with Customers - Inter Segment	-	19	-19	**-**
Total Revenue from Contracts with Customers	**3,499**	**3,562**	**81**	**7,142**

Source: SITE Annual Report

The Group derives its revenues from the transfer of services over time and at a point in time. As can be seen in the tables above, revenue and profitability have significantly declined from the Financial year 2019 to 2022. This decline is largely due to the asset sale of Site Skills Training – Domestic, now reported as a discontinued operation.

The Company's results continue to be impacted by ongoing legal action and the associated legal costs. As disclosed in the 30 June 2021 financial statements, the ACCC has commenced civil proceedings against SITE, Productivity Partners and two former executives in relation to enrolment practices of Productivity Partners. An estimate of the financial effect of the matter has not been disclosed as it is not yet possible to determine such an estimate, having regard to the timing of proceedings (the case was heard in June 2020 and after an initial adverse finding on 2 July 2021, this decision has now been appealed), and the prevailing uncertainty surrounding the outcome of these proceedings. The Management provided an update on the court case on the 29th July 2022, noting that the company is awaiting the outcome of the full bench hearing in the federal court for SITE's challenge to the decision in the litigation with the ACCC, which was held between the 4th – 6th May 2022. We have been advised by the Management that the total legal costs incurred in 2022 financial year were $562,000.

Additionally, the impact of COVID-19 has substantially impacted face to face contact, thus leaving SITE's training services operating at reduced numbers and margins. Consequently, the Company's share price has declined.

5.8 SITE Historical Balance Sheet

We detail below the historical balance sheet for SITE as at 30 June 2020, 2021 and 2022 (unaudited).

The SITE Proforma post the Proposed Transaction balance sheet as at 30 June 2022 is also shown below in the far right column.

SITE's Historical Balance Sheet

Balance Sheet (000's)	30-Jun 2020	30-Jun 2021	30-Jun 2022 Unaudited	30-Jun 2022 Proforma
ASSETS				
Current Assets				
Cash and Cash Equivalents	1,247	166	139	1,360
Trade and Other Receivables	2,657	1,189	921	899
Contract Asset	497	41	10	0
Inventories	19	15	11	25
Prepayments	432	233	159	161
Financial Assets At Fair Value through Profit/loss	0	0	600	0
Current Tax Asset	37	0	3	0
Total Current Assets	**4,888**	**1,643**	**1,844**	**2,444**
Non-Current Assets				
Property, Plant and Equipment	8,340	3,681	3,133	3,126
Right of Use Assets	6,101	4,310	3,676	903
Intangible Assets	1,251	445	2	443
Security Deposit	1,033	794	524	480
Other Non-current Financial Assets	226	16	16	16
Financial Assets At Fair Value through Profit/loss	0	1,504	783	1,504
Deferred Income Tax Asset	921	831	764	740
Total Non-Current Assets	**17,871**	**11,581**	**8,898**	**7,213**
Total Assets	**22,760**	**13,224**	**10,742**	**9,657**
LIABILITIES				
Current Liabilities				
Trade and Other Payables	4,420	6,348	8,430	5,118
Contract Liabilities	812	88	43	45
Interest Bearing Debt	2,016	2,016	10,512	0
Lease Liabilities	1,461	1,028	1,063	524
Current Tax Liabilities	84	11	0	7
Provisions	628	345	299	299
Financial Liabilities At Fair Value through Profit/loss	325	167	9	50
Total Current Liabilities	**9,747**	**10,003**	**20,355**	**6,043**
Non-Current Liabilities				
Trade and Other Payables	5,595	5,595	5,595	5,595
Provisions	611	328	232	329
Interest Bearing Debt	4,971	5,235	0	0
Lease Liabilities	8,373	6,515	6,406	376
Financial Liabilities At Fair Value through Profit/loss	916	94	0	2
Total Non-Current Liabilities	**20,467**	**17,767**	**12,234**	**6,301**
Total Liabilities	**30,213**	**27,770**	**32,589**	**12,344**
Net Liabilities	**-7,453**	**-14,547**	**-21,847**	**-2,687**
Equity				
Issued Capital	83,366	83,720	83,720	84,455
Reserves	2,966	2,696	2,700	2,697
Accumulated Losses	-93,786	-100,962	-108,267	-89,839
Total (Deficiency of) Equity	**-7,453**	**-14,547**	**-21,847**	**-2,687**

Source: SITE Group Annual/Half Year Reports and Preliminary Final Report

5.9 Going Concern

We have reviewed the Group's going concern issues which we point out also extend directly to Site Group due to the 100% ownership of the subsidiary. As such, we note the following:

Audit Report

In the audit report at 30 June 2021 the auditor noted that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amount stated in the Financial Report. Our opinion is not modified in respect of this matter.

Director's Report

In the directors' report at 30 June 2021 the directors noted that they have made enquiries of Management, examined the Group current financial position and financial forecasts. Despite any material uncertainty that may cast doubt after the Group's ability to continue as a going concern, the directors have a reasonable expectation that the company and the Group has adequate financial resources to continue as a going concern.

Liquidity and Solvency Ratios

We detail below, the liquidity ratios of SITE, for the last 3 years and the six months to 31 December 2021. This table provides an insight into a variety of commonly used short term liquidity ratios and long-term solvency ratios.

SITE's Short-Term Liquidity and Long-Term Solvency Ratios

Ratios	30-Jun 2019	30-Jun 2020	30-Jun 2021	31-Dec 2021
Short Term Liquidity				
Current Ratio	0.8x	0.5x	0.2x	0.3x
Quick Ratio	0.7x	0.5x	0.1x	0.2x
Long Term Solvency				
Total Debt/Capital	272.5%	179.6%	5,990.3%	NM
LT Debt/Capital	263.6%	142.5%	4,758.0%	NM
Total Liabilities/Total Assets	115.8%	132.7%	210.0%	230.8%

Source: Capital IQ and AP Analysis

Key points to consider in relation to the following ratios include:

Short Term Liquidity:

Current Ratio: This ratio measures a company's ability to pay off its current liabilities (payable within one year) with its total current assets. Over the past 3.5 years, this liquidity indicator has worsened with a marginal improvement for the December reporting period. SITE is currently unable to meet its current liabilities through its current assets.

Quick Ratio (Acid-Test): This ratio measures a company's ability to meet its short-term obligations with its most liquid assets and therefore excludes inventories from its current assets. Much like SITE's Current Ratio, over the past 3.5 years, this key liquidity indicator has worsened with a marginal improvement for the December reporting period.

Long Term Solvency:

Total Liabilities/Total Assets: As the name suggests, the Total Liabilities to Total Assets ratio is a leverage ratio that defines the total amount of debt relative to assets owned by a company. SITE operates at a high degree of leverage which has significantly increased over the past 3.5 years. The higher this ratio, the larger the chance credit default becomes.

6.0 Assessment of the Value of Site Group

Set out in Appendix C is a summary of the various methods we have considered in the course of arriving at our valuation conclusion on the value of Site Group. Our assessment of the appropriate valuation methods applicable for the valuation of the Site Group are set out below.

We have based our assessment of value of Site Group on the Colliers Valuation Report. We have included key sections of the Colliers Valuation Report below detailing the valuation methodology, assumptions, and inputs that Colliers used in arriving at the fair value of the Clark Lease.

In Advisory Partner's opinion, nothing has come to our attention that would indicate that the outlook for the Clark Project has deteriorated since the valuation date. All assumptions made in forming the Discounted Cash Flow have been reviewed. We note that the Clark Leasehold valuation was completed after analysing financial forecasts which by their nature are based on assumptions about future events which are uncertain.

6.1 Collier's Valuation Approach and Method

In arriving at the market value of the Property, the Income Approach using Discounted Cash Flow Method ("**DCF**") was adopted in the valuation.

The Income Approach provides an indication of value by converting future cash flows to a single current capital value.

The DCF Method is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Income is projected over the investment cycle and the net income is arrived at after deducting capital, operating, and other necessary expenses.

The DCF Method evaluates the amount that someone is willing to pay today in order to receive the anticipated cash flow in the future. It uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business and opportunity costs of capital.

For the Property, a DCF Method is used on the remaining lease term to estimate the value the Property by converting the hypothetical rental gain (market rent less contract rent) into present value by applying an appropriate discount rate. Since rights covered by the leasehold including leasehold improvements would revert back to the lessor (owner of the land) at the end of the lease term, no terminal value are considered in the cash flow.

In determining the market rent, while the market approach is adopted using the comparable transaction method, this method utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of rent. If few recent transactions have occurred, the valuer may consider the rental rates of identical or similar assets that are listed or offered for lease, provided the relevance of this information is clearly established, critically analysed and documented. This is sometimes referred to as the comparable listings method. The technique of this approach requires the establishing of comparable property by reducing reasonable comparative rents and offerings to a common denominator. This is done by adjusting the differences between the Property and those rental transactions and listings regarded as comparable

6.2 Valuation Standards

The valuation was conducted on the basis of market value as defined in the RICS Valuation – Professional Standards. The valuation was also prepared in compliance with International Financial Report Standard (IFRS) and International Valuation Standards (IVS). The valuation was conducted utilising the Income Approach which converted future cash flows to a single current capital value. Under the method, the DCF approach was used.

6.3 Collier's Valuation Assumptions

In the DCF Method, financial projections are limited to the remaining lease term and considerations and assumptions which have been made are outlined in the succeeding sections.

Rental Estimates

The schedule contract rent stipulated in the lease agreement is adopted in the cash flow to run full term. Upon expiration of the existing lease agreement on the land, the forecast will simultaneously terminate. The contract rent is considered as a cash expense as it is among the obligations of the lessee to the landlord. Following the concept of leasehold interest, the hypothetical rental gain (from a conceptual sublease) serves as the benefit of the holder of the leasehold right.

The hypothetical rental gain is the difference between market rent and contract rent as long as the former is higher than the latter. The market rent of the land was estimated using the comparable transaction method of the market approach. The approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analysing data which qualify as 'arms-length', between willing lessees and lessors, market rent indicators and rental trends can be established. Adjustments can be made for time, size, location, and other relevant factors when comparing this data against the Property. This approach is commonly used to value properties when reliable transaction evidence of properties of a similar nature is available.

Comparables

Based on discussions Colliers undertook with CDC representatives, the company's usual rental rate offerings in the area are as follows:

Clark Development Corporation Typical Rental Rates

Land Use	Rental Rate (PHP per sqm per month)
Industrial	40.59 (USD$0.79)
Non-Industrial	128.47 (USD$2.50)

Source: Colliers Valuation Report

In addition, Colliers were provided with confidential details of past sublease agreements of about USD$1.00 for vacant portions of industrial lots.

Land Rent Output

Considering the Market Approach, the analysis of the comparable data, the market rent of the land is estimated at PHP41.1088 (USD$0.80) per square meter per month.

For comparables that are asking rents rather than actual transactions, a discount is applied to simulate a transaction which is appropriate based on our knowledge of the market.

Rent Escalation

The contract rent is forecasted to increase following the schedule of escalation reflected in the lease agreement. This Market Rent is anticipated to grow at an annual escalation rate of 5.0 percent following approximate land value growth.

Vacancy Loss

No general vacancy rate is set for the entire forecast period.

Other Income

Other sources of income such as income from interests and penalties are excluded from the valuation.

Outgoings

The outgoings consist of two (2) components – Minimum Guaranteed Lease and Percentage of Rental Revenue from sublease which are both stipulated in the lease agreement and letter amendment. Further details of this are provided in section 4.2 of the Report.

Discount Rate

A discount rate of 8.0% is used in the analysis. This is composed of the implied land capitalization rate and the forecasted land growth rate. The implied land capitalization rate is based on the typical ratio of market value of similar land and the prevailing land lease rate. The forecasted land growth rate used is projected based on historical and projected land growth rate. The projected growth rate also takes into consideration future planned developments in the area such as completion of planned public infrastructure and private development projects.

In Appendix D of this Report, Advisory Partner have assessed the Weighted Average Cost of Capital ("**WACC**") of SITE as a cross-check to the discount used in the Colliers Valuation Report to assess the reasonableness of this discount rate.

Our analysis indicated that SITE's WACC is 8.63%, thus is within a reasonable range of the discount rate applied in the Colliers Valuation Report. As previously mentioned, details of Advisory Partner's calculation of the WACC of SITE are set out in Appendix D.

6.4 Control Premium

When valuing a controlling interest, an appropriate allowance should be made for the premium for control, given the strategic benefit that a controlling interest would provide. However, a control premium should not be added to a land valuation as the basis of the value was for 100% interest. As such, no control premium was applied to the valuation of the Clark Leasehold.

6.5 Colliers Valuation Report: Clark Lease Value

The Market Value of the Clark Lease was assessed by Colliers as ₱923,200,000 or $24,037,358. The value of 61.6% of the Clarke Lease is ₱568,691,200 or $14,807,013. This value was arrived at using a discount rate of 8%.

Colliers have provided several Lease Renewal Scenarios at Appendix 3 of their report. These scenarios are dependent on various factors including the Renewal of the lease, planning approvals, sourcing funding and finding the right project partners. We have not considered these scenarios as they do not form part of the Colliers opinion on value and in our view have not been adequately risk adjusted for the various factors listed above.

6.6 Sensitivity Analysis

The above values are sensitive to the discount rate assumed in the DCF valuation of the Clark Leasehold (8%). The change of the value of the Clark Lease when applying higher discount rates to the forecast is summarised in the table below:

Sensitivity Analysis of WACC

Discount Rate	Value of 61.6% of Clark Lease
8%	14,807,013
10%	13,264,081
11%	12,584,036
12%	11,955,316

Source: AP Analysis

6.7 Valuation Conclusion - Site Group

As detailed above we have determined a discount rate of 8.63% using the Capital Asset Pricing Model. We have applied a discount rate of 8.63% to the Colliers cash flows to assess a low value of the Clark Lease. The high value detailed below is the Market Value of the Clark Lease assessed by Colliers using an 8% discount rate.

Valuation Conclusion – Low Range & High Range

Value of Clark Leasehold Interest	LOW ₱(PHP)	HIGH ₱(PHP)	LOW $AUD	HIGH $AUD
Colliers Valuation of Clark Leasehold Interest on a Controlling Basis	891,113,141	923,200,000	23,201,913	24,037,358
Value of 61.6% of Clark Leasehold Interest (Site Group) on a Controlling Basis	**548,925,695**	**568,691,200**	**14,292,378**	**14,807,013**

As the table above highlights, we have assessed the low value of the Clark Leasehold Interest on a controlling basis to be ₱891,113,141 (61.6% = ₱548,925,695); equivalent to $23,201,913 (61.6% = $14,292,378).

Colliers have assessed the high value of the Clark Leasehold interest on a controlling basis to be ₱923,200,000 (61.6% = ₱568,691,200); equivalent to $24,037,358 (61.6% = $14,807,013).

Note that in the table below, the Currency Exchange Rate used to determine the AUD equivalent price was the currency pair close price on the April 7th, 2022 (Valuation Date).

Currency Exchange Rates – 7th April 2022

Currency Exchange Rate	7th April 2022
Philippine Pesos to AUD	0.0260

The Colliers Valuation Report sets out the key DCF forecast assumptions in the valuation.

In Advisory Partner's opinion, nothing has come to our attention that would indicate that the outlook for the Clark Project has deteriorated since the valuation date. All assumptions made in forming the DCF have been reviewed and are reasonable. Note that the Clark Leasehold opinions are after analysing financial forecasts which by their nature are based on assumptions about future events which are uncertain and that may not come to fruition.

7.0 Assessment of the Value of the Offer

7.1 Offer Components of Value

The non-binding offer from the Investor Group has two main components of value, the cash consideration of USD$2.400M and the debt converted of USD$7.605M.

7.2 Value of the Offer

The total value of the consideration offered is outlined below:

Value of Consideration Offered

Value of Consideration Offered	LOW $US	HIGH $US	LOW $AUD	HIGH $AUD
Cash Consideration	2,400,000	2,400,000	3,213,840	3,213,840
Debt Converted	7,605,000	7,605,000	10,183,856	10,183,856
Total Value of Consideration Offered	**10,005,000**	**10,005,000**	**13,397,696**	**13,397,696**

We have assessed the value of the offer to be $13,397,696.

Note that in the table below, the Currency Exchange Rate used to determine the AUD equivalent price was the currency pair close price on the April 7th, 2022 (Valuation Date).

Currency Exchange Rates – 7th April 2022

Currency Exchange Rates	7th April 2022
USD to AUD	1.3391

8.0 Assessment of Fairness

In forming our opinion in relation to the fairness of the Offer, we have valued each component of the proposal being the fair market value of the Cash Consideration and Debt converted to equity in comparison to the Colliers Valuation Report of the Clark Leasehold Interest (Site Group). A summary of this is provided below.

Fair Value

Fairness of Offer	LOW $AUD	HIGH $AUD
Consideration Offered:		
Cash and Debt Converted	13,397,696	13,397,696
Total Value of Consideration Offered	**13,397,696**	**13,397,696**
Site Group Valuation:		
Colliers Valuation of Clark Leasehold Interest on a Controlling Basis	23,201,913	24,037,358
Total Value of 61.6% of Clark Leasehold Interest on a Controlling Basis	**14,292,378**	**14,807,013**
Premium / (Discount)	**-6.26%**	**-9.52%**

Advisory Partner, along with Colliers, have assessed the low and high range fair value of the Clark Leasehold on a controlling basis to be $23,201,913 and $24,037,358 respectively.

For the intended purchase amount of 61.6% on a controlling basis, the low and high range fair value of the Clark Leasehold translates to $14,292,378 and $14,807,013 respectively.

In comparison, the assessed value of the consideration provided for under the offer is $13,397,696. As demonstrated above, the value of the consideration being offered is lower than the value of the Clark Leasehold Interest and as a result, the Offer is considered not fair.

The Offer represents a discount below the total value of 61.6% of the Clark Leasehold Interest of between 6.26% and 9.52%.

9.0 Assessment of Reasonableness

Pursuant to RG 111, the proposed related party transaction may be "reasonable" if, despite not being "fair", the expert believes there are sufficient reasons for members to vote for the proposal.

Set out below, are the various considerations made in arriving at our determination of whether the Proposed Transaction is reasonable.

9.1 Advantages of approving the Proposed Transaction

Set out below is a summary of the key advantages to the Shareholders:

- **Limited capital raising opportunities are available**

  From the 1st July 2021 to the 1st July 2022, SITE's share price performance has fallen by 72.7%. SITE's shares are illiquid which means there is limited opportunity to sell shares through the market. With both of these points considered, there is a small group of investors who would invest in SITE.

- **SITE's continuation is dependent on the Company achieving certain objectives**

  The directors have indicated in their report that the continued going concern of the company is based on realising value of the Clark Leasehold. They have indicated that their plan is to attract investors funds to enable the company to proceed with its strategy of maximising the value of the leasehold.

- **Partnership provides project focus**

  The partnership with the Investor Group will provide focus for the project away from the SITE business, industry and country knowledge that can enable Site Group to realise the value of the Clark Leasehold.

- **SITE will retain an interest in Site Group**

  Post-Transaction, SITE will retain a 38.4% interest in Site Group, and ultimately the Clark Leasehold. This enables current shareholders to share in the potential upside in maximising the value of the Clark Leasehold.

- **Existing loans will be repaid and SITE will have a strengthened balance sheet**

  As at 31 August 2022 SITE owes the Investor Group USD$7.605M. All of the parties (SITE and the Investor Group) have agreed to vary the terms of the Existing Loan, for it to be repaid by the issue of equity to the Investor Group in Site Group. In doing so, SITE's balance sheet will be strengthened through the repayment of the loans. As at 30 June 2022, SITE's balance sheet has a deficiency of equity of $21,847,406. Post transaction, as at 30 June 2022, the proforma balance sheet will have a deficiency of equity of $2,686,738. This is further outlined in section 5.8.

- **Current Debt Providers agreement with the Proposed Transaction**

  The current loans are at call, which means that the debt providers can request repayment of the loan. SITE does not have the funds available to repay the loans. With the agreement of the current debt providers, it avoids the company being put into liquidation.

- **Alternative financing arrangements**

  Alternative financing would be reliant on the current debt providers agreement. We consider that it is unlikely that a new financier could be found that would agree to replacing the current debt holders on their current debt terms. The company has talked to several investors and has been unsuccessful in securing any additional funding.

9.2 Disadvantages of approving the Proposed Transaction

Set out below is a summary of the key disadvantages to the Shareholders:

- **Additional finance will be required**

  After approving the transaction, SITE and Site Group will need to partner with a development company or employ the services of a development company to commence the construction work and to source further debt finance.

- **Capital is raised at a discount to the value assessed by Colliers**

  The low and high value of 61.6% of the Clark Leasehold Interest on a controlling basis was valued at $14,292,378 and $14,807,013 respectively. By comparison, the assessed low and high value of the consideration provided for under the offer is $13,397,696. As such, the capital will be raised at between a 6.26% and 9.52%.

- **SITE shareholder's ownership will be diluted in Site Group**

  SITE shareholders currently own 100% of Site Group. Post-Transaction (after the sale of 61.6% of shares to the Investor Group and the existing loans repaid by the issue of Equity), SITE shareholders will own 38.4% of Site Group with the USD$7.605M debt to the Investor Group being extinguished.

9.3 Other Considerations

In considering whether the Offer is reasonable, other factors that have been considered include:

- **The Company and the Group are continuing to operate as a going concern**

  The auditor at 30 June 2021 has indicated that there is material uncertainty as to the going concern of SITE. The directors have indicated that they are able to continue as a going concern and one of the key objectives is to realise value from the Clark Lease. If this transaction does not proceed, this may impact the directors plans in relation to going concern.

- **Availability of alternative offer and alternative transaction**

  Management have not secured an alternative offer at this stage and indicated to us that it would be unlikely for any alternative transactions and financing options to become available. This is due to SITE's financial position, limited trading liquidity, overall market sentiment and the entity's bargaining position.

- **The value of the Clark Lease by a recognised and reputable property valuer**

  The opportunity to realise value from the Clark Leasehold Interest in support of the stated strategy of maximising the international asset values within the Company and its Subsidiaries.

- **The existing shareholding structure of Site Group**

  The Proposed Transaction will provide SGH with strategic investors with "in-country" knowledge and property experience which is expected to assist SGH to realise and action its development plan for the Clark Site, while enabling the Company to maintain a 38.4% investment in the project.

- **SITE share price if the Proposed Transaction does not proceed**

  It is possible that the SITE share price will drop further if the Proposed Transaction does not proceed.

9.4 Assessment of Reasonableness

As indicated above there are significant advantages, disadvantages and other considerations associated with the Proposed Transaction. After careful consideration of these, it is our opinion that the transaction is reasonable to the Non-Associated Shareholders.

Glossary of Defined Terms

Glossary of Terms

Term	Meaning
$	Australian Dollar
₱	Philippine Pesos
000	Thousands
AASB	Australian Accounting Standards Board
AP or we or us or our	Advisory Partner Connect Pty Ltd
Armada	Armada Investments Pty Ltd
ASIC	Australian Securities and Investment Commission
ASIC RG 111	Regulatory Guide 111 - Content of Expert Reports
ASIC RG 112	Regulatory Guide 112 - Independence of Experts
ASIC RG 74	Regulatory Guide 74 - Acquisitions Approved by Members
ASX	Australian Securities Exchange
Call Options	The right to buy an asset at an agreed price on or before a particular date.
CAPM	The Capital Asset Pricing Model (CAPM) is a model that describes the relationship between the expected return and risk of investing in a security. It shows that the expected return on a security is equal to the risk-free return plus a risk premium, which is based on the beta of that security.
Clark Development Corporation (CDC)	A government-owned and controlled corporation duly organised and existing under the laws of the Philippines
Clark Lease	30.7 Hectare property bounded by Price Balagtas Highway and Creekside Road, Clark Freeport Zone, Philippines
Colliers	Colliers International Philippines is an Independent Property Valuer that provided an assessment of the value of the Clark Lease
Control Premium	Control premium refers to an amount that a buyer is willing to pay in excess of the fair market value of shares in order to gain a controlling ownership interest.
Corporations Act	Corporations Act, 2001 (Cth)
DCF	The process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Income is projected over the investment cycle and the net income is arrived at after deducting capital, operating, and other necessary expenses. The Discounted Cash Flow Method evaluates the amount that someone is willing to pay today in order to receive the anticipated cash flow in the future. It uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business and opportunity costs of capital.
Dilution	The decrease in existing shareholders' ownership percentage of a company as a result of the company issuing new equity
Directors	The company directors of SITE

Discount Rate	The rate of return, and is used in business valuations of a company in converting a series of future anticipated cash flows to the present value of the business using the discounted cash flow method
EGP	EGP Capital Pty Ltd
Engagement	Our engagement by the Directors of SITE to prepare this Report in connection with the takeover bid.
Free Float	The shares of a company that can be publicly traded and are not restricted (ie., held by insiders)
FSG	Financial Services Guide
FY	Financial Year
Going Concern	A company that is financially stable enough to meet its obligations and continue its business for the foreseeable future
Highest and Best Use	The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible
HY	Half Year
Issued Capital	The amount of nominal value of share held by the shareholders.
Liquidity	The ease in which an asset or security can be converted into ready cash without affecting its market price
Liquidity Ratios	Liquidity ratios are a measure of the ability of a company to pay off its short-term liabilities
Listing Rule 10	ASX Transactions with persons in a position of Influence
Lucerne	Lucerne Finance Pty Ltd
Llwyn	Llwyn Pty Ltd ATF Llwyn York Trust & Llwyn Wentbridge Trust
m or $m	Million
Management	SITE Management
Negative Pledge	A negative pledge is a contract provision prohibiting the debtor in a contract from creating security interests over specified property assets. The contractual provision aims to protect unsecured creditors by ensuring that debtors can only use unencumbered assets as collateral.
Non-Associated Shareholders	Shareholders of SITE other than those associated with the proposed Transaction
Non-binding Indicative Term Sheet	A written document the parties exchange containing the important terms and conditions of the deal
Punta	Punta Properties Inc
Report	This independent expert's report
RG	Regulatory Guide
RICS Valuation - Professional Standards	The International Valuation Standards (IVS) are standards for undertaking valuation assignments using generally recognised concepts and principles that promote transparency and consistency in valuation practice
Site Group or SGH	Site Group Holdings Pty Ltd (The holder of the Clark Lease)
SITE or the Company or the Group	Site Group International Limited (ASX: SIT)

Solvency Ratios	A solvency ratio is a key metric used to measure an enterprise's ability to meet its long-term debt obligations
Subsidiary or Subsidiaries	The company's owned and controlled by SITE
The Group	Site Group International Limited and its controlled entities
The Investor Group	Punta Properties Inc, Armada Investments Pty Ltd, Wayburn Holdings Pty Ltd, Lucern Finance Pty Ltd and Llwyn Pty Ltd ATF Llwyn York Trust & Llwyn Wentbridge Trust
Transaction or Proposed Transactions or Offer	USD$10.005M to subscribe for the 61.6% interest in Site Group via the issue of 161,591,727 new ordinary shares
USD$	United States Dollars
VWAP	Volume Weighted Average Price
WACC	A firm's Weighted Average Cost of Capital (WACC) represents its blended cost of capital across all sources, including common shares, preferred shares, and debt.
Wayburn	Wayburn Holdings Pty Ltd
Working Capital	The capital of a business which is used in its day-to-day trading operations

Appendix A: Sources of Information

In preparing this report we have had access to and relied upon the following principal sources of information:

- Colliers International Philippines: Development Site Clark Freeport Zone, Philippines – Valuation Report as at 7 April 2022 (Appendix E);
- Preliminary Final Report of SITE and Controlled Entities for the year ended 30 June 2022;
- audited annual report of SITE for the year ended 30 June 2021;
- audited annual report of SITE for the year ended 30 June 2020;
- audited annual report of SITE for the year ended 30 June 2019;
- half year audited report of SITE for the year ended 31 December 2021;
- audited annual reports of Site Group for the year ended 30 June 2021;
- audited annual reports of Site Group for the year ended 30 June 2020;
- audited annual reports of Site Group for the year ended 30 June 2019;
- audited half year reports of Site Group for the year ended 31 December 2021;
- The World Bank, 2022 'The World Bank in the Philippines';
- various ASX announcements;
- meeting with Management and Management working papers in relation to the transaction;
- S&P Capital IQ; and
- other publicly available information on SITE.

In addition to the above, Advisory Partner has had various discussions with the Management, officers and advisers of SITE regarding the nature of SITE's businesses, their operations, financial position and prospects.

Appendix B: Qualifications, Declarations, and Consents

Qualifications

Advisory Partner provides corporate advisory services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and schemes of arrangements. Advisory Partner’s Director has prepared a number of public expert's reports.

The principal person responsible for preparing this Report on behalf of Advisory Partner is Brett Plant, BBus, MCom, FCA, he is a Director of Advisory Partner. Mr Plant has been actively involved in the preparation of this report. Mr Plant has in excess of 20 years experience in the commerce and the accountancy profession and has been involved in specialist corporate advisory services including company valuations, business sales, due diligence investigations, independent experts’ reports as well as other corporate investigations for more than 10 years. Mr Plant has the appropriate experience and professional qualifications to provide the advice offered.

Declarations

It is not intended that this Report should be used or relied upon for any purpose other than as an expression of Advisory Partner’s opinion as to whether the Offer is fair and reasonable and in the best interests of the Shareholders of Site as a whole. Advisory Partner expressly denies any liability to any Shareholder who relies or purports to rely on this Report for any other purpose and to any other party who relies or purports to rely on this Report for any purpose.

This Report has been prepared by Advisory Partner with care and diligence and the statements and opinions given by Advisory Partner in this Report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Advisory Partner or any of its directors, officers or employees for errors or omissions however arising in the preparation of this Report, provided that this shall not absolve Advisory Partner from liability arising from an opinion expressed recklessly or in bad faith (unless the law otherwise requires).

Independence

Advisory Partner is entitled to receive a fee of $35,000 (exclusive of GST) for the preparation of this Report. Advisory Partner is also entitled to be reimbursed for any out-of-pocket expenses incurred in the preparation of this Report. Except for this fee and the reimbursement of these expenses, Advisory Partner has not received and will not receive any pecuniary or other benefit, whether direct or indirect, in connection with the preparation of this Report.

Neither the signatory to this Report nor Advisory Partner holds securities in SITE. No such securities have been held at any time over the last two years.

Neither the signatories to this Report nor Advisory Partner have had within the past two years any business relationship material to an assessment of Advisory Partner’s impartiality with in SITE, or its associates.

Prior to accepting this engagement, Advisory Partner considered its independence with respect to SITE and any of its respective associates with reference to ASIC Regulatory Guide 112 entitled “Independence of Experts". In Advisory Partner’s opinion, it is independent of SITE and its associates.

A draft of this Report was provided to SITE and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review and there was no alteration to the methodology, evaluation or opinions set out in this Report as a result of issuing the draft.

Indemnity

Under the terms of our engagement, SITE has agreed that no claim shall be made by SITE or any of its subsidiaries against Advisory Partner, any of their directors, officers, partners, employees or agents (Indemnified Persons) to recover any loss or damage which SITE or any of its subsidiaries may suffer by reason of or arising out of anything done or omitted in relation to the provision of the services by Advisory Partner, provided that such loss or damage does not arise from the negligence or willful default of any of the Indemnified Persons. SITE has unconditionally indemnified Advisory Partner and their respective officers, employees and agents against any losses, claims, damages, liabilities, costs, expenses and outgoings whatsoever (Losses) which they may suffer or incur directly or indirectly arising out of:

- Advisory Partner relying on information provided by SITE or any of its employees, agents or advisers; or
- Site failing to provide Advisory Partner with material information in relation to the Proposed Transaction.

Further, SITE must pay and must indemnify Advisory Partner against any Losses in relation to any investigations, enquiries or legal proceedings by ASIC or any other competent regulatory body arising out of, or in connection with, the Proposed Transaction, including reasonable legal expenses and disbursements incurred by Advisory Partner and fees payable to Advisory Partner attributable to time reasonably spent by its staff assessed at its hourly rates to the extent that investigation, enquiry or legal proceeding is not caused by an act or omission of the Indemnified Persons.

Consents

Advisory Partner consents to the issuing of this Report in the form and context in which it is to be included in the Notice of Meeting and Explanatory Memorandum to be sent to the Shareholders. Neither the whole nor any part of this Report nor any reference thereto may be included in, or attached to, any other document without the prior written consent of Advisory Partner as to the form and context in which it appears.

Advisory Partner takes no responsibility for the content of the Notice of Meeting and Explanatory Memorandum or any other documents provided to the Shareholders, other than this Report.

Other

The opinion of Advisory Partner is made at the date of this Report and reflects circumstances and conditions as at that date. In particular, Advisory Partner provides no representations or warranties in relation to the future value of shares of Site.

Shareholders who are in any doubt as to the action they should take should consult their own independent professional advisers.

Advisory Partner has prepared a Financial Services Guide as required by the Act. The Financial Services Guide is set out at the beginning of this Report.

Appendix C: Valuation Methodologies

Fair Market Value Definition

Advisory Partner's valuation of Site Group is on this basis of 'fair market value', defined as 'the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious vendor, acting at arm's length'.

Valuation Methodologies

In conducting our assessment of the fair market value of the Company, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow **("DCF")** method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value **("NPV")**.

DCF is appropriate where:

- the businesses' earnings are capable of being forecast for a reasonable period (preferably five to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Future Maintainable Earnings Method

This method involves the capitalisation of estimated future maintainable earnings by an appropriate multiple. Maintainable earnings are the assessed sustainable profits that can be derived by the vendor's business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Realisable Value of Assets

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- *orderly realisation*: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- *liquidation*: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- *going concern*: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Share Market Trading History

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

Constant Growth Dividend Discount Model

The dividend discount model works best for:

- firms with stable growth rates;
- firms which pay out dividends that are high and approximate free cash flow to equity;
- firms with stable leverage; and
- firms where there are significant or unusual limitations to the rights of shareholders.

Special Value

Special value is the amount which a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

Appendix D: Discount Rate

Overview

When applying the discounted cash flow method, the cash flows expected to be generated by an asset are discounted to their present value by using a discount rate that reflects the relative risk of the investment, as well as the time value of money.

Selection of an appropriate discount rate to apply to the forecast cash flows of a company fundamentally is a matter of judgment. There is a formulaic approach that can and is derived by theory; however, a mechanistic application of financial theory can result in a discount rate that is not applicable in reality. Hence, it should be stressed that there is no "correct" discount rate. Despite the growing acceptance and application of various theoretical models, many company may rely on less sophisticated approaches and use relatively arbitrary "hurdle rates" which do not vary significantly over time despite interest rate movements.

The discount rate that Advisory Partner have adopted as a crosscheck to the discount rate used in the Colliers Valuation report is reasonable relative to the rates derived from theoretical models and has been based on a WACC.

There are three main considerations to the determination of an appropriate WACC, namely cost of equity, cost of debt and debt/equity mix.

The cost of equity was derived from the Capital Asset Pricing Model (“**CAPM”**) methodology. The CAPM is probably the most widely accepted and used methodology for determining the cost of equity capital. However, while the theory underlying the CAPM is rigorous, the practical application is subject to shortcomings and limitations and the results of applying the CAPM model should only be regarded as providing a general guide.

Weighted Average Cost of Capital (WACC)

To ensure consistency with the cash flow projections of SITE, the WACC should be on a nominal post tax basis. The standard formula used to calculate a nominal post tax WACC under a dividend imputation system is given by:

$$WACC = r_e \frac{E}{V} + r_d \frac{D}{V}\left(1 - t_c(1-\gamma)\right)$$

Where

V	sum of debt and equity values;
E	value of equity;
D	value of debt;
R_e	cost of equity;
R_d	cost of debt;
t_c	the corporate tax rate; and
γ	the value of imputation tax credits (gamma)

This is an after-tax discount rate to be applied to nominal ungeared after-tax cash flows.

Overview of the CAPM Framework

The CAPM provides a theoretical basis for determining a discount rate that reflects the returns required by diversified investors in equities. CAPM is based on the assumption that investors require a premium for investing in equities above risk free investments (such as Australian government bonds). The premium is commonly known as the market risk premium and notionally represents the premium required to compensate for investment in the equity market in general.

The risks associated with an investment in a company can be classed as either specific risks or systematic risks. Specific risks are risks that are specific to a particular company or business and are unrelated to movements in equity markets. Systematic risk is the risk that returns from an investment or business will vary with market returns in general. If returns on an investment are expected to be perfectly correlated with returns on the market, then the return required on the investment would be equal to the return required from the market (ie. the risk-free rate plus the market risk premium).

CAPM postulates that the return required on investment or assets can be estimated by applying to the market risk premium a measure of systematic risk described as the equity beta factor. The equity beta for an investment reflects the covariance of the return from that investment with the return from the market as a whole. Covariance is a measure of relative volatility and correlation. The equity beta of an investment represents its systematic risk only. It is not a measure of the total risk of a particular investment. In general, an investment with an equity beta greater than 1 is riskier than the market and an investment with a beta of less than 1 is less risky.

The formula for deriving the cost of equity using CAPM is as follows:

$$R_e = R_f + \beta(R_m - R_f)$$

Where
R_e is the expected return on equity;
R_f is the risk free rate;
β is the equity beta factor;
R_m is the expected market return; and
$R_m - R_f$ is the market risk premium.

The equity beta for a company is normally estimated by observing the historical relationship between returns from the company or comparable company and returns from the market in general. In our analysis, we have chosen to observe the historical 3-year relationship between returns from comparable companies to SITE.

Risk free rate

The risk-free rate compensates the investor for the time value of money including the expected inflation rate over the investment period. In practice, for going concern Australian companies, the ten-year Commonwealth Government Bond rate is a widely used and accepted proxy for the risk-free rate. This rate is a nominal rate and therefore includes inflation.

For the purpose of this report, Advisory Partner has adopted the ten-year Australian Government Bond rate as at 21 September 2022 of 3.70% as a proxy for the risk free rate in determining the cost of equity for SITE.

Equity market risk premium

The market risk premium (Rm - Rf) represents the additional return that investors require to invest in equity securities as a whole over a risk-free investment which is not observable and therefore a historical premium is used as a proxy. Australian studies[1] have been limited but indicate that the long run average premium has been in the order of 6.0-6.5% measured over more than 100 years of data.

The market risk premium is not constant and may change over time as investors perceive that equities are more risky than at other times and will increase or decrease their expected premium.

A market risk premium of 6.0% has been assumed which Advisory Partner believes is within the range of generally accepted figures of long-term market risk premiums in the Australian capital market.

Beta

The beta coefficient is a measure of the expected volatility and therefore risk of a company's stock relative to the market portfolio.

The beta of a stock is determined by the characteristics of the firm and is generally based on three factors:

- the nature of revenue and the extent to which it is cyclical;
- operating leverage; and
- financial leverage.

The expected beta cannot be observed, therefore the historical beta is usually used as a proxy for the expected beta. A beta can be estimated by regressing the excess returns of the stock or comparables against the excess returns of the index representing the market portfolio.

Equity Beta estimate

To obtain an equity beta, Advisory Partner has considered the betas of Educational Service providers listed on the ASX. The betas for listed Educational Service companies that may be considered comparable to SITE are listed below.

Comparable Company Beta Data

Name	Total Debt	Mkt. Val. Equity	Debt / Capital	Levered Beta (3-Yr)	Unlevered Beta
Site Group International Limited	**16,186,969**	**3,400,000**	**83%**	**0.47**	**0.08**
3P Learning Limited	3,124,000	427,168,043	1%	0.21	0.21
EDU Holdings Limited	17,182,545	17,039,595	50%	0.27	0.15
G8 Education Limited	728,913,000	950,904,357	43%	1.29	0.84
IDP Education Limited	143,100,000	6,760,772,088	2%	1.10	1.09
Kip McGrath Education Centres Limited	2,207,000	58,497,508	4%	0.42	0.41
Average Peer Group			**20.0%**	**0.66**	**0.54**
Median Peer Group			**3.6%**	**0.42**	**0.41**

Source: Capital IQ Pro

1. The impact of differing capital structures is removed in the calculation of the unlevered betas (Asset Beta).

There are significant measurement issues with beta, which means that only limited reliance can be placed on such statistics. Even measurement of historical betas is subject to considerable variation. It requires a considerable degree of judgement.

[1] Market Risk Premium Australian Evidence – Business Valuation Paper by Macquarie University

The beta is measured on the cash flows returned to equity holders and is therefore after interest. Accordingly, a firm's beta also reflects its capital structure. Since financial leverage is likely to alter between firms it is generally erroneous to make comparison of betas between firms without regard to each firm's leverage. Accordingly, the Company's target debt and equity mix is relevant.

The betas can all be degeared (or 'delevered') to remove the impact of leverage. The method is set out below:

$$Beta(ungeared) = \frac{Beta(geared)}{\left(1 + \frac{D}{E} \times (1 - t)\right)}$$

The ungeared or 'asset' betas can then be analysed to determine an appropriate asset beta for the subject of the valuation, and it can be regeared (or 'relevered') to reflect the appropriate capital structure. Rearranging the above equation, we have:

$$Beta(geared) = Beta(ungeared) \times \left(1 + \frac{D}{E} \times (1 - t)\right)$$

The table on the previous page indicates that the median beta for comparable business is approximately 0.42, and when unlevered is approximately 0.41.

Given the differences between SITE and the comparable companies, at best we regard the data as relevant and informative but not determinate.

We have adopted the median ungeared beta of 0.41 for our analysis.

Cost of Debt Capital

The rate of return required by providers of debt capital is the rate a prudent debt investor would require on interest bearing debt. This rate should reflect the long-term rate of interest required by a debt provider to a business such as the business subject to valuation.

We have adopted a relevant cost of debt for SITE of 10.5% being 7% over the yield on 10-year Commonwealth Government Bonds. This represents a weighted average of SITE's current and non-current interest-bearing debt.

In recognition that WACC is applied to ungeared after tax cash flow projections and that interest payments to debt providers creates a tax shield, the resulting adjusted debt rate for inclusion in the WACC calculation is 7.35%.

The rate of tax used for calculating the tax shield adjustment is 30%, representing the corporate rate of tax.

Imputation Credits (Gamma)

The WACC set out above assumes a "classical" tax system. The CAPM model is constructed to derive returns to investors after corporate taxes but before personal taxes. Under the US classical tax system, interest expense is deductible to a company but dividends are not. Investors are also double-taxed on dividends received.

Under Australia's dividend imputation system, domestic equity investors now receive a taxation credit (franking credit) for any tax paid by a company, hence eliminating the double taxation associated with US dividends. There are schools of economic thought that argue that the taxation benefits of dividend imputation should be incorporated into any analysis of value. However, Australian studies of the relative value of dividend imputation are controversial and have produced mixed results.

It is worth noting that franking credits can only be utilised in the hands of domestic Australian investors and to a lesser extent, superannuation funds who are eligible for a refund of unused imputation credits (provided that franking credit trading rules are met). Foreign investors are unable to access attached franking credits and hence attribute no additional value to franking credits.

While a number of studies point towards the proposition that some value should be attributed to dividend imputation, Advisory Partner considers that the evidence provided by the different schools of thought as to the value that investors attributes to dividend imputation is unclear and as a result we have attributed no value to the Imputation Credits.

Debt and equity mix

According to the principles of modern portfolio finance theory on capital structure an investor, as owner, in a business would seek to utilise an appropriate amount of debt capital in the financial structure of the business on the basis that debt capital is generally cheaper than equity capital and the cost thereof is generally tax deductible. This proposition is balanced, however, with the fact that as the proportion of debt is increased, the financial risk of the business is increased. Accordingly, a target proportion of debt to total capital employed in the business is sought which balances the advantages of this source of funds with the disadvantages attached thereto.

Modern finance theory does not provide a solution to determine the optimum level of gearing in a business, however the use and amount of debt used by participants in the market is observable. Consequently, we have made reference to the gearing ratios of comparable companies noted on page 48 in order to benchmark an appropriate level of gearing to assume for the purposes of deriving the WACC applicable to the business of SITE. We have also had regard to SITE's current gearing level.

In arriving at an appropriate target capital structure for SITE we have had regard to the capital structures commonly adopted by Education Services companies and also SITE's current gearing level.

The average gearing ratio of debt to equity mix observed from the comparable companies is 20%.

SITE's current capital structure is 83% debt to 17% equity.

We have chosen to adopt a 50% debt/equity mix.

Specific Company Risk

A company's cost of equity as derived by the CAPM reflects the level of systematic (or non-diversifiable) risk borne by the company. It does not reflect non-systematic or company specific risks that are inherent in SITE's operations. A specific risk premium of 2% has been included to adjust the cost of equity for these company specific risk factors.

These company-specific risks in this particular situation include a number of the legal risks discussed in this report but also include issues associated with the size and lack of liquidity in the stock.

Summary of WACC Parameters

The table below summaries the parameters used and Advisory Partner's determined WACC range.

Parameter/Estimate	Value
Risk-free Rate	3.70%
Equity Market Risk Premium	6.00%
Median Equity Beta (Unlevered)	0.41
Equity Beta (Relevered)	0.70
Specific Company Risk	2.00%
Cost Of Equity	**9.91%**
Pre Tax Cost Of Debt	10.50%
Tax Rate	30.00%
Cost of Debt (After Tax Shield)	**7.35%**
Gamma ()	-
Proportion of Equity	50.00%
Proportion of Debt	50.00%
Weighted Average Cost of Capital	**8.63%**

Source: Capital IQ Pro and AP Anlaysis

Appendix E: Colliers Valuation Report

Colliers International Philippines, Inc.
11F Frabelle Business Center
111 Rada Street, Legaspi Village
Makati City 1229 Philippines

MAIN (632) 8888 9988
WEBSITE www.colliers.com

Our Ref: CIPVAL22-039

16 May 2022

Advisory Partner Connect Pty Ltd
Level 3/349 Coronation Drive
Milton Queensland 4064
Australia

Attention: Mr. Brett Plant
Director

Dear Sir:

Re: Valuation of Development Site at Centennial Road, Clark Freeport Zone, Philippines (the Property)

In accordance with our terms of engagement dated 22 March 2022, we attach our report setting out our opinion of value of the Property.

We confirm that we have made relevant investigations and obtained such further information as we consider necessary to allow us to provide you with our opinion of value, as at 7 April 2022, for capital raising purposes.

Please note that this report is for your sole use and for the purposes indicated only and we accept no liability to any third party. The report must not be published or referred to in any way, either in whole or in part, without the prior written consent of Colliers International Philippines, Inc.

Colliers International Philippines, Inc. similarly undertakes to keep all information relating to this report confidential and will not publish or refer to it without the prior written consent of the Client.

If you have any queries concerning the report, please contact Paul Vincent Ramirez at Paul.Ramirez@colliers.com.

Yours sincerely,

For and on behalf of

Colliers International Philippines Inc.

Paul Vincent R. Ramirez, MRICS
Director & Head of Valuation, Philippines
Valuation & Advisory Services
PREA License No. 0000336
PTR No. 8864882

Development Site

Clark Freeport Zone, Philippines

Valuation Report as at 7 April 2022

Prepared for:

Advisory Partner Connect Pty Ltd
Level 3/349 Coronation Drive
Milton Queensland 4064
Australia

Prepared by:

Colliers International Philippines, Inc.
11F Frabelle Business Center
111 Rada Street, Legaspi Village
Makati City 1229 Philippines

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

Instructing party (the Client)	Advisory Partner Connect Pty Ltd
The Property	Development Site at Centennial Road, Clark Freeport Zone, Philippines
Property description	The Property consists of a leasehold interest on an institutional land
Purpose of valuation	Capital raising
Date of valuation	7 April 2022
Date of inspection	7 April 2022
Lease Commence Date	30 October 2009 *Source: Lease Agreement*
Lease Period	Twenty-Five (25) years, renewable for another twenty-Five (25) years *Source: Lease Agreement*
Site area	Approximately 293,728 sq m *Source: Letter Amendment to the Lease Agreement*
Current Floor Area Ratio	1.25 *Source: Clark Development Corporation*
Ownership details	The Property is held as leasehold interest by Site Group Holdings PTY Ltd. (SGHPL) on institutional land administered by Clark Development Corporation (CDC) *Source: Letter Amendment to the Lease Agreement*
Zoning and planning	Institutional *Source: Clark Development Corporation*
Interests valued	Leasehold Interest
Unit Value	PHP3,100/sq m
Market Value	PHP923,200,000 Philippine Pesos Nine Hundred Twenty-Three Million Two Hundred Thousand

Notes:

a. *The executive summary must be read in conjunction with the full valuation report, for completeness.*

b. *Scenario analyses considering assumption of lease renewal and alternative redevelopment concept are presented in the appendices of this report.*

2 INTRODUCTION

2.1 Terms of Engagement

In accordance with our terms of engagement dated 22 March 2022, we provide our opinion of the Market Value of the Property as at 7 April 2022 for capital raising purposes.

2.2 The Property

The Property consists of leasehold interest on an institutional land located at Centennial Road, Barangay Clark Freeport Zone, Philippines.

Leasehold Interest (or Subordinate Interest) is a type of real property interest which normally gives the holder of of exclusive possession and control of a defined area of land or buildings for a defined period.

2.3 Valuation Date

The date of valuation is the same as the inspection date of 7 April 2022 and our opinion of value applies only to that date.

2.4 Basis of Valuation

Our valuation is made on the basis of Market Value, which we would define as follows:

Market Value is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

2.5 Valuation Standards

The valuation has been carried out in accordance with the prevailing valuation standards, namely, Philippine Valuation Standards, the Royal Institution of Chartered Surveyors' *RICS Valuation – Global Standards*, incorporating the International Valuation Standards Council's *International Valuation Standards*.

All necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with (RICS) Global Valuation Professional Standards. Colliers International Philippines operate a complaints scheme that complies with RICS requirements, under its' valuer registration scheme. Details of which are available upon request.

2.6 Valuers

The Property has been valued by Paul Vincent Ramirez MRICS and by Harold Erwin Cruz.

Paul Vincent Ramirez is a Member of the Royal Institution of Chartered Surveyors (Registration No. 6594849) and a Member of the Philippines Association of Realty Appraisers, Inc. He has over 20 years' experience in the valuation of properties of this size and magnitude in the Philippines.

Harold Erwin Cruz is an Associate Director at Colliers Philippines. He has over 17 years' experience in the valuation of properties of this size and magnitude in the Philippines.

Neither the valuer nor Colliers International Philippines, Inc. are aware of any pecuniary interest or any other conflicts of interest that would affect their ability to give an unbiased and objective opinion of the value of the Property.

2.7 Inspections, Investigations and Information Sources

A full inspection of the Property, befitting this valuation, was undertaken by Paul Vincent Ramirez and Harold Erwin Cruz on 7 April 2022, and we have made enquiries and obtained such information we consider necessary to undertake the valuation.

Information has been obtained from various sources including the Client, information already in the public domain and our own databases and has been verified as far as is reasonable. We have assumed all such information to be true and accurate for the purposes of this valuation.

No on-site measurements have been taken to verify the correctness of site and building areas. We have assumed that the site and building areas shown on documents provided to us are correct.

No structural or environmental surveys have been carried out. Services and facilities have not been tested.

Enquiries or searches at the land registry has not been made. The original title documents were not sighted and are therefore not aware of any possible amendments that are not shown on the provided documents. In the absence of readily available and verifiable land and ownership information from other sources for valuation purposes, the ownership information solely provided by the Client for the purposes of valuation is completely relied upon. All such information provided by the Client are assumed to be true and accurate.

2.8 Caveats and Assumptions

This report is subject to and includes our standard caveats and assumptions as set out in Appendix 1.

2.9 Valuation Assumptions

The general valuation assumptions are as follows:

- It is assumed that the property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated.
- It is assumed that any premium or other relevant fees payable for the acquisition, transfer, sale, letting or mortgage of the property have been fully paid and settled.
- It is assumed that there are no easements or rights-of-way affecting the Property.
- It is assumed that proper lease contract has been obtained, and the Property and the interest valued therein can be freely transferred, mortgaged and let in the market.
- It is assumed that all Information, estimates and opinions furnished to the valuer and contained in this report, including all information provided by the client, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. No responsibility for accuracy is assumed.
- The valuer has not carried out any detailed site measurements to verify the correctness of the areas in respect of the Property, nor tested any of the services and facilities but have assumed that the areas shown on the provided documents are correct. All documents and contracts have been used as references only and all dimensions, measurements and areas are therefore approximations.
- It is assumed that the Property is free from any environmental problem or hazard.
- The Valuer has not carried out any detailed survey of the property, and assume that there are no environmental or other problems that effect property and would effect the ability to develop the property .
- In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, the valuer relied on the information solely provided by the client for the purposes of valuation. It is assumed all such information provided by the client to be true and accurate for the purposes of this valuation.

- For the purpose of this valuation exercise the valuer relied on the information provided by the client's representative for the site identification and inspection of the property subject of this valuation. Any change to such information, must be advised, and may affect the value of the subject.
- The Valuer has not carried out any detailed survey of the property, and assume that there are no environmental or other problems that effect property and would effect the ability to develop the property .
- The Valuer assessed the value of the property on the assumption that the development concept will be completed in a timely manner based on the current statutory regulations, and that there will be no major adverse factors affecting the construction programme.
- Without access to appropriate information, the property was valued on the assumption that there are no abnormal site conditions that would result in an abnormal increase in development costs.
- It is assumed the Property is vacant , fully serviced, and available for development.
- It is assumed that any proposed development of the Property can proceed in a normal manner without undue delay.
- The property is valued on the assumption that is vacant, clear and ready for development at the date of valuation.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. The whole nor any part of the valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except with the prior written approval of Colliers International Philippines, Inc. as to the form and context in which it may appear.

Colliers International Philippines, Inc. will at all times keep all information relating to this valuation proposal confidential and not release it to third parties, without the written consent of the client.

3 OWNERSHIP PARTICULARS

The following table summarises the ownership particulars as provided to us by the Client.

Table 1: Summary of Ownership

Item	Detail		
Address	Centennial Road, Clark Freeport Zone, Philippines		
Land Title Summary	Land Title Number	Lot / Plan Number	Land Area (sq m)
	<not provided>	<not provided>	293,728
Tenure	Leasehold interest		
Lessor	Clark Development Corporation (CDC)		
Lessee	Site Group Holdings PTY Ltd. (SGHPL)		
Title Annotation	<no title provided>		
Lease Term	Twenty-Five (25) years, renewable for another twenty-Five (25) years		
Lease Commencement	30 October 2009		
Lease Rate	Minimum guaranteed lease at USD30,713.60 per month, VAT exclusive, with 10.0 percent escalation every three (3) years starting on 4th year plus percentage of gross revenues from operations and percentage of gross rental revenue from sublessee(s) and/or consignee(s)/concessionaire(s)		

Table 2: Schedule of Rental Payment (exclusive of VAT)

From	To	Monthly Rent (USD)	Monthly Rent (PHP)
October 30, 2009	October 29, 2012	30,713.60 *	1,578,249.05
October 30, 2012	October 29, 2015	33,784.96	1,736,073.95
October 30, 2015	May 26, 2016	37,163.46	1,909,681.35
May 27, 2016	October 29, 2018	35,541.09	1,826,314.45
October 30, 2018	October 29, 2021	39,095.20	2,008,945.95
October 30, 2021	October 29, 2024	43,004.72	2,209,840.54
October 30, 2024	October 29, 2027	47,305.19	2,430,824.60
October 30, 2027	October 29, 2030	52,035.71	2,673,907.06
October 30, 2030	October 29, 2033	57,239.28	2,941,297.76
October 30, 2033	October 29, 2034	62,963.21	3,235,427.54

Source: Lease Agreement and Letter Amendment

* Grace Period – effectively zero (0) rent

Table 3: Schedule of Percentage Rent Payment (exclusive of VAT)

From	To	% of Gross Revenues from Operations (PHP)
October 30, 2009	October 29, 2014	1.0%
October 30, 2014	October 29, 2019	1.5%
October 30, 2019	October 29, 2024	2.0%
October 30, 2024	October 29, 2029	2.5%
October 30, 2029	October 29, 2034	3.0%

Source: Lease Agreement

For any conversion of currency from United Sates Dollar (USD) to Philippine Peso (Php), the foreign exchange rate used is PHP51.386 : USD1.00 based on Bangko Sentral ng Pilipinas Reference Exchange Rate Bulleting as at 07 April 2022.

Table 4: Schedule of Percentage Rent Payment (exclusive of VAT)

From	To	% of Gross Rental Revenues from Sublease (PHP)
October 30, 2009	October 29, 2016	5.0%
October 30, 2016	October 29, 2024	7.0%
October 30, 2024	October 29, 2034	10.0%

Source: Lease Agreement

4 PROPERTY DETAILS

4.1 Property Description

The Property, identified as the site of former Expo Filipino and herein referred to as Development Site, consists of leasehold interest on an institutional land located at Centennial Road, adjacent to the southeast side of Foton Philippines and northwest side of Nayong Pilipino Clark, within Clark Freeport Zone, Philippines.

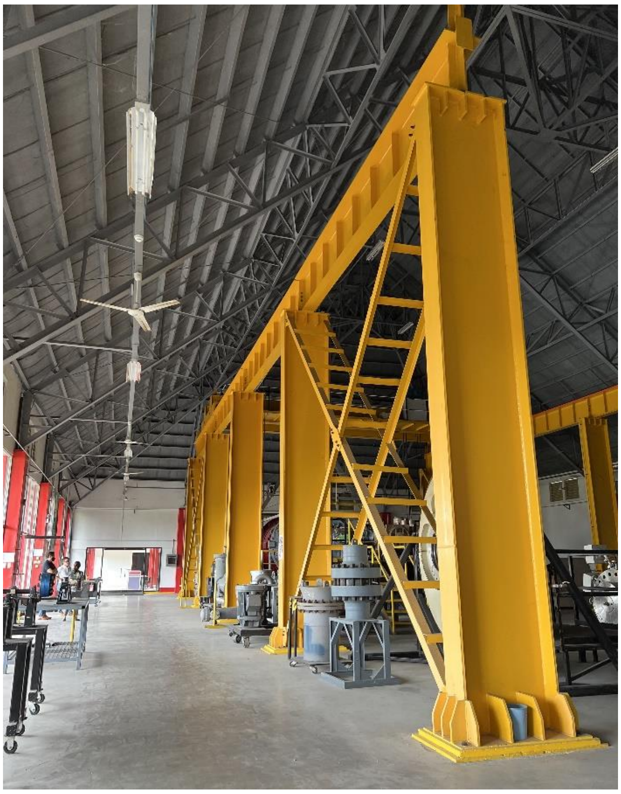
The leasehold interest is anchored on a 25-year lease agreement on a Development Site with a land area of 293,728 square meters.

Photos of the Property, taken at the time of inspection, are shown below.

Figure 1: Photos of the Property

The Property (entrance)

The Property (along Centennial Road)



Training Facility (Warehouse)

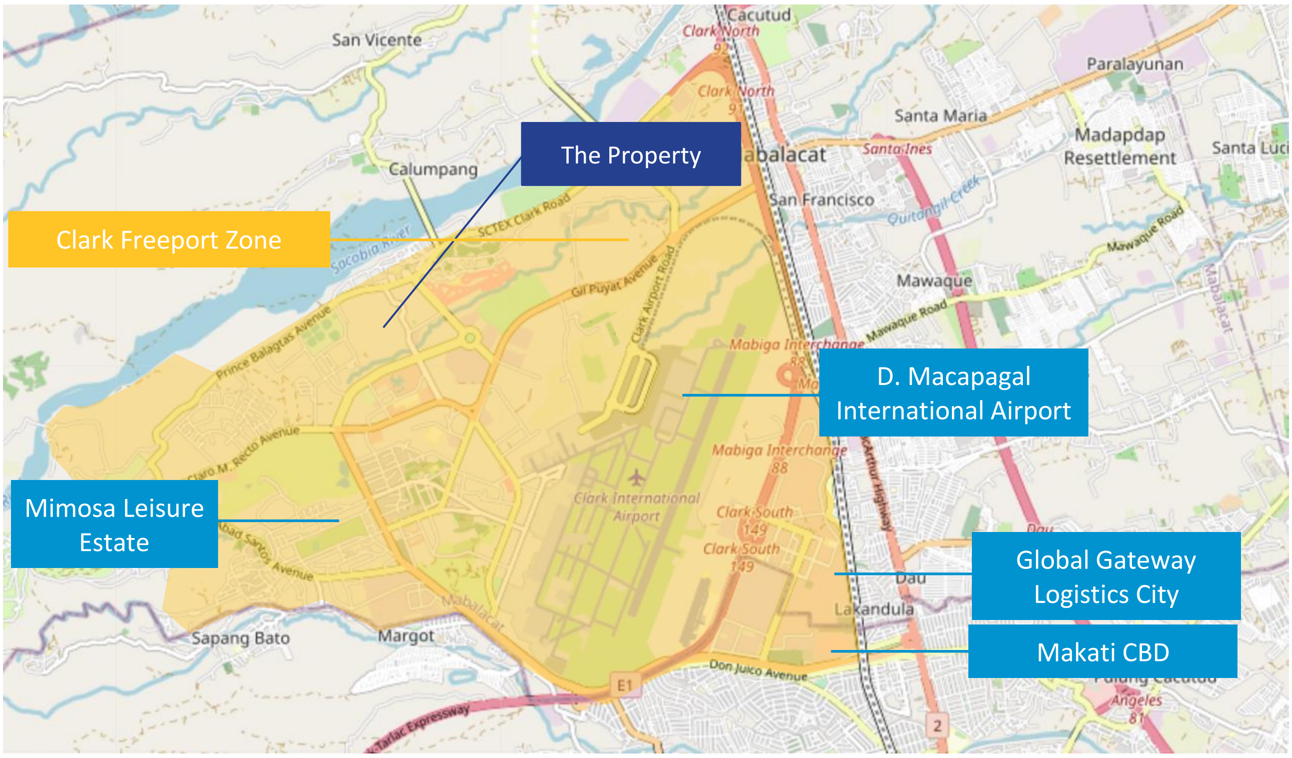
Training Facility (Mining)

Source: Inspection

4.2 Location and Neighbourhood

The Property is approximately 300 meters southeast from Prince Balagtas Avenue in the vicinity of Foton Philippines, some 550 meters northwest from Creekside Road, near Clear Water Resort and Country Club, or about 700 meters west from Panday Pira Avenue in the immediate vicinity of Clark International Speedway.

Figure 2: Location of the Property



Source: Open Street Map

Clark Freeport Zone (CFZ) covers the area of the former United States Air Force facility, Clark Air Base, where most part of it were converted to Clark International Airport. CFZ together with Clark Special Economic Zone are collectively referred to as Clark Freeport and Special Economic Zone or simply "Clark", which has been envisioned to be the hub for business, industry, aviation, education, and tourism in the Philippines as well as a leisure, fitness, entertainment and gaming center of Central Luzon.

Clark, in 2018, is further reorganized to be grouped into four (4) districts – Clark Freeport Zone, Clark Global City, Clark International Airport, and New Clark City.

Developments in CFZ is overseen by Clark Development Corporation, a subsidiary of Bases Conversion and Development Authority (BCDA) which administers Clark.

Notable developments in the area are Mimosa Leisure Estate, Fontana Leisure Estate, Berthaphil developments, PhilExcel Business Park, SM City Clark, hotel and casino such as Midori, Quest, Marriott and Royce, and residential developments like The Sharp Clark Hills, Red Wood Villas, Clark Hills Village, Ritzville Condominiums and Mahogany Park, among others.

4.3 Access and Transportation

Premium point-to-point bus services are recently provided to and from Clark Airport to Ninoy Aquino International Airport Terminal 3 in Metro Manila and to Dagupan in the province of Pangasinan.

CFZ is also serviced by public transportation like jeepneys and tricycles plying from near Dau common terminal to Clark gate as particularly described in CDC website (www.clark.com.ph).

Several airlines are offering domestic and international flights to and from Diosdado Macapagal International Airport.

Figure 3: Public Transportation

Source: https://thehappytrip.com/

MacArthur Highway serves as the major thoroughfare in Central Luzon, linking CFZ and other cities and municipalities of Pampanga to North Luzon and Metro Manila. It is about 30-meter wide asphalt-paved road and provided with cemented sidewalks, concrete curbs and gutters, underground drainage system and street lighting.

The Property is accessible from MacArthur Highway via Manuel A. Roxas Highway. Manuel A. Roxas Highway is mostly about 50-meter wide, asphalt-paved road, and provided with landscaped center island, street lighting, cemented sidewalks, concrete curbs and gutters, underground utilities, and underground drainage system.

CFZ is also directly connected to Subic-Clark-Tarlac Expressway (SCTEx) which connects to other toll roads providing faster and better quality access to North Luzon via Tarlac-Pangasinan-La Union Expressway and Metro Manila via North Luzon Expressway.

Table 5: Distances to public transportation

Destination	Approximate Road Distance
D. Macapagal International Airport	4.0 km
SM City Clark Bus Station	10.0 km
Dau Terminal	12.0 km

Source: Google Earth

4.4 Infrastructure

Electric power is distributed by Clark Electric Distribution Corporation (CEDC) and water is supplied by the Clark Water Corporation. Philippine Long Distance Telephone Company (PLDT) and Globe Telecoms are the major telephone service provider while all major mobile networks are available in the area.

4.5 Planning

The Property is within a zone for institutional use based information shared by the Client and confirmed by Clark Development Corporation.

The development within the Property shall be used primarily for institutional uses which shall observe a maximum Floor Area Ratio (FAR) of 1.25 and maximum land coverage also known as Percentage of Lot Occupancy (PLO) of 70.0 percent with Building Height Limit (BHL) of one hundred twenty-one (121) to one hundred thirty-five (135) meters subject to CAAP requirements, whichever is more restrictive. It shall also be subjected to the provisions of the National Building Code..

4.6 Contamination and Environmental Issues

In as much as an investigation of environmental concerns is not part of this valuation, no obvious evidence of contamination or other hazards were observed during the inspection of the Property. Moreover, the valuer is not qualified to assess such environmental concerns. If a thorough investigation of such issues is required, it is recommended to seek the advice of professionals with appropriate expertise. Should subsequent investigations show evidence of contamination or the like, then the valuation may be subject to revision.

4.7 Site Details

The Property consists of leasehold interest on a site area of 293,728 sq m. The Property has irregular shape as shown in the image below with a road frontage along Centennial Road.

Figure 4: Lot Plan

Map Source: Google Map

5 HIGHEST AND BEST USE ANALYSIS

Based upon an analysis of the prevailing land use in the neighborhood and the Property itself, an institutional development would represent the highest and best use of the Property.

The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

The highest and best use of an asset valued on a stand-alone basis may be different from its highest and best use as part of a group, when its contribution to the overall value of the group must be considered.

The determination of the highest and best use involves consideration of the following:

- to establish whether a use is possible, regard will be had to what would be considered reasonable by market participants;
- to reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, e.g. zoning designations, need to be taken into account;
- the requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.

6 VALUATION APPROACH AND METHOD

In arriving at the Market Value of the Property, the Income Approach using Discounted Cash Flow Method is adopted in the valuation.

The Income Approach provides an indication of value by converting future cash flows to a single current capital value.

The Discounted Cash Flow (DCF) Method is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Income is projected over the investment cycle and the net income is arrived at after deducting capital, operating, and other necessary expenses.

The Discounted Cash Flow Method evaluates the amount that someone is willing to pay today in order to receive the anticipated cash flow in the future. It uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business and opportunity costs of capital.

For the Property, a Discounted Cash Flow Method is used on the remaining lease term to estimate the value the Property by converting the hypothetical rental gain (market rent less contract rent) into present value by applying an appropriate discount rate. Since rights covered by the leasehold including leasehold improvements would revert back to the lessor (owner of the land) at the end of the lease term, no terminal value are considered in the cash flow.

In determining the Market Rent, while the Market Approach is adopted using the Comparable Transaction Method. This method utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of rent. If few recent transactions have occurred, the valuer may consider the rental rates of identical or similar assets that are listed or offered for lease, provided the relevance of this information is clearly established, critically analysed and documented. This is sometimes referred to as the comparable listings method. The technique of this approach requires the establishing of comparable property by reducing reasonable comparative rents and offerings to a common denominator. This is done by adjusting the differences between the Property and those rental transactions and listings regarded as comparable.

7 VALUATION

As previously discussed, the approach provides an indication of value by converting future cash flows to a single current capital value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process.

In the Discounted Cash Flow Method, financial projection limited to the remaining lease term is adopted and considerations and assumptions which have been made are outlined in the succeeding sections.

7.1 Rental Estimates

The schedule contract rent stipulated in the lease summary provided is adopted in the cash flow to run full term. Upon expiration of existing lease agreement on the land, the forecast will simultaneous terminate. The contract rent is considered as expense in the cash as it is among the obligations of the lessee to the landlord.

Following the concept of leasehold interest, the hypothetical rental gain (from a conceptual sublease) serves as the benefit of the holder of the leasehold right. As previously discussed, hypothetical rental gain is the difference between market rent and contract rent as long as the former is higher than the latter.

The Market Rent of the land is estimated using the Comparable Transaction Method of the Market Approach.

(NIL)

Passing Rent
per sq m per month

Note: Currently covered by advance rental payment.

PHP41.1088

Market Rent
per sq m per month
Long-Term Lease
10% escalation every three (3) years

The approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

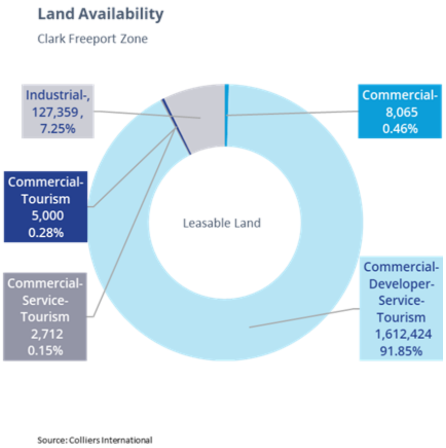
By analyzing data which qualify as 'arms-length', between willing lessees and lessors, market rent indicators and rental trends can be established. Adjustments can be made for time, size, location, and other relevant factors when comparing these data against the Property. This approach is commonly used to value properties when reliable transaction evidence of properties of a similar nature is available.

7.1.1 Comparables

In the Philippines, documented real estate transaction rents declared to government agencies such as the Registry of Deeds and Assessor's Office are always disclosed. Therefore, data gathered from interviews with brokers and other real estate practitioners who are conversant with the property market are used as bases.

In the course of the valuation, reference to rental transactions and offerings of similar properties in the vicinity are made.

Figure 5: CDC Leasable Land Inventory



Source: Clark Development Corporation

Based on interview with the represtatives of Clark Development Corporation, the following summarizes the company's usual rental rate offerings in the area:

Table 6: Prevailing Lease Rate Offering

Land Use	Rental Rate (PHP per sq m per month)
Industrial	40.59 (USD0.79)
Non-industrial	128.47 (USD2.50)

Source: Clark Development Corporation

In addition, the Valuer is privileged to be provided with confidential details of past sublease agreement of about USD1.00 for vacant portions of industrial lots.

7.1.2 Adjustment Rationale

In valuing the Property, the comparable data are analyzed and comparison made for factors such as time, location, size, and negotitation adjustment because, unlike other asset classes, real estate characteristics are not homogenous. See exhibit below which explains the different adjustment factors considered in the analysis.

Table 7: Adjustments

Location	Transaction Type
Tenure	This refers to difference in land tenure whether leasehold or freehold between the Property and comparables.
Time	This refers to the differences in market condition between the dates of transactions of the comparables and the date of valuation, and the adjustments required.
Condition of Lease	This refers to a bargaining allowance that is applied to comparables that are still on the market to simulate typical real estate transactions and estimate the final transaction rental rates.
Size	This allowance is applied to account for differences in size of the properties as there is an inverse relationship between the size of property and its unit rent.
Location	This adjustment is made to reflect the differences in the quality of the locations of the comparables relative to the Property. This may account for differences in proximity to major landmarks, developments and business districts.

7.1.3 Land Rent Output

Considering the Market Approach, the analysis of the comparable data, the Market Rent of the Land is estimated at **PHP41.1088 (USD0.80) per square meter per month** or a total of PHP12,074,805.61 per month for a land area of 293,728 square meters.

For comparables that are asking rents rather than actual transactions, a discount is applied to simulate a transaction which is appropriate based on our knowledge of the market.

7.2 Rent Escalation

The contract rent is forecasted to increase following the schedule of escalation reflected in the lease agreement.

The Market Rent is estimated and forecasted with 10.0 percent escalation every three (3) years. This Market Rent is anticipated to grow annually at 5.0 percent following approximate land value growth.

7.3 Vacancy Loss

No general vacancy rate is set for the entire forecast period.

7.4 Other Income

Other sources of income such as income from interests and penalties are excluded from the valuation.

7.5 Outgoings

The outgoings consist of two (2) components – Minimum Guaranteed Lease and Percentage of Rental Revenue from sublease which are both stipulated in the lease agreement and letter amendment.

Minimum guaranteed lease follows the schedule summarized in Table 2: Schedule of Rental Payment (exclusive of VAT) presented in 3 Ownership Particulars.

Whereas percentage of rental revenue from sublease is based on the relevant details shown in Table 3: Schedule of Percentage Rent Payment (exclusive of VAT).

7.6 Discount Rate

A discount rate of 8.0 percent is used in the analysis. This is composed of the implied land capitalization rate and the forecasted land growth rate. The implied land capitalization rate is based on the typical ratio of market value of similar land and the prevailing land lease rate. The forecasted land growth rate used is projected based on historical and projected land growth rate. The projected growth rate also takes into consideration future planned developments in the area such as completion of planned public infrastructure and private development projects.

7.7 Output

Considering the aforementioned assumptions in the Income Approach using Discounted Cash Flow Method, the Market Value of the Property with leased area of 293,728 square meters is estimated as shown on the right.

Table 8: Valuation Summary

	Valuation Results
Market Value per sq m	PHP3,100
Market Value	**PHP923,200,000**

Note: see Appendix 2 for the Cash Flow Summary.

8 VALUATION CONCLUSION

The Market Value of the Property, subject to the contents, terms and conditions contained within and annexed to this report, as at 7 April 2022, is summarized as follows:

PHP923,200,000
Philippine Pesos
Nine Hundred Twenty-Three Million
Two Hundred Thousand

For and on behalf of
Colliers International Philippines Inc.

Paul Vincent Ramirez *MRICS*
Director & Head of Valuation, Philippines
Valuation & Advisory Services
PREA License No. 0000336
PTR No. 8864882

Harold Erwin Cruz *CPV*
Associate Director
Valuation and Advisory Services
PREA License No. 0000306
PTR No. 8864874

Appendix 1. Caveats and Assumptions

Definitions

In these Caveats and Assumptions, the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

(a) Is by its nature confidential.

(b) Is designed by Us or Client as confidential.

(c) You know or ought to know is confidential.

(d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services

(e) You or Your affiliates provide to Us for the purposes of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'**Fee**' means the amount agreed to be paid for the Services as set out in the Quotation.

'**Parties**' means You or Us as the context dictates.

'**Quotation**' means the written quote provided by Us in relation to the Services.

'**Services**' means the valuation services provided pursuant to these terms and conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'**The Property**' means the assets which are subject of our appointment as your advisor. This may include land, buildings, plant & equipment and other assets as described in the appointment agreement.

'**We**', '**Us**', '**Our**', '**Colliers**' means Colliers International.

'**You**', '**Your**', '**Client**' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'**Professional Property Practice Standards**' refers to RICS Valuation - Professional Standards, or appropriate standards.

PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

(a) The Terms and Conditions contained herein; or

(b) As specifically instructed by You for the purpose of the Services; and

(c) Within the current provisions set by the prevailing Professional Property Practice Standards.

CONDITION OF THE PROPERTY

3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.

3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.

3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.

3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.

3.6 An internal inspection has been made, unless otherwise stated, no detailed on-site measurements have been taken.

3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.

3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition but will presume them to be in good working order.

3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.

3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

ENVIRONMENT AND PLANNING

4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.

4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, our valuation may require revision.

BUILDING AREAS

5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.

5.2 If you do not provide Us with a survey, We will estimate building areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.

5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

OTHER ASSUMPTIONS

6.1 Unless otherwise notified by You, We will assume:

(a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the title.

(b) All licences and permits can be renewed and We have not made any enquiries in this regard.

6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.

6.3 Our services are provided on the basis that the Client has provided us, to the best of its knowledge, with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.

6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.

6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.

6.6 Our opinion about the market value of the property is free from any influence and/ or point of views of any other parties.

ESTIMATED SELLING PRICE

7.1 Where you instruct Us to provide an estimated selling price, You agree that the Services:

(a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries

(b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of title(s) or other enquiries as to encumbrances, restrictions or impediments on title(s); or other investigations which would be required for a formal valuation.

(c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.

7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.

CURRENCY OF VALUATION

8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.

8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.

8.3 Without limiting the generality of 8.2, You should not rely upon Our valuation:

(a) After the expiry of 3 months from the Currency Date;

(b) Where circumstances have occurred during that period which may have a material effect on the value of the Property or the assumptions or methodology used in the valuation report.

MARKET PROJECTIONS

9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.

9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

YOUR OBLIGATIONS

10.1 You warrant that the instructions and subsequent information supplied by You, to the best of your knowledge, contain a full and frank disclosure of all information that is relevant to Our provision of the Services.

10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.

10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).

10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it / they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.

10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;

(a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or

(b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.

(c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.

10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and relying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.

10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made for any consequential or punitive damages

10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.

10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

CONFIDENTIALITY

11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and/or the purposes as specified in the agreement, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.

11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

PRIVACY

12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

SUBCONTRACTING

13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these terms and conditions, with Your consent.

LIMITATION OF COLLIERS' LIABILITY

14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.

14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (examples being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons / judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.

14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.

14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.

14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error / offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to be held liable for an amount of three times Our contracted fee for the assignment per property.

14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorised party.

14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.

14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However, in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

ENTIRE AGREEMENT

15.1 No further agreement, amendment or modification of these terms and conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.

15.2 If there is inconsistency between these terms and conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.

15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

ANTI BRIBERY AND CORRUPTION MEASURES

16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.

16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

Appendix 2. Discounted Cash Flow Computations

Table 9: Cash Flow Projection for the Sublease Concept of the Leased Land

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	8.00%

Discounted Cash Flow Analysis														
Period	**Valuation Date**	**Holding**												**Exit**
Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
From		**8 Apr 2022**	**8 Apr 2023**	**8 Apr 2024**	**8 Apr 2025**	**8 Apr 2026**	**8 Apr 2027**	**8 Apr 2028**	**8 Apr 2029**	**8 Apr 2030**	**8 Apr 2031**	**8 Apr 2032**	**8 Apr 2033**	**8 Apr 2034**
To	**7 Apr 2022**	**7 Apr 2023**	**7 Apr 2024**	**7 Apr 2025**	**7 Apr 2026**	**7 Apr 2027**	**7 Apr 2028**	**7 Apr 2029**	**7 Apr 2030**	**7 Apr 2031**	**7 Apr 2032**	**7 Apr 2033**	**7 Apr 2034**	**7 Apr 2035**
Rental Revenue														
Potential Base Rent		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Absorption & Turnover Vacancy		0	0	0	0	0	0	0	0	0	0	0	0	0
Free Rent		0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Base Rent		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Total Rental Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Other Tenant Revenue														
Total Expense Recoveries		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Tenant Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tenant Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Potential Gross Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Vacancy & Credit Loss														
Vacancy Allowance		0	0	0	0	0	0	0	0	0	0	0	0	0
Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Vacancy & Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	111,464,089
Operating Expenses														
CUSA - Building 1		0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum Guaranteed Lease		26,518,086	26,518,086	27,843,991	29,169,895	29,169,895	30,628,390	32,086,885	32,086,885	33,691,229	35,295,573	35,295,573	37,060,352	19,412,565
% Rent on Sublease Rental		10,142,837	10,142,837	10,142,837	13,547,932	15,938,743	15,938,743	17,532,618	17,532,618	17,532,618	19,285,880	19,285,880	19,285,880	11,146,409
Total Operating Expenses		36,660,923	36,660,923	37,986,828	42,717,827	45,108,638	46,567,133	49,619,503	49,619,503	51,223,847	54,581,453	54,581,453	56,346,232	30,558,974
Net Operating Income		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	80,905,115
Leasing Costs														
Leasing Commissions		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditures														
CapEx		-	-	-	-	-	-	-	-	-	-	-	-	-
B1 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	80,905,115
Cash Flow Available for Distribution		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	80,905,115
Terminal Value (Y11 NOI/cap rate)														-
Less Selling Cost	5.00%													0
Net Terminal Value														0
PV Factor		0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	0.5002	0.4632	0.4289	0.3971	0.3677
PV of Net Cash Flow		100,219,207	92,795,562	84,869,271	85,755,644	77,776,228	71,095,927	73,348,637	67,915,405	62,082,062	64,049,164	59,304,782	54,211,017	29,748,643

NPV (PHP)	**923,171,550**
Market Value (PHP)	**923,200,000**
Value per sq m (PHP/sq m of Lot Area)	**3,100**
Lot Area (square meters)	293,728.00

Appendix 3. Lease Renewal Scenario

Since the lease agreement provides for a renewal clause for another twenty-five years upon mutual agreement of the parties to the lease, a scenario analysis has been made to estimate the value of the Property as if the lease has been renewed accordingly and following similar escalation of rent. The cash flow projection for this scenario without regards to any costs which would or might be associated with the lease renewal process is shown in the table below:

Table 10: Cash Flow Projection for the Sublease Concept of the Leased Land with Lease Renewal

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	8.00%

Discounted Cash Flow Analysis																
Period	**Valuation Date**	**Holding**														
Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
From		**8 Apr 2022**	**8 Apr 2023**	**8 Apr 2024**	**8 Apr 2025**	**8 Apr 2026**	**8 Apr 2027**	**8 Apr 2028**	**8 Apr 2029**	**8 Apr 2030**	**8 Apr 2031**	**8 Apr 2032**	**8 Apr 2033**	**8 Apr 2034**	**8 Apr 2035**	**8 Apr 2036**
To	**7 Apr 2022**	**7 Apr 2023**	**7 Apr 2024**	**7 Apr 2025**	**7 Apr 2026**	**7 Apr 2027**	**7 Apr 2028**	**7 Apr 2029**	**7 Apr 2030**	**7 Apr 2031**	**7 Apr 2032**	**7 Apr 2033**	**7 Apr 2034**	**7 Apr 2035**	**7 Apr 2036**	**7 Apr 2037**
Rental Revenue																
Potential Base Rent		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Absorption & Turnover Vacancy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Free Rent		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Base Rent		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Total Rental Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Other Tenant Revenue																
Total Expense Recoveries		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Tenant Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tenant Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Potential Gross Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Vacancy & Credit Loss																
Vacancy Allowance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Vacancy & Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Revenue		144,897,667	144,897,667	144,897,667	159,387,434	159,387,434	159,387,434	175,326,177	175,326,177	175,326,177	192,858,795	192,858,795	192,858,795	212,144,675	212,144,675	212,144,675
Operating Expenses																
Minimum Guaranteed Lease		26,518,086	26,518,086	27,843,991	29,169,895	29,169,895	30,628,390	32,086,885	32,086,885	33,691,229	35,295,573	35,295,573	37,060,352	38,825,130	38,825,130	40,766,387
% Rent on Sublease Rental		10,142,837	10,142,837	10,142,837	13,547,932	15,938,743	15,938,743	17,532,618	17,532,618	17,532,618	19,285,880	19,285,880	19,285,880	21,214,467	21,214,467	21,214,467
Total Operating Expenses		36,660,923	36,660,923	37,986,828	42,717,827	45,108,638	46,567,133	49,619,503	49,619,503	51,223,847	54,581,453	54,581,453	56,346,232	60,039,597	60,039,597	61,980,854
Net Operating Income		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	152,105,078	152,105,078	150,163,821
Leasing Costs																
Leasing Commissions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditures																
CapEx		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	152,105,078	152,105,078	150,163,821
Cash Flow Available for Distribution		108,236,744	108,236,744	106,910,839	116,669,607	114,278,796	112,820,301	125,706,674	125,706,674	124,102,330	138,277,342	138,277,342	136,512,563	152,105,078	152,105,078	150,163,821
Terminal Value (Y11 NOI/cap rate)																
Less Selling Cost	5.00%															
Net Terminal Value																
PV Factor		0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	0.5002	0.4632	0.4289	0.3971	0.3677	0.3405	0.3152
PV of Net Cash Flow		100,219,207	92,795,562	84,869,271	85,755,644	77,776,228	71,095,927	73,348,637	67,915,405	62,082,062	64,049,164	59,304,782	54,211,017	55,928,722	51,785,853	47,337,899

NPV (PHP)	**1,728,285,929**
Market Value (PHP)	**1,728,300,000**
Value per sq m (PHP/sq m of Lot Area)	**5,900**
Lot Area (square meters)	293,728.00

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	8.00%

Discounted Cash Flow Analysis																
Period	**Valuation Date**															
Year		**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
From		**8 Apr 2037**	**8 Apr 2038**	**8 Apr 2039**	**8 Apr 2040**	**8 Apr 2041**	**8 Apr 2042**	**8 Apr 2043**	**8 Apr 2044**	**8 Apr 2045**	**8 Apr 2046**	**8 Apr 2047**	**8 Apr 2048**	**8 Apr 2049**	**8 Apr 2050**	**8 Apr 2051**
To	**7 Apr 2022**	**7 Apr 2038**	**7 Apr 2039**	**7 Apr 2040**	**7 Apr 2041**	**7 Apr 2042**	**7 Apr 2043**	**7 Apr 2044**	**7 Apr 2045**	**7 Apr 2046**	**7 Apr 2047**	**7 Apr 2048**	**7 Apr 2049**	**7 Apr 2050**	**7 Apr 2051**	**7 Apr 2052**
Rental Revenue																
Potential Base Rent		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Absorption & Turnover Vacancy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Free Rent		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Base Rent		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Total Rental Revenue		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Other Tenant Revenue																
Total Expense Recoveries		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Tenant Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tenant Revenue		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Potential Gross Revenue		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Vacancy & Credit Loss																
Vacancy Allowance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Vacancy & Credit Loss		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Revenue		231,650,199	233,359,142	233,359,142	254,815,219	256,695,056	256,695,056	280,296,741	282,364,562	282,364,562	308,326,415	310,601,018	310,601,018	339,159,056	341,661,120	341,661,120
Operating Expenses																
Minimum Guaranteed Lease		42,707,643	42,707,643	44,843,026	46,978,408	46,978,408	49,327,328	51,676,249	51,676,249	54,260,061	56,843,874	56,843,874	59,686,067	62,528,261	62,528,261	65,654,674
% Rent on Sublease Rental		23,165,020	23,335,914	23,335,914	25,481,522	25,669,506	25,669,506	28,029,674	28,236,456	28,236,456	30,832,641	31,060,102	31,060,102	33,915,906	34,166,112	34,166,112
Total Operating Expenses		65,872,663	66,043,557	68,178,940	72,459,930	72,647,914	74,996,834	79,705,923	79,912,705	82,496,517	87,676,515	87,903,976	90,746,169	96,444,167	96,694,373	99,820,786
Net Operating Income		165,777,536	167,315,585	165,180,202	182,355,289	184,047,142	181,698,222	200,590,818	202,451,857	199,868,045	220,649,900	222,697,042	219,854,849	242,714,889	244,966,747	241,840,334
Leasing Costs																
Leasing Commissions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditures																
CapEx		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service		165,777,536	167,315,585	165,180,202	182,355,289	184,047,142	181,698,222	200,590,818	202,451,857	199,868,045	220,649,900	222,697,042	219,854,849	242,714,889	244,966,747	241,840,334
Cash Flow Available for Distribution		165,777,536	167,315,585	165,180,202	182,355,289	184,047,142	181,698,222	200,590,818	202,451,857	199,868,045	220,649,900	222,697,042	219,854,849	242,714,889	244,966,747	241,840,334
Terminal Value (Y11 NOI/cap rate)																
Less Selling Cost	5.00%															
Net Terminal Value																
PV Factor		0.2919	0.2703	0.2502	0.2317	0.2145	0.1987	0.1839	0.1703	0.1577	0.1460	0.1352	0.1252	0.1159	0.1073	0.0994
PV of Net Cash Flow		48,388,882	45,220,208	41,336,185	42,253,920	39,486,984	36,095,396	36,896,777	34,480,646	31,519,058	32,218,836	30,109,033	27,522,929	28,133,986	26,291,673	24,033,447

NPV (PHP)	**1,728,285,929**
Market Value (PHP)	**1,728,300,000**
Value per sq m (PHP/sq m of Lot Area)	**5,900**
Lot Area (square meters)	293,728.00

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	8.00%

Discounted Cash Flow Analysis									
Period	Valuation Date								Exit
Year		31	32	33	34	35	36	37	38
From		8 Apr 2052	8 Apr 2053	8 Apr 2054	8 Apr 2055	8 Apr 2056	8 Apr 2057	8 Apr 2058	8 Apr 2059
To	7 Apr 2022	7 Apr 2053	7 Apr 2054	7 Apr 2055	7 Apr 2056	7 Apr 2057	7 Apr 2058	7 Apr 2059	7 Apr 2060
Rental Revenue									
Potential Base Rent		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Absorption & Turnover Vacancy		0	0	0	0	0	0	0	0
Free Rent		0	0	0	0	0	0	0	0
Scheduled Base Rent		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Total Rental Revenue		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Other Tenant Revenue									
Total Expense Recoveries		0	0	0	0	0	0	0	0
Total Other Tenant Revenue		0	0	0	0	0	0	0	0
Total Tenant Revenue		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Potential Gross Revenue		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Vacancy & Credit Loss									
Vacancy Allowance		0	0	0	0	0	0	0	0
Credit Loss		0	0	0	0	0	0	0	0
Total Vacancy & Credit Loss		0	0	0	0	0	0	0	0
Effective Gross Revenue		373,074,962	375,827,232	375,827,232	410,382,458	413,409,955	413,409,955	451,420,704	227,375,475
Operating Expenses									
Minimum Guaranteed Lease		68,781,087	68,781,087	72,220,141	75,659,196	75,659,196	79,442,155	83,225,115	41,612,558
% Rent on Sublease Rental		37,307,496	37,582,723	37,582,723	41,038,246	41,340,996	41,340,996	45,142,070	22,737,548
Total Operating Expenses		106,088,583	106,363,810	109,802,864	116,697,442	117,000,192	120,783,151	128,367,185	64,350,106
Net Operating Income		266,986,379	269,463,422	266,024,368	293,685,016	296,409,763	292,626,804	323,053,519	163,025,369
Leasing Costs									
Leasing Commissions		0	0	0	0	0	0	0	0
Total Leasing Costs		0	0	0	0	0	0	0	0
Capital Expenditures									
CapEx		-	-	-	-	-	-	-	-
Total Capital Expenditures		0	0	0	0	0	0	0	0
Total Leasing & Capital Costs		0	0	0	0	0	0	0	0
Cash Flow Before Debt Service		266,986,379	269,463,422	266,024,368	293,685,016	296,409,763	292,626,804	323,053,519	163,025,369
Cash Flow Available for Distribution		266,986,379	269,463,422	266,024,368	293,685,016	296,409,763	292,626,804	323,053,519	163,025,369
Terminal Value (Y11 NOI/cap rate)									-
Less Selling Cost	5.00%								0
Net Terminal Value									0
PV Factor		0.0920	0.0852	0.0789	0.0730	0.0676	0.0626	0.0580	0.0537
PV of Net Cash Flow		24,567,032	22,958,296	20,986,378	21,452,312	20,047,539	18,325,630	18,732,491	8,752,910

NPV (PHP)	**1,728,285,929**
Market Value (PHP)	**1,728,300,000**
Value per sq m (PHP/sq m of Lot Area)	**5,900**
Lot Area (square meters)	293,728.00

Appendix 4. Alternative Redevelopment Scenario

Using the Income Approach particularly the Discounted Cash Flow Method, the value of the Property was also be estimated considering a redevelopment to optimize or maximize the allowable FAR of 1.25 for the land with an area of 293,728 square meters.

The assumptions presented below considers the development concept of institutional buildings to be developed in multiple phases.

In the Discounted Cash Flow Method, a 12.5-year financial projection is adopted and considerations and assumptions which have been made are outlined in the succeeding sections. A 37.5-year financial projection is adopted in another scenario assuming the lease has been renewed.

Development Concept Parameters

Single institutional building development is the development concept for the current lease term with remaining 12.5 years and multiple phases institutional development is the development concept assumed for the lease term with assumed renewal with remaining 37.5 years. Following the land use intensity controls shared by representatives from Clark Development Corporation and incorporating the critical terms of the lease agreement and the letter amendment, the recommended use are quantified in the table below:

Table 11: Leasable Areas, Average Areas, and Number of Units (Current Lease Term)

Units	Gross Floor Area (Sqm)	Leasable Area (Sqm)	Average Unit Size (Sqm)	No. Of Units
Institutional	48,427.12	41,163.05	2,125.00	19

Notes:

- Leasable Areas are based on a 85 percent efficiency of the institutional GFA. The maximum allowable GFA of the Property was computed using Floor Area Ratio (FAR) of 1.25 in reference to the FAR shared by the Clark Development Corporation. The maximum allowable GFA, however, cannot be efficiently maximized given the limited remaining lease term of only 12.5 years.
- The redevelopment concept includes development of a single building since additional building requires extended lease term to recover the investment requirement.
- The Typical Unit Areas (TUA) are assumed considering recent similar developments. The number of leasable units are then estimated by dividing the total leasable area by its respective TUA.

Table 12: Leasable Areas, Average Areas, and Number of Units (With Lease Renewal)

Phase	Gross Floor Area (Sqm)	Leasable Area (Sqm)	Average Unit Size (Sqm)	No. Of Units
Building 1	48,427.12	41,163.05	2,125.00	19
Building 2	48,427.12	41,163.05	2,125.00	19
Building 3	48,427.12	41,163.05	2,125.00	19
Building 4	48,427.12	41,163.05	2,125.00	19
Building 5	48,427.12	41,163.05	2,125.00	19
Building 6	48,427.12	41,163.05	2,125.00	19
Building 7	65,047.30	55,290.21	2,125.00	22
Total	355,610.02	302,268.51		136

Notes:

- Leasable Areas are based on a 85 percent efficiency of the institutional GFA. The maximum allowable GFA of the Property was computed using Floor Area Ratio (FAR) of 1.25 in reference to the FAR shared by the Clark Development Corporation.
- The Typical Unit Areas (TUA) are assumed considering recent similar developments. The number of leasable units are then estimated by dividing the total leasable area by its respective TUA.

Rental Estimates

Since there are no exisiting contract rents as the parameters of the forecast are based only on a development concept, rental revenue is entirely based on estimates of market rent.

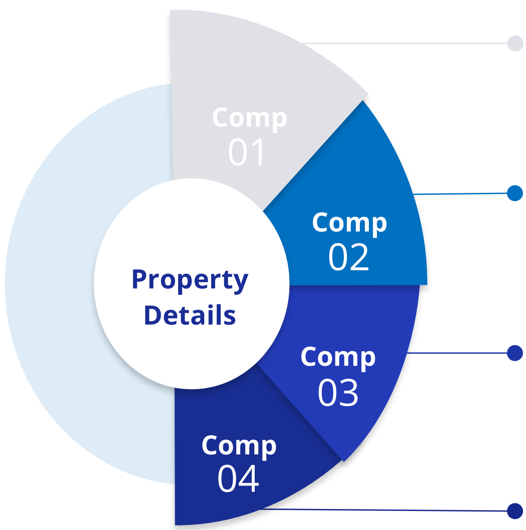
Rents of institutional spaces are similar to office rents as presence of institutional entities in various commercial business districts (CBD) are evident. Some of these institutions are actually competing on renting office spaces in the CBDs. Premised on this observable market activity and preference, the institutional spaces in the development concept is assumed to be leased by such institutional entities.

In estimating the market rent, the rental levels of comparables of similar scale and quality are reviewed as follows:

PHP600

Market Rent (Institutional)
per sq m per month
3-year Lease Term
5% annual escalation rate

Table 13: Office Space Rental Comparables



7 Workplus (4/F) [2021]
- Mimosa
- Leasable Area – 2,330.00 sq m
- Rental Rate – PHP650 per sq m per month
- Transaction Type – Offering

Skyline 10 (8/F) [2021]
- SM City Clark
- Leasable Area – 2,275.00 sq m
- Rental Rate – PHP650 per sq m per month
- Transaction Type – Offering

Two West Aeropack (11/F) [2020]
- Global Gateway Logistics City
- Leasable Area – 2,560.30 sq m
- Rental Rate – PHP750 per sq m per month
- Transaction Type – Offering

Clark City Front Tower 4 (8/F) [2021]
- Global Gateway Logistics City
- Leasable Area – 1,996.40 sq m
- Rental Rate – PHP650 per sq m per month
- Transaction Type – Offering

Source: Colliers Philippines

Adjustments have been made to reflect differences between each of the comparables and the subject of this valuation in matters such as transaction type, building location, unit capacity and amenities, and have arrived at a unit rental of **PHP600 per sq m/month** for institutional spaces. However, the actual rent agreed may differ from this figure depending on a number of circumstances, including but not limited to lease length, lease terms and unit size.

For comparables that are asking rents rather than actual transactions, a discount is applied to simulate a transaction which is appropriate based on our knowledge of the market.

Rent Escalation and Growth Rate

The market rental rate is anticipated to grow at an annual escalation rate of 5.0 percent based on typical institutional leasing schemes.

In projecting the valuation assumptions throughout the forecast period, 5.0 percent annual growth is assumed for general inflation, expense inflation and institutional market inflation.

Vacancy, Credit Loss and Space Absorption

A reduction of the rental revenue is in the form of anticipated vacancy expenses consisting of structural vacancies and vacancies in between lease contracts, which is distributed or spread out across the projection period.

A conservative 20.0 percent, 15.0 percent and 10.0 percent general vacancy rate is set for the 1st year, 2nd year and remainder of forecast period as well as a credit loss of 0.5 percent.

Upon expiration of each lease term, a 6-month vacancy is assumed in between leases.

Following the building completion of the development concept, institutional lease absorption is approximated for a period of twelve (12) months for each building.

Incentives

Upon expiry of prior tenancies, a two-month rent free incentive for a three-year new institutional lease and a zero-month rent free incentive for a renewal lease is assumed.

Other Income

No parking income is is assumed, as the parking requirement for the development would be allocated in the open spaces in the Property.

Other sources of income such as income from interests and penalties are excluded from the valuation.

Outgoings

The following outgoings assumptions are reflected in the valuation:

Table 14: Expense Summary

PHP150	*	0.5%
Building Expenses (CUSA Fee) per sq m per month recoverable (Institutional)	Land Rent (MGL & % Rent) Fixed Rent with escalation every 3 years and % of the rental revenues from sublease(s)	Cap Ex **Capital Expenditure** % of rental revenue

Source: Colliers Philippines

* Land rent components are shown in section 3 Ownership Particulars

Development Costs and Expenses

The development cost assumptions used in arriving at the cash flow model are market based.

Development Period

The development period is forecasted to last for three (3) years for the first six (6) buildings and four (4) years for the last building.

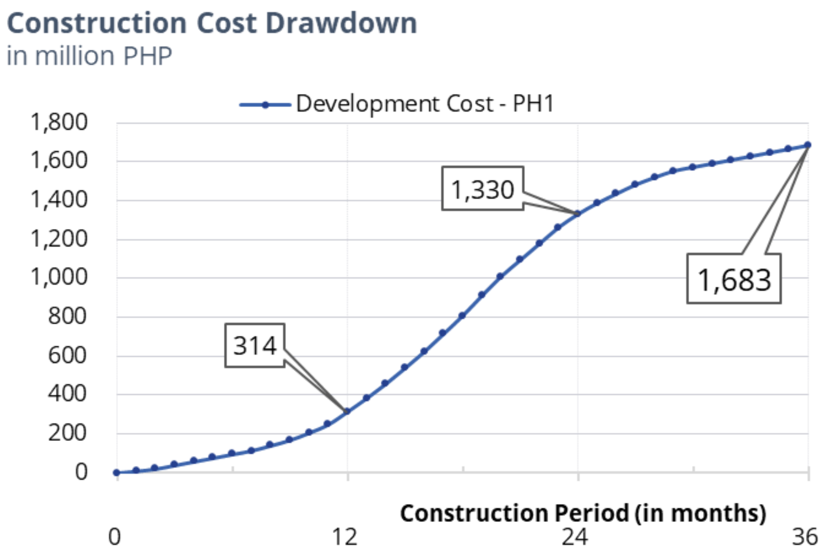
Development Costs

The development cost including hard costs, soft costs, land development and contingencies, for residential development is based on the Arcadis Construction Cost Handbook (2021) and Rider Levett Bucknall Construction Cost Indicator (online) as follows:

Figure 6: Construction Costs Summary (2021)

* Arcadis Construction Cost at 4th Quarter 2020 Cost Level
** Rider Levett Bucknall Construction Cost at 4th Quarter 2020 Cost Level

Figure 7: Development Cost S-Curve (Single Building Development)

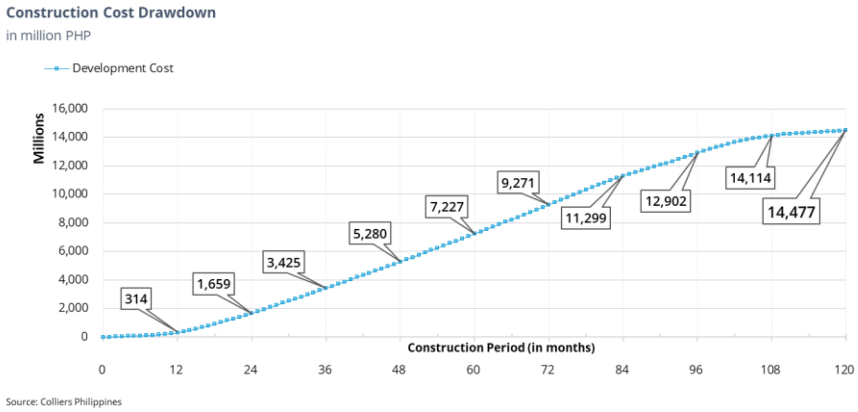


Source: Colliers Philippines

The total project development cost for the first building is estimated at PHP1,683,000,000 with annual cost drawdown following the assumed S-curve shown on the figure on the left.

It is assumed that the developer engaged the services of a contractor at a fixed-fee scheme. Hence, costs are assumed to be the same throughout the development period.

Figure 8: Development Cost S-Curve (FAR 5.0)



The total project development cost for all the buildings in the multiple phases development is estimated at PHP14,477,000,000 with annual cost drawdown following the assumed S-curve shown on the figure on the left.

It is assumed that the developer engaged the services of a contractor at a fixed-fee scheme. Hence, costs are assumed to be the same throughout the development period.

Leasing Costs

One-month' rent leasing commission is assumed for new institutional tenant.

Discount Rate

The Philippines' ten-year, twenty-year and twenty- five-year notes as compiled by the Philippine Dealing and Exchange Corporation (PDEx) of the Banker's Association of the Philippines (BAP) which stand at about 5.9963 percent, 5.7360 percent and 5.6182 percent, respectively, are used to extrapolate the rates of 5.8922 percent for the 12.5-year forecast and 5.6182 percent for the 37.5-year forecast as proxies for the risk-free rates. A market risk premium of 5.1 percent, a 0.5 percent market risk brought about by the COVID-19 pandemic and a 2.0 percent development and construction risk premium are added to estimate the discount rate at about 13.00 percent for both cash flow projections.

This risk premium is referenced from the following:

- Pablo Fernandez, Sofia Bañuls and Pablo F. Acin. "Market Risk Premium Used for 88 Countries in 2021: A Survey with 4,607 Answers." IESE Business School, June 2021.

Terminal Capitalization Rate

No net terminal capitalisation rate is estimated since there will be no interest left for the lessee upon expitation of the lease agreement and all the buildings including the possession and use of the land will revert back to the lessor.

Market Value of Leasehold Interest on Land Premised on Alternative Redevelopment

Considering the aforementioned assumptions in the Income Approach using Discounted Cash Flow Method, the Market Value of the Leasehold Interest with land area of 293,728 square meters is estimated and summarized as follows:

Table 15: Valuation Summary

	Valuation Results (Current Lease Term)	**Valuation Results (Lease Term with Renewal)**
Market Value per sq m	(PHP3,000)	PHP3,700
Market Value	**(PHP868,000,000)**	**PHP1,090,800,000**

Note: see succeeding pages for the Cash Flow Summaries.

Table 16: Cash Flow Projection for the Development Concept of Mid-rise Buildings on Leased Land

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	13.00%

Discounted Cash Flow Analysis

Period	Valuation Date	Holding												Exit
Year		1	2	3	4	5	6	7	8	9	10	11	12	13
From		19 Feb 2022	19 Feb 2023	19 Feb 2024	19 Feb 2025	19 Feb 2026	19 Feb 2027	19 Feb 2028	19 Feb 2029	19 Feb 2030	19 Feb 2031	19 Feb 2032	19 Feb 2033	19 Feb 2034
To	18 Feb 2022	18 Feb 2023	18 Feb 2024	18 Feb 2025	18 Feb 2026	18 Feb 2027	18 Feb 2028	18 Feb 2029	18 Feb 2030	18 Feb 2031	18 Feb 2032	18 Feb 2033	18 Feb 2034	18 Feb 2035
Rental Revenue														
Potential Base Rent		0	0	0	343,089,905	352,938,340	370,585,257	389,114,520	408,143,090	428,091,636	449,496,218	473,948,972	495,765,578	257,048,151
Absorption & Turnover Vacancy		0	0	0	-152,689,534	0	0	-90,556,963	-9,172,170	0	-79117739	-37,616,862	0	0
Free Rent		0	0	0	-54,610,959	-2,625,428	0	-25,629,329	-7,841,531	0	-19,779,435	-19,461,756	0	0
Scheduled Base Rent		0	0	0	135,789,412	350,312,912	370,585,257	272,928,228	391,129,389	428,091,636	350,599,044	416,870,354	495,765,578	257,048,151
Total Rental Revenue		0	0	0	135,789,412	350,312,912	370,585,257	272,928,228	391,129,389	428,091,636	350,599,044	416,870,354	495,765,578	257,048,151
Other Tenant Revenue														
Total Expense Recoveries		0	0	0	6,482,200	24,529,116	38,633,358	41,754,616	69,427,458	89,445,882	95,163,890	111,286,276	126,725,016	38,451,845
Total Other Tenant Revenue		0	0	0	6,482,200	24,529,116	38,633,358	41,754,616	69,427,458	89,445,882	95,163,890	111,286,276	126,725,016	38,451,845
Total Tenant Revenue		0	0	0	142,271,612	374,842,028	409,218,615	314,682,844	460,556,847	517,537,518	445,762,934	528,156,630	622,490,594	295,499,996
Potential Gross Revenue		0	0	0	142,271,612	374,842,028	409,218,615	314,682,844	460,556,847	517,537,518	445,762,934	528,156,630	622,490,594	295,499,996
Vacancy & Credit Loss														
Vacancy Allowance		0	0	0	0	-37,484,203	-40,921,861	0	-37,800,732	-51,753,752	0	-18,960,487	-62,249,059	-265,439
Credit Loss		0	0	0	-711,358	-1,874,210	-2,046,093	-1,573,414	-2,302,784	-2,587,688	-2,228,815	-2,640,783	-3,112,453	-1,301,238
Total Vacancy & Credit Loss		0	0	0	-711,358	-39,358,413	-42,967,954	-1,573,414	-40,103,516	-54,341,440	-2,228,815	-21,601,270	-65,361,512	-1,566,677
Effective Gross Revenue		0	0	0	141,560,254	335,483,615	366,250,661	313,109,430	420,453,331	463,196,078	443,534,119	506,555,360	557,129,082	293,933,319
Operating Expenses														
CUSA - Building 1		0	0	0	85,772,476	90,061,100	94,564,155	99,292,363	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	66,530,631
Minimum Guaranteed Lease		26,518,086	26,518,086	27,843,991	29,169,895	29,169,895	30,628,390	32,086,885	32,086,885	33,691,229	35,295,573	35,295,573	37,060,352	19,412,565
% Rent on Sublease Rental		0	0	0	12,781,916	35,031,291	37,058,526	27,292,823	39,112,939	42,809,164	35,059,904	41,687,035	49,576,558	25,704,815
Total Operating Expenses		26,518,086	26,518,086	27,843,991	127,724,287	154,262,286	162,251,071	158,672,071	175,456,805	185,970,223	185,298,799	197,673,096	213,361,922	111,648,011
Net Operating Income		-26,518,086	-26,518,086	-27,843,991	13,835,967	181,221,329	203,999,590	154,437,359	244,996,526	277,225,855	258,235,320	308,882,264	343,767,160	182,285,308
Leasing Costs														
Leasing Commissions		0	0	0	28,043,466	574,728	0	12,814,665	3,920,766	0	9,889,717	9,730,878	0	0
Total Leasing Costs		0	0	0	28,043,466	574,728	0	12,814,665	3,920,766	0	9,889,717	9,730,878	0	0
Capital Expenditures														
CapEx		-	-	-	678,947	1,751,565	1,852,926	1,364,641	1,955,647	2,140,458	1,752,995	2,084,352	2,478,828	1,285,241
B1 Development Cost		366,520,000	1,184,645,001	412,335,002	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures		366,520,000	1,184,645,001	412,335,002	678,947	1,751,565	1,852,926	1,364,641	1,955,647	2,140,458	1,752,995	2,084,352	2,478,828	1,285,241
Total Leasing & Capital Costs		366,520,000	1,184,645,001	412,335,002	28,722,413	2,326,293	1,852,926	14,179,306	5,876,413	2,140,458	11,642,712	11,815,230	2,478,828	1,285,241
Cash Flow Before Debt Service		-393,038,086	-1,211,163,087	-440,178,993	-14,886,446	178,895,036	202,146,664	140,258,053	239,120,113	275,085,397	246,592,608	297,067,034	341,288,332	181,000,067
Cash Flow Available for Distribution		-393,038,086	-1,211,163,087	-440,178,993	-14,886,446	178,895,036	202,146,664	140,258,053	239,120,113	275,085,397	246,592,608	297,067,034	341,288,332	181,000,067
Terminal Value (Y11 NOI/cap rate)														-
Less Selling Cost	5.00%													0
Net Terminal Value														0
PV Factor		0.8850	0.7831	0.6931	0.6133	0.5428	0.4803	0.4251	0.3762	0.3329	0.2946	0.2607	0.2307	0.2042
PV of Net Cash Flow		-347,821,315	-948,518,355	-305,066,123	-9,130,136	97,097,058	97,094,788	59,618,178	89,947,389	91,571,757	72,643,309	77,444,679	78,737,228	36,953,789

NPV (PHP)	**-909,427,755**
Market Value (PHP)	**-909,427,755**
Value per sq m (PHP/sq m of Lot Area)	**-3,095**
Lot Area [sq m]	293,728.00

Table 17: Cash Flow Projection for the Development Concept of Mid-rise Buildings on Leased Land with Lease Renewal

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	13.00%

Discounted Cash Flow Analysis																
Period	**Valuation Date**	**Holding**														
Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
From		**19 Feb 2022**	**19 Feb 2023**	**19 Feb 2024**	**19 Feb 2025**	**19 Feb 2026**	**19 Feb 2027**	**19 Feb 2028**	**19 Feb 2029**	**19 Feb 2030**	**19 Feb 2031**	**19 Feb 2032**	**19 Feb 2033**	**19 Feb 2034**	**19 Feb 2035**	**19 Feb 2036**
To	**18 Feb 2022**	**18 Feb 2023**	**18 Feb 2024**	**18 Feb 2025**	**18 Feb 2026**	**18 Feb 2027**	**18 Feb 2028**	**18 Feb 2029**	**18 Feb 2030**	**18 Feb 2031**	**18 Feb 2032**	**18 Feb 2033**	**18 Feb 2034**	**18 Feb 2035**	**18 Feb 2036**	**18 Feb 2037**
Rental Revenue																
Potential Base Rent		0	0	0	343,089,905	713,182,741	1,119,427,135	1,564,513,011	2,050,881,752	2,581,517,476	3,317,883,774	3,471,107,994	3,643,809,284	3,825,102,934	4,019,995,859	4,220,721,350
Absorption & Turnover Vacancy		0	0	0	-152,689,534	-160,324,010	-168,340,211	-267,314,184	-289,852,063	-304,344,667	-467466388	-241,380,975	-253450024	-366,870,065	-293,990,347	-293400084
Free Rent		0	0	0	-54,610,959	-59,966,935	-62,965,282	-91,742,875	-104,171,550	-109,380,127	-160,341,834	-84,494,810	-84,483,341	-111,604,677	-107,613,593	-97,800,028
Scheduled Base Rent		0	0	0	135,789,412	492,891,796	888,121,642	1,205,455,952	1,656,858,139	2,167,792,682	2,690,075,552	3,145,232,209	3,305,875,919	3,346,628,192	3,618,391,919	3,829,521,238
Total Rental Revenue		0	0	0	135,789,412	492,891,796	888,121,642	1,205,455,952	1,656,858,139	2,167,792,682	2,690,075,552	3,145,232,209	3,305,875,919	3,346,628,192	3,618,391,919	3,829,521,238
Other Tenant Revenue																
Total Expense Recoveries		0	0	0	6,482,200	38,141,737	98,706,594	179,943,848	305,603,758	474,506,617	727,185,230	825,909,177	867,204,635	885,377,981	952,452,687	1,003,897,766
Total Other Tenant Revenue		0	0	0	6,482,200	38,141,737	98,706,594	179,943,848	305,603,758	474,506,617	727,185,230	825,909,177	867,204,635	885,377,981	952,452,687	1,003,897,766
Total Tenant Revenue		0	0	0	142,271,612	531,033,533	986,828,236	1,385,399,800	1,962,461,897	2,642,299,299	3,417,260,782	3,971,141,386	4,173,080,554	4,232,006,173	4,570,844,606	4,833,419,004
Potential Gross Revenue		0	0	0	142,271,612	531,033,533	986,828,236	1,385,399,800	1,962,461,897	2,642,299,299	3,417,260,782	3,971,141,386	4,173,080,554	4,232,006,173	4,570,844,606	4,833,419,004
Vacancy & Credit Loss																
Vacancy Allowance		0	0	0	0	0	0	0	0	0	0	-179,871,261	-189,203,034	-93,017,559	-192,493,148	-219,281,825
Credit Loss		0	0	0	-711,358	-2,655,168	-4,934,141	-6,926,999	-9,812,309	-13,211,496	-17,086,304	-19,855,707	-20,865,403	-21,160,031	-22,854,223	-24,167,095
Total Vacancy & Credit Loss		0	0	0	-711,358	-2,655,168	-4,934,141	-6,926,999	-9,812,309	-13,211,496	-17,086,304	-199,726,968	-210,068,437	-114,177,590	-215,347,371	-243,448,920
Effective Gross Revenue		0	0	0	141,560,254	528,378,365	981,894,095	1,378,472,801	1,952,649,588	2,629,087,803	3,400,174,478	3,771,414,418	3,963,012,117	4,117,828,583	4,355,497,235	4,589,970,084
Operating Expenses																
CUSA - Building 1		0	0	0	85,772,476	90,061,100	94,564,155	99,292,363	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 2		0	0	0	0	90,061,100	94,564,155	99,292,363	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 3		0	0	0	0	0	94,564,155	99,292,363	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 4		0	0	0	0	0	0	99,292,363	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 5		0	0	0	0	0	0	0	104,256,981	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 6		0	0	0	0	0	0	0	0	109,469,830	114,943,322	120,690,488	126,725,012	133,061,263	139,714,326	146,700,042
CUSA - Building 7		0	0	0	0	0	0	0	0	0	154,391,873	162,111,467	170,217,040	178,727,892	187,664,287	197,047,501
Minimum Guaranteed Lease		26,518,086	26,518,086	27,843,991	29,169,895	29,169,895	30,628,390	32,086,885	32,086,885	33,691,229	35,295,573	35,295,573	37,060,352	19,412,565	0	0
% Rent on Sublease Rental		0	0	0	12,781,916	49,289,180	88,812,164	120,545,595	165,685,814	216,779,268	269,007,555	314,523,221	330,587,592	334,662,819	361,839,192	382,952,124
Total Operating Expenses		26,518,086	26,518,086	27,843,991	127,724,287	258,581,275	403,133,019	549,801,932	719,057,604	907,289,477	1,148,354,933	1,236,073,189	1,298,215,056	1,331,170,854	1,387,789,435	1,460,199,877
Net Operating Income		-26,518,086	-26,518,086	-27,843,991	13,835,967	269,797,090	578,761,076	828,670,869	1,233,591,984	1,721,798,326	2,251,819,545	2,535,341,229	2,664,797,061	2,786,657,729	2,967,707,800	3,129,770,207
Leasing Costs																
Leasing Commissions		0	0	0	28,043,466	30,020,367	31,521,385	45,912,119	52,128,491	54,734,915	81,206,983	40,269,461	42,241,671	55,802,338	53,806,797	48,900,014
Total Leasing Costs		0	0	0	28,043,466	30,020,367	31,521,385	45,912,119	52,128,491	54,734,915	81,206,983	40,269,461	42,241,671	55,802,338	53,806,797	48,900,014
Capital Expenditures																
CapEx		-	-	-	678,947	2,464,459	4,440,608	6,027,280	8,284,291	10,838,963	13,450,378	15,726,161	16,529,380	16,733,141	18,091,960	19,147,606
B1 Development Cost		366,520,000	1,184,645,001	412,335,002	-	-	-	-	-	-	-	-	-	-	-	-
B2 Development Cost		-	384,846,000	1,243,877,250	432,951,750		-	-	-	-	-	-	-	-	-	-
B3 Development Cost		-	-	404,088,349	1,306,071,263	454,599,391		-	-	-	-	-	-	-	-	-
B4 Development Cost		-	-	-	424,292,771	1,371,374,857	477,329,369		-	-	-	-	-	-	-	-
B5 Development Cost		-	-	-	-	445,507,440	1,439,943,690	501,195,870		-	-	-	-	-	-	-
B6 Development Cost		-	-	-	-	-	467,782,748	1,511,940,663	526,255,589		-	-	-	-	-	-
B7 Development Cost		-	-	-	-	-	353,433,201	1,343,046,158	1,413,732,802	424,119,842	-	-	-	-	-	-
Total Capital Expenditures		366,520,000	1,569,491,001	2,060,300,601	2,163,994,731	2,273,946,147	2,742,929,616	3,362,209,971	1,948,272,682	434,958,805	13,450,378	15,726,161	16,529,380	16,733,141	18,091,960	19,147,606
Total Leasing & Capital Costs		366,520,000	1,569,491,001	2,060,300,601	2,192,038,197	2,303,966,514	2,774,451,001	3,408,122,090	2,000,401,173	489,693,720	94,657,361	55,995,622	58,771,051	72,535,479	71,898,757	68,047,620
Cash Flow Before Debt Service		-393,038,086	-1,596,009,087	-2,088,144,592	-2,178,202,230	-2,034,169,424	-2,195,689,925	-2,579,451,221	-766,809,189	1,232,104,606	2,157,162,184	2,479,345,607	2,606,026,010	2,714,122,250	2,895,809,043	3,061,722,587
Cash Flow Available for Distribution		-393,038,086	-1,596,009,087	-2,088,144,592	-2,178,202,230	-2,034,169,424	-2,195,689,925	-2,579,451,221	-766,809,189	1,232,104,606	2,157,162,184	2,479,345,607	2,606,026,010	2,714,122,250	2,895,809,043	3,061,722,587
Terminal Value (Y11 NOI/cap rate)																
Less Selling Cost	5.00%															
Net Terminal Value																
PV Factor		0.8850	0.7831	0.6931	0.6133	0.5428	0.4803	0.4251	0.3762	0.3329	0.2946	0.2607	0.2307	0.2042	0.1807	0.1599
PV of Net Cash Flow		-347,821,315	-1,249,909,223	-1,447,188,948	-1,335,932,220	-1,104,065,666	-1,054,630,551	-1,096,423,197	-288,442,839	410,148,936	635,474,844	646,359,581	601,225,544	554,127,419	523,204,790	489,541,130

NPV (PHP)	**1,090,793,131**
Market Value (PHP)	**1,090,800,000**
Value per sq m (PHP/sq m of Lot Area)	**3,700**
Lot Area [sq m]	293,728.00

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	13.00%

Discounted Cash Flow Analysis																
Period	**Valuation Date**															
Year		**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
From		**19 Feb 2037**	**19 Feb 2038**	**19 Feb 2039**	**19 Feb 2040**	**19 Feb 2041**	**19 Feb 2042**	**19 Feb 2043**	**19 Feb 2044**	**19 Feb 2045**	**19 Feb 2046**	**19 Feb 2047**	**19 Feb 2048**	**19 Feb 2049**	**19 Feb 2050**	**19 Feb 2051**
To	**18 Feb 2022**	**18 Feb 2038**	**18 Feb 2039**	**18 Feb 2040**	**18 Feb 2041**	**18 Feb 2042**	**18 Feb 2043**	**18 Feb 2044**	**18 Feb 2045**	**18 Feb 2046**	**18 Feb 2047**	**18 Feb 2048**	**18 Feb 2049**	**18 Feb 2050**	**18 Feb 2051**	**18 Feb 2052**
Rental Revenue																
Potential Base Rent		4,432,233,890	4,662,165,250	4,893,070,402	5,138,925,740	5,397,747,623	5,660,592,153	5,942,983,242	6,243,014,062	6,545,291,812	6,870,945,852	7,212,802,067	7,580,301,743	7,958,799,594	8,357,638,034	8,791,207,904
Absorption & Turnover Vacancy		-374,335,924	-390427547	-339,647,273	-381,177,152	-503155882	-393,184,174	-427051792	-601,114,364	-455,159,829	-477917821	-691,788,224	-554362646	-553,249,617	-705,866,215	-736209370
Free Rent		-110,641,930	-143,026,213	-113,215,758	-125,013,424	-172,014,443	-131,061,391	-137,614,461	-207,900,210	-151,794,047	-159,305,940	-210,447,263	-202,921,479	-184,416,539	-208,631,860	-269,697,255
Scheduled Base Rent		3,947,256,036	4,128,711,490	4,440,207,371	4,632,735,164	4,722,577,298	5,136,346,588	5,378,316,989	5,433,999,488	5,938,337,936	6,233,722,091	6,310,566,580	6,823,017,618	7,221,133,438	7,443,139,959	7,785,301,279
Total Rental Revenue		3,947,256,036	4,128,711,490	4,440,207,371	4,632,735,164	4,722,577,298	5,136,346,588	5,378,316,989	5,433,999,488	5,938,337,936	6,233,722,091	6,310,566,580	6,823,017,618	7,221,133,438	7,443,139,959	7,785,301,279
Other Tenant Revenue																
Total Expense Recoveries		1,037,526,195	1,090,058,798	1,162,137,152	1,214,107,130	1,249,082,518	1,345,319,020	1,409,032,869	1,441,307,015	1,557,374,931	1,635,243,677	1,669,512,231	1,795,991,592	1,892,998,962	1,956,410,380	2,055,468,438
Total Other Tenant Revenue		1,037,526,195	1,090,058,798	1,162,137,152	1,214,107,130	1,249,082,518	1,345,319,020	1,409,032,869	1,441,307,015	1,557,374,931	1,635,243,677	1,669,512,231	1,795,991,592	1,892,998,962	1,956,410,380	2,055,468,438
Total Tenant Revenue		4,984,782,231	5,218,770,288	5,602,344,523	5,846,842,294	5,971,659,816	6,481,665,608	6,787,349,858	6,875,306,503	7,495,712,867	7,868,965,768	7,980,078,811	8,619,009,210	9,114,132,400	9,399,550,339	9,840,769,717
Potential Gross Revenue		4,984,782,231	5,218,770,288	5,602,344,523	5,846,842,294	5,971,659,816	6,481,665,608	6,787,349,858	6,875,306,503	7,495,712,867	7,868,965,768	7,980,078,811	8,619,009,210	9,114,132,400	9,399,550,339	9,840,769,717
Vacancy & Credit Loss																
Vacancy Allowance		-161,575,891	-170,492,236	-254,551,907	-241,624,792	-144,325,688	-294,300,804	-294,388,373	-146,527,722	-339,927,440	-356,770,538	-175,398,479	-362,974,540	-413,488,584	-304,675,441	-321,488,539
Credit Loss		-24,923,911	-26,093,851	-28,011,723	-29,234,211	-29,858,299	-32,408,328	-33,936,749	-34,376,533	-37,478,564	-39,344,829	-39,900,394	-43,095,046	-45,570,662	-46,997,752	-49,203,849
Total Vacancy & Credit Loss		-186,499,802	-196,586,087	-282,563,630	-270,859,003	-174,183,987	-326,709,132	-328,325,122	-180,904,255	-377,406,004	-396,115,367	-215,298,873	-406,069,586	-459,059,246	-351,673,193	-370,692,388
Effective Gross Revenue		4,798,282,429	5,022,184,201	5,319,780,893	5,575,983,291	5,797,475,829	6,154,956,476	6,459,024,736	6,694,402,248	7,118,306,863	7,472,850,401	7,764,779,938	8,212,939,624	8,655,073,154	9,047,877,146	9,470,077,329
Operating Expenses																
CUSA - Building 1		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 2		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 3		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 4		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 5		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 6		154,035,044	161,736,796	169,823,636	178,314,818	187,230,559	196,592,087	206,421,691	216,742,776	227,579,915	238,958,910	250,906,856	263,452,199	276,624,809	290,456,049	304,978,852
CUSA - Building 7		206,899,876	217,244,870	228,107,113	239,512,469	251,488,093	264,062,497	277,265,622	291,128,903	305,685,348	320,969,616	337,018,096	353,869,001	371,562,451	390,140,574	409,647,603
Minimum Guaranteed Lease		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% Rent on Sublease Rental		394,725,604	412,871,149	444,020,737	463,273,516	472,257,730	513,634,659	537,831,699	543,399,949	593,833,794	623,372,209	631,056,658	682,301,762	722,113,344	744,313,996	778,530,128
Total Operating Expenses		1,525,835,744	1,600,536,795	1,691,069,666	1,772,674,893	1,847,129,177	1,957,249,678	2,053,627,467	2,134,985,508	2,264,998,632	2,378,095,285	2,473,515,890	2,616,883,957	2,753,424,649	2,877,190,864	3,018,050,843
Net Operating Income		3,272,446,685	3,421,647,406	3,628,711,227	3,803,308,398	3,950,346,652	4,197,706,798	4,405,397,269	4,559,416,740	4,853,308,231	5,094,755,116	5,291,264,048	5,596,055,667	5,901,648,505	6,170,686,282	6,452,026,486
Leasing Costs																
Leasing Commissions		55,320,965	71,513,106	56,607,879	62,506,712	86,007,221	65,530,696	68,807,230	103,950,105	75,897,023	79,652,970	105,223,631	101,460,740	92,208,270	104,315,930	134,848,628
Total Leasing Costs		55,320,965	71,513,106	56,607,879	62,506,712	86,007,221	65,530,696	68,807,230	103,950,105	75,897,023	79,652,970	105,223,631	101,460,740	92,208,270	104,315,930	134,848,628
Capital Expenditures																
CapEx		19,736,280	20,643,557	22,201,037	23,163,676	23,612,886	25,681,733	26,891,585	27,169,997	29,691,690	31,168,610	31,552,833	34,115,088	36,105,667	37,215,700	38,926,506
B1 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B3 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B4 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B5 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B6 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B7 Development Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures		19,736,280	20,643,557	22,201,037	23,163,676	23,612,886	25,681,733	26,891,585	27,169,997	29,691,690	31,168,610	31,552,833	34,115,088	36,105,667	37,215,700	38,926,506
Total Leasing & Capital Costs		75,057,245	92,156,663	78,808,916	85,670,388	109,620,107	91,212,429	95,698,815	131,120,102	105,588,713	110,821,580	136,776,464	135,575,828	128,313,937	141,531,630	173,775,134
Cash Flow Before Debt Service		3,197,389,440	3,329,490,743	3,549,902,311	3,717,638,010	3,840,726,545	4,106,494,369	4,309,698,454	4,428,296,638	4,747,719,518	4,983,933,536	5,154,487,584	5,460,479,839	5,773,334,568	6,029,154,652	6,278,251,352
Cash Flow Available for Distribution		3,197,389,440	3,329,490,743	3,549,902,311	3,717,638,010	3,840,726,545	4,106,494,369	4,309,698,454	4,428,296,638	4,747,719,518	4,983,933,536	5,154,487,584	5,460,479,839	5,773,334,568	6,029,154,652	6,278,251,352
Terminal Value (Y11 NOI/cap rate)																
Less Selling Cost	5.00%															
Net Terminal Value																
PV Factor		0.1415	0.1252	0.1108	0.0981	0.0868	0.0768	0.0680	0.0601	0.0532	0.0471	0.0417	0.0369	0.0326	0.0289	0.0256
PV of Net Cash Flow		452,418,589	416,911,882	393,372,884	364,566,428	333,307,063	315,372,571	292,901,184	266,337,614	252,698,353	234,753,002	214,855,249	201,424,750	188,464,826	174,173,293	160,503,828

NPV (PHP)	**1,090,793,131**
Market Value (PHP)	**1,090,800,000**
Value per sq m (PHP/sq m of Lot Area)	**3,700**
Lot Area [sq m]	293,728.00

Development Site

Valuation of Developable Site at Prince Balagtas Avenue and Creekside Road, Clark Freeport Zone, Philippines

Valuation of the Market Value of the Property by Income Approach - DCF Method

Adopted Parameters	
Discount Rate	13.00%

Discounted Cash Flow Analysis									
Period	**Valuation Date**								**Exit**
Year		**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**
From		**19 Feb 2052**	**19 Feb 2053**	**19 Feb 2054**	**19 Feb 2055**	**19 Feb 2056**	**19 Feb 2057**	**19 Feb 2058**	**19 Feb 2059**
To	**18 Feb 2022**	**18 Feb 2053**	**18 Feb 2054**	**18 Feb 2055**	**18 Feb 2056**	**18 Feb 2057**	**18 Feb 2058**	**18 Feb 2059**	**18 Feb 2060**
Rental Revenue									
Potential Base Rent		9,226,614,008	9,690,210,914	10,178,258,177	10,673,890,739	11,206,381,254	11,772,134,112	12,342,123,891	6,402,854,738
Absorption & Turnover Vacancy		-640,455,588	-718766371	-948,775,456	-741,407,400	-805269845	-1,133,490,786	-858271742	-459,219,079
Free Rent		-213,485,196	-235,731,457	-324,358,886	-247,135,800	-259,492,590	-392,026,853	-286,230,314	-142,443,761
Scheduled Base Rent		8,372,673,224	8,735,713,086	8,905,123,835	9,685,347,539	10,141,618,819	10,246,616,473	11,197,621,835	5,801,191,898
Total Rental Revenue		8,372,673,224	8,735,713,086	8,905,123,835	9,685,347,539	10,141,618,819	10,246,616,473	11,197,621,835	5,801,191,898
Other Tenant Revenue									
Total Expense Recoveries		2,191,382,923	2,289,380,068	2,355,331,378	2,536,799,656	2,656,941,620	2,717,799,337	2,936,662,702	889,817,561
Total Other Tenant Revenue		2,191,382,923	2,289,380,068	2,355,331,378	2,536,799,656	2,656,941,620	2,717,799,337	2,936,662,702	889,817,561
Total Tenant Revenue		10,564,056,147	11,025,093,154	11,260,455,213	12,222,147,195	12,798,560,439	12,964,415,810	14,134,284,537	6,691,009,459
Potential Gross Revenue		10,564,056,147	11,025,093,154	11,260,455,213	12,222,147,195	12,798,560,439	12,964,415,810	14,134,284,537	6,691,009,459
Vacancy & Credit Loss									
Vacancy Allowance		-479,995,585	-455,619,582	-272,147,610	-554,948,059	-555,113,183	-276,299,874	-640,983,886	-271,303,636
Credit Loss		-52,820,281	-55,125,466	-56,302,276	-61,110,736	-63,992,802	-64,822,079	-70,671,423	-33,841,852
Total Vacancy & Credit Loss		-532,815,866	-510,745,048	-328,449,886	-616,058,795	-619,105,985	-341,121,953	-711,655,309	-305,145,488
Effective Gross Revenue		10,031,240,281	10,514,348,106	10,932,005,327	11,606,088,400	12,179,454,454	12,623,293,857	13,422,629,228	6,385,863,971
Operating Expenses									
CUSA - Building 1		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 2		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 3		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 4		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 5		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 6		320,227,794	336,239,184	353,051,143	370,703,700	389,238,885	408,700,829	429,135,871	225,296,332
CUSA - Building 7		430,129,983	451,636,482	474,218,306	497,929,221	522,825,682	548,966,966	576,415,315	302,618,040
Minimum Guaranteed Lease		0	0	0	0	0	0	0	0
% Rent on Sublease Rental		837,267,322	873,571,309	890,512,383	968,534,754	1,014,161,882	1,024,661,647	1,119,762,184	580,119,190
Total Operating Expenses		3,188,764,069	3,342,642,895	3,483,037,547	3,690,686,175	3,872,420,874	4,025,833,587	4,270,992,725	2,234,515,222
Net Operating Income		6,842,476,212	7,171,705,211	7,448,967,780	7,915,402,225	8,307,033,580	8,597,460,270	9,151,636,503	4,151,348,749
Leasing Costs									
Leasing Commissions		106,742,598	117,865,728	162,179,443	123,567,900	129,746,295	196,013,426	143,115,157	71,221,880
Total Leasing Costs		106,742,598	117,865,728	162,179,443	123,567,900	129,746,295	196,013,426	143,115,157	71,221,880
Capital Expenditures									
CapEx		41,863,366	43,678,565	44,525,619	48,426,738	50,708,094	51,233,082	55,988,109	29,005,959
B1 Development Cost		-	-	-	-	-	-	-	-
B2 Development Cost		-	-	-	-	-	-	-	-
B3 Development Cost		-	-	-	-	-	-	-	-
B4 Development Cost		-	-	-	-	-	-	-	-
B5 Development Cost		-	-	-	-	-	-	-	-
B6 Development Cost		-	-	-	-	-	-	-	-
B7 Development Cost		-	-	-	-	-	-	-	-
Total Capital Expenditures		41,863,366	43,678,565	44,525,619	48,426,738	50,708,094	51,233,082	55,988,109	29,005,959
Total Leasing & Capital Costs		148,605,964	161,544,293	206,705,062	171,994,638	180,454,389	247,246,508	199,103,266	100,227,839
Cash Flow Before Debt Service		6,693,870,248	7,010,160,918	7,242,262,718	7,743,407,587	8,126,579,191	8,350,213,762	8,952,533,237	4,051,120,910
Cash Flow Available for Distribution		6,693,870,248	7,010,160,918	7,242,262,718	7,743,407,587	8,126,579,191	8,350,213,762	8,952,533,237	4,051,120,910
Terminal Value (Y11 NOI/cap rate)									-
Less Selling Cost	5.00%								0
Net Terminal Value									0
PV Factor		0.0226	0.0200	0.0177	0.0157	0.0139	0.0123	0.0109	0.0096
PV of Net Cash Flow		151,441,723	140,351,738	128,317,426	121,412,958	112,761,865	102,535,352	97,284,474	38,957,794

NPV (PHP)	**1,090,793,131**
Market Value (PHP)	**1,090,800,000**
Value per sq m (PHP/sq m of Lot Area)	**3,700**
Lot Area [sq m]	293,728.00

At Colliers, we are enterprising.

We maximize the potential of property to accelerate the success of our clients and our people.

Our expert advice to property occupiers, owners and investors leads the industry into the future. We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximizes the potential of property, wherever our clients do business.

Site Group International Limited
ABN 73 003 201 910

SIT

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Monday, 31 October 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate “Appointment of Corporate Representative”. A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 IND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Site Group International Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Site Group International Limited to be held at Site Group International Limited, Level 2, 488 Queen Street, Brisbane, Queensland on Wednesday, 2 November 2022 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Proposed Transaction in respect of Site Group Holdings Pty Ltd under Listing Rule 10.1 and Chapter 2E of the Corporations Act.	☐	☐	☐
Resolution 2	Ratification of previous issue of Placement Shares (126,354,169)	☐	☐	☐
Resolution 3	Ratification of previous issue of Placement Shares (83,645,831)	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number	Email Address

S I T 292840A

computershare