

*Narrative Appraisal Report
JLL (Jones Lang LaSalle Real
Estate Services, Inc.)*

Prepared for: **Tern Properties Company Limited**

As of March 31st, 2019

**Unit 2406, 1238 Melville Street,
Vancouver, BC**



June 28th, 2019

The Board of Directors
Tern Properties Company Limited
Tern Centre, Tower I, 26th Floor
237 Queens Road Central
Hong Kong

Dear Sirs,

We are pleased to submit this report indicating our opinion of the market value in terms of cash of the subject property, subject to the Assumptions and Limiting Conditions set out in the Addenda of this report. It is our opinion that the report is based on the most recent Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), as well as the HKIS Valuation Standards, the IVSC and the RICS Valuation Global Standards.

Our study entailed a personal inspection of the property, an interview with on-site management, an analysis of relevant information provided by management, and an examination of external market conditions, transactional evidence and other important factors. This document is prepared for the purpose and objective of estimating the 100% market value of the freehold strata title of the subject property as of March 31st, 2019. We are of the understanding that the reasoning for the report is for public disclosure purposes.

Based on our analysis of the information, it is our considered opinion that the 100 percent market value of **Unit 2406, 1238 Melville Street, Vancouver, BC, Canada** as of March 31st, 2019 is:

Nine Hundred Thousand Dollars
\$900,000

Should any questions arise, or should you require further information, please contact the undersigned at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon Coffell", with a stylized flourish at the end.

Gordon Coffell, AACI, P.App, MRICS
Executive Vice President & National Practice Lead

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1. Terms of Reference

1.1 Purpose & Instruction of the Appraisal

The purpose of this appraisal is to estimate the market value of Unit 2406-1238 Melville Street, Vancouver, BC, free and clear of financing and with an effective date of March 31st, 2019. This report has been commissioned by Tern Properties Company Limited for the purpose of public disclosure.

The report is subject to those Assumptions and Limiting Conditions contained in the Addenda, in addition to any assumptions which may be stated in the body of the report.

In the process of preparing this appraisal, we:

- Inspected the subject property;
- Interviewed on site management of the building;
- Ascertained sale prices and analyzed where possible comparable properties;
- Examined market conditions as of the effective date.

1.2 Basis of Valuation

It is our opinion that the valuation findings have been prepared in accordance with the most recent Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), as well as the most recent HKIS Valuation Standards published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation — Global Standards” published by the Royal Institution of Chartered Surveyors (“RICS”). Further, we are of the opinion that the report complies with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 11 of the Hong Kong Code on Takeovers and Mergers.

This appraisal is based on both The Hong Kong Institute of Surveyors (“HKIS”) and The Canadian Uniform Standards of Professional Appraisal Practice. The HKIS defines Market value as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The Canadian Uniform Standards of Professional Appraisal Practice (the Standards) adopted by the Appraisal Institute of Canada defines Market Value as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in their own best interests;
- A reasonable time is allowed for exposure in the market;
- Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The term "property" refers to the land, buildings and certain fixtures and amenities which are incidental to the value of the condominium unit. The market value, as defined, is based on 100% interest of the condominium unit. It should be noted that the condo unit is currently rented for one year, ending Feb 29th, 2020 (the terms of the lease agreement are set out in the Addenda). We have not given any consideration to this factor when determining market value.

1.3 Valuation Assumptions

Our valuation of the market value has been made on the assumption that the owner sells the property interests on the market without the benefit of a deferred terms contract, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting sales or lettings. Unless otherwise stated, it is assumed that the property interests are free of legal complications and encumbrances, restrictions, outgoings of an onerous nature which could affect their values.

1.4 Valuation Methodology

For assets such as the subject property, JLL Canada will utilize the Direct Comparison Approach.

The direct comparison method is a method of valuation based on comparing the property to be valued directly with other comparable properties that have recently transacted. Comparable premises are generally located in the surrounding areas or in other sub-markets which are comparable to that of the property. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price/rental likely to be achieved by the property under consideration.

1.5 Sources of Information

We have relied on certain information provided by ownership and its agents for the property. We have also obtained certain other information available from public domains regarding the property tax, title or any other details. We have assumed that all the information provided to us is correct.

The dimensions, measurements and areas included in the report are based on information provided by the Company and or gathered from other reliable sources. We have not carried out on-site measurements to verify the correctness of the condominium unit area.

1.6 Measurements

It is our opinion that all measurements are carried out in accordance with The Canadian Uniform Standards of Professional Appraisal Practice (the Standards) adopted by the Appraisal Institute of Canada, as well as the “Code of Measuring Practice” booklet published by the HKIS.

1.7 Property Title

STRATA LOT 156, PLAN LMS2080, DISTRICT LOT 185, GROUP 1, NEW WESTMINSTER LAND DISTRICT, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT

1.8 Property Inspection

The property was inspected by Mr. Gordon Coffell, AACI, P.App, MRICS; on June 17th, 2019.

1.9 JLL Canada Representatives

The Appraisal was prepared by Gordon Coffell, AACI, P.App, MRICS; and staff, on behalf of JLL Canada. Mr. Coffell is a member in good standing of the Appraisal Institute of Canada and not a broker of JLL Canada nor is he licensed under the Real Estate Commission of Ontario to act as brokers. JLL Canada does not have any present or prospective interest in the subject property, and no personal interest or bias with respect to any parties involved.

1.10 Reasonable Exposure Time

Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. In today's market the time associated with the sale of a property becomes a function of the quality of the asset, the location as well as the type of property.

It is difficult to accurately estimate the time frame it would take to sell a property of this nature, but after discussions with various investors in the market and assuming proper marketing, it is our estimate that a property such as the subject would require **four** to **six** months to sell.

2. Property Description

The subject property is a condo unit located on the 24th floor of the Pointe Claire building located at 1238 Melville Street. It consists of 896 ft² of floor area with total 6 rooms which includes 2 bedrooms, 2 full bathroom, kitchen & living area plus a balcony. Built in 1995, the complex is located in the Coal Harbour area of the City of Vancouver nearby the Melville and Jervis Street intersection. The building has 35 floors and 196 units, and the amenities include an Exercise Centre, Indoor Swimming Pool, Sauna/ Steam room, Bicycle storage, Party room and Court yard. Other features include a complete security system with card access, a lobby concierge, 3 elevators, secure parking and separate bicycle parking. Located in downtown Vancouver, it has easy access to public transit on West Pender and is just a few blocks to Burrard Skytrain Station.

2.1 General Property Data

2.1.1 Address

The Pointe Claire Building
Unit 2406, 1238 Melville Street
Vancouver, British Columbia V6E 4N2

2.1.2 Ownership

The subject property is currently owned by Laquinta Investments Ltd., a wholly owned subsidiary of Tern Properties Company Limited c/o Castle Management Ltd. (250-5900 No. 3 Road, Richmond BC V6X 3P7). It is a Residential property held for investment.

2.1.3 Tenure

The tenure is a leased fee interest in the Freehold – Strata Title consisting of a Condominium unit. The leased fee expires in Feb 29th, 2020 or sooner, should the landlord wish to discontinue. We refer you to the Addenda for the details of the lease agreement.

2.1.4 Encumbrances

Aside from the lease agreement, we are unaware of any other encumbrances associated with the subject unit. With respect to the lease agreement, ownership has right to cancel the lease with 2-month notice given to the tenants which is compensated with 2 months of free rent.

2.1.5 Legal Description

STRATA LOT 156, PLAN LMS2080, DISTRICT LOT 185, GROUP 1, NEW WESTMINSTER LAND DISTRICT, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT

2.1.6 Property Tax Assessment

As per BC Assessment, the assessed value of the property as of 2019 is \$1,044,000.

2.1.7 Zoning

As per City of Vancouver's Zoning By-law 3575, the subject property is zoned as "CD-1 Comprehensive Development (254)".

2.2 Property Characteristics

2.2.1 Design/ Style

Unit 2406 is a southwest (city) facing condominium unit on the 24th floor which consists of 2 bedrooms, 2 baths, living area and kitchen, and contains approximately 896 sq. ft. plus balcony

2.2.2 Utilities

All typical city services.

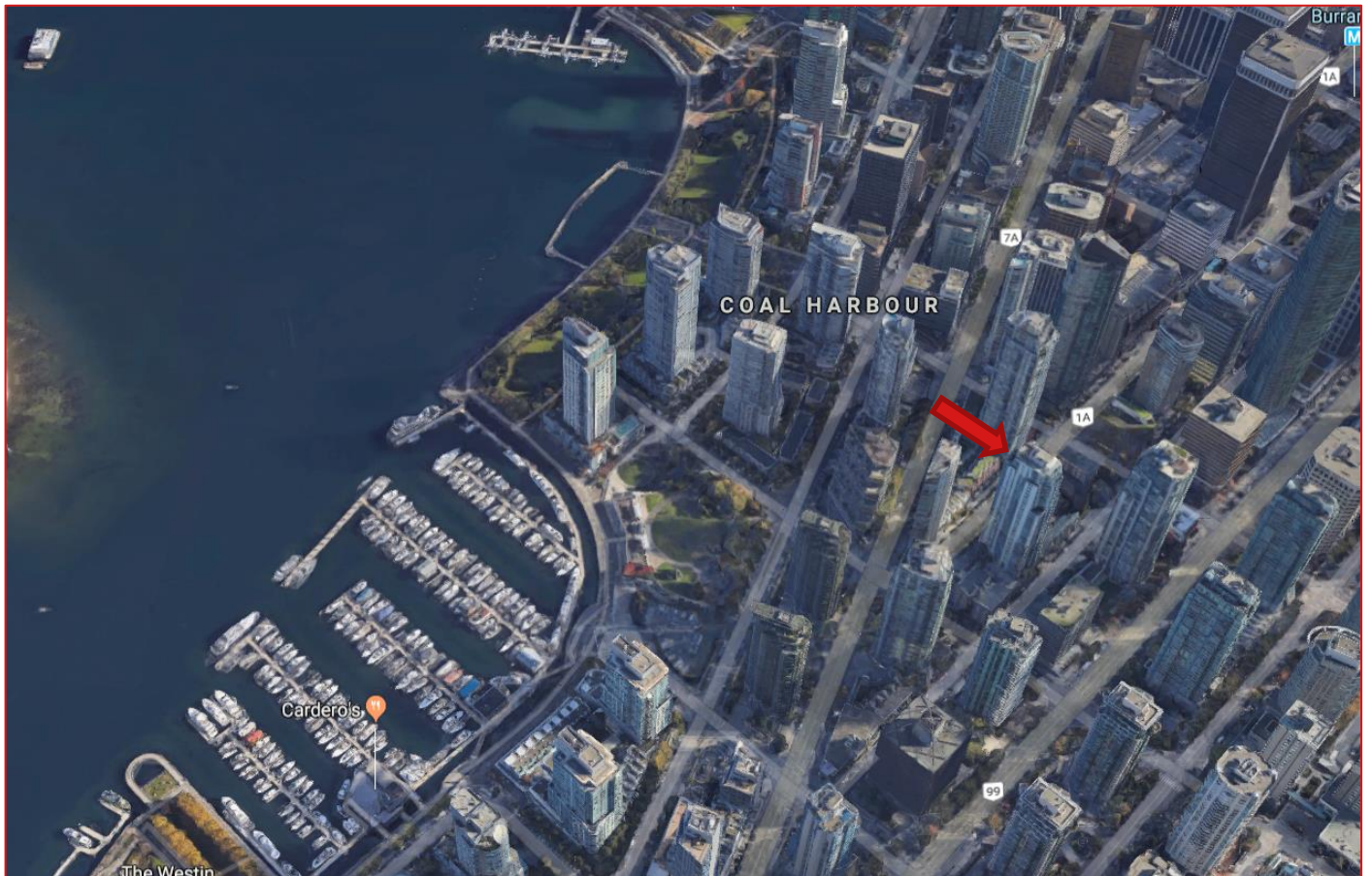
2.2.3 Amenities

The common area amenities include Exercise Centre, Indoor Swimming Pool, Sauna/ Steam room, Bicycle storage, Party room, Court yard, etc.

2.2.4 Parking

The Condominium unit has 1 underground space (Stall 79) included in the ownership.

2.3 Site Aerial



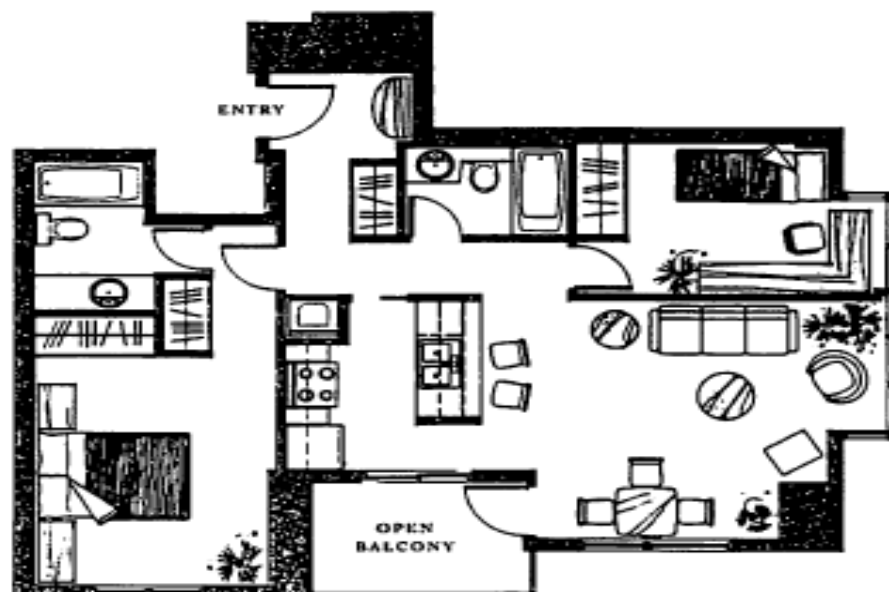
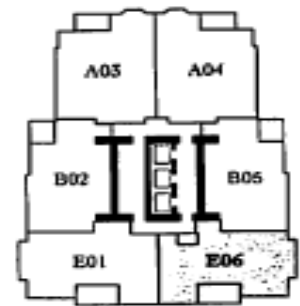
2.4 Floor Plan

POINTE *Claire*

UNIT TYPE E1

14TH THRU 24TH FLOOR

TOTAL AREA 964 SQ. FT. APPROX.



FOYER	3'8" X	9'6"
LIVING/DINING	18'6" X	13'6"
MASTER BEDROOM	11'0" X	13'0"
SECOND BEDROOM	12'0" X	8'6"
KITCHEN	9'0" X	9'8"
STORAGE	2'8" X	5'0"
OPEN BALCONY	10'0" X	6'6"

3. Market Overview

3.1 Vancouver Residential Market Overview

The following information was primarily gathered from The Saretsky Report (as of March 2019) which addresses, the Vancouver Residential market. Other data was also sourced for this overview.

Conditions as of March 2019 continued to experience limited activity and significant pricing declines. The detached market activity slipped 14% year over year reflecting the fewest sales on record in the City of Vancouver. Further there is 12 months of inventory on the market which is excessive considering 4 to 6 months supply reflects a balanced market. This level of inventory will continue downward pressure on prices.

The Condo Market

March saw Condo sales fall 35% year over year and the inventory nearly double from last year. This is significant as it reported that there is still over 40,000 units under construction in Greater Vancouver Area, which will undoubtedly add price pressures on the condo segment.

Pricing fell 7.5% year over year on a per unit basis and a full 11.5% from a square foot basis. The following chart reflects the March Statistics for Condo in the City of Vancouver.

It should be noted that the record high for Condo sales on a price per square foot was \$1,124 in January 2018.

CONDOS			
	MARCH 2019	MARCH 2018	% CHG (YR)
NUMBER OF SALES	328	504	- 35%
NUMBER OF NEW LISTINGS	912	766	19%
INVENTORY	1,905	973	96%
SALES TO ACTIVE RATIO	17%	52%	- 67%
MONTHS OF SUPPLY	5.4	1.8	193%
AVG DAYS ON MARKET	26.3	18.5	42%
MEDIAN DAYS ON MARKET	15	8	88%
AVG PRICE	\$810,934	\$926,739	- 12%
MEDIAN PRICE	\$688,888	\$755,000	- 9%
AVG PRICE PER SQ FT	\$961	\$1,085	- 11%
MEDIAN PRICE PER SQ FT	\$958	\$1,050	- 9%
% OF LISTINGS SOLD OVER ASKING	11%	50%	- 78%

From a downtown perspective the latest information indicated an inventory of 349 Condos & Townhouses with only 17% selling. More specifically the Coal Harbour market in which the subject is located had an inventory of 158 units available with only 9% (or 14 units) selling.

4. Valuation

4.1 Method of Valuation

4.1.1 Introduction

The method of valuation used in this appraisal is Direct Comparison Approach:

Direct Comparison Approach

The Direct Comparison Approach is an opinion of market value that is formulated through the comparison of properties that are similar to the subject that have recently transacted, are listed for sale, or are under contract. This approach is premised on the fact that the market value of a property is related to the sale price of a comparable, competitive property.

4.1.2 Valuation Analysis

Due to the decline in Residential Condominium activity and pricing which has taken place over the past 15 months, it was considered necessary to set out two charts; the first dealing with the most recent transaction activity at the subject complex, which in this instance took place in the first half of 2018, approximately one year prior to the effective date. The second chart sets out the most recent listing activity at the complex. According to the real estate board, there have been no unit transaction in the building thus far in 2019. The chart follows:

2018 Market Activity - 1238 Melville Street, Vancouver

Address	Date Sold	Sale Price	Description	Unit Size(S.F.)	View	Price PSF
1307-1238 Melville Street	2-Jan-18	\$630,000	1 Bedroom	572	South- City	\$1,101
1903 -1238 Melville Street	19-Jan-18	\$1,288,000	3 Bedrooms	1,058	Northwest - Mountain, Water, Park	\$1,217
2004 -1238 Melville Street	14-Feb-18	\$1,328,000	3 Bedrooms	1,058	Northeast - City & Water	\$1,255
2602 -1238 Melville Street	19-Apr-18	\$1,515,000	3 Bedrooms	1,249	Northwest - Mountain, Water, Park	\$1,213
2403 -1238 Melville Street	14-May-18	\$1,350,000	3 Bedrooms	1,072	South- City	\$1,259
1107 -1238 Melville Street	10-Jun-18	\$748,000	1 Bedroom	617	South- City	\$1,212
2018 Average Sale Price						\$1,210 psf

2019 Current Listings - 1238 Melville Street, Vancouver

Address	Listed Date	Listed Price	Description	Unit Size(S.F.)	View	Price PSF
1902-1238 Melville Street	14-Jan-19	\$998,000	2 Bedrooms	951	Northwest - Mountain, Water, Park	\$1,049
1007 -1238 Melville Street	23-Apr-19	\$679,000	1 Bedroom	617	South- City	\$1,100
1805 -1238 Melville Street	7-May-19	\$998,000	2 Bedrooms	945	Northeast - City & Water	\$1,056
501 -1238 Melville Street	22-May-19	\$799,800	1 Bedroom	815	South- City	\$981
2704 -1238 Melville Street	1-Jun-19	\$1,190,000	3 Bedrooms	1,223	Southeast - City	\$973
1205 -1238 Melville Street	5-Jun-19	\$838,000	2 Bedrooms	873	Northeast - Mountains, City & Water	\$960
Current (2019) Average Listing Price						\$1,020 psf

- The 2018 transactions all took place in the first half of the year; which was close to the peak of the market.

- Since that time there has been very little in the way of transaction activity and in fact there is no evidence of sales activity in the first half of 2019, within the subject complex.
- The listing units (per sq. ft.) are far lower (16%) than the average actual sale prices in 2018 based on a Price per Square Foot.
- Despite the effective date of March 2019, markets continue to decline.
- Coal Harbour continues to be an attractive area to locate, due to its proximity to the downtown core. Nonetheless, the challenging climate of the residential market has affected it as well.

4.2 Final Value Estimate

After consideration of all the condominium unit attributes including:

- The building quality;
- The Coal Harbour location;
- Building amenities;
- Unit size;
- Vistas, and;
- The effective date of the value.

It is our opinion that a value per square foot would have ranged from \$975.00 to \$1,025.00 per square foot.

Therefore,

$$\$975 \times 896 \text{ sf} = \$873,600; \text{ to } \$1025 \times 896 \text{ sf} = \$918,400$$

After consideration of all of the physical and market characteristics of **Unit 2406, 1238 Melville Street, Vancouver, BC**, it is our opinion that the market value as of March 31st, 2019 was:

Nine Hundred Thousand Dollars
\$900,000

Appendix 1: Summary of Terms of Lease

Summary of Lease Agreement:

The Lease Agreement is dated February 26th, 2019.

- **Name of the Landlord:** Laquinta Investment Ltd.
- **Name of the Tenant:** Brandon MaClean

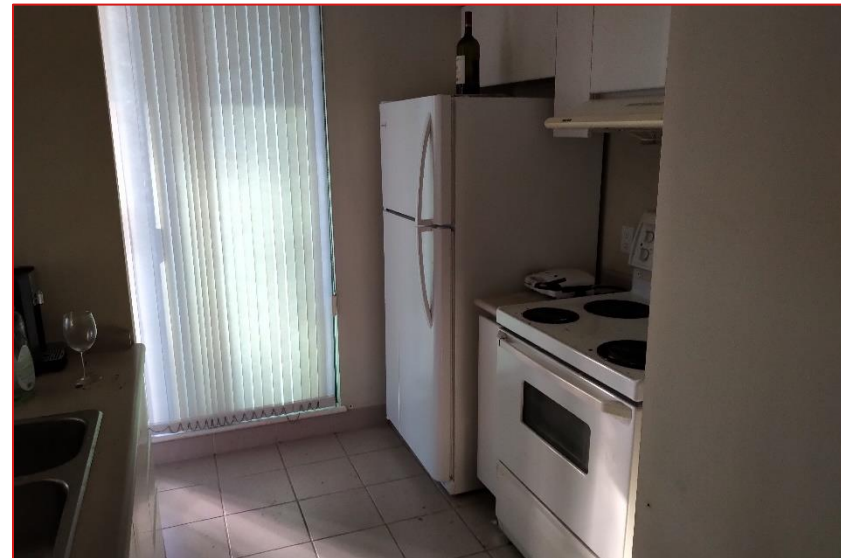
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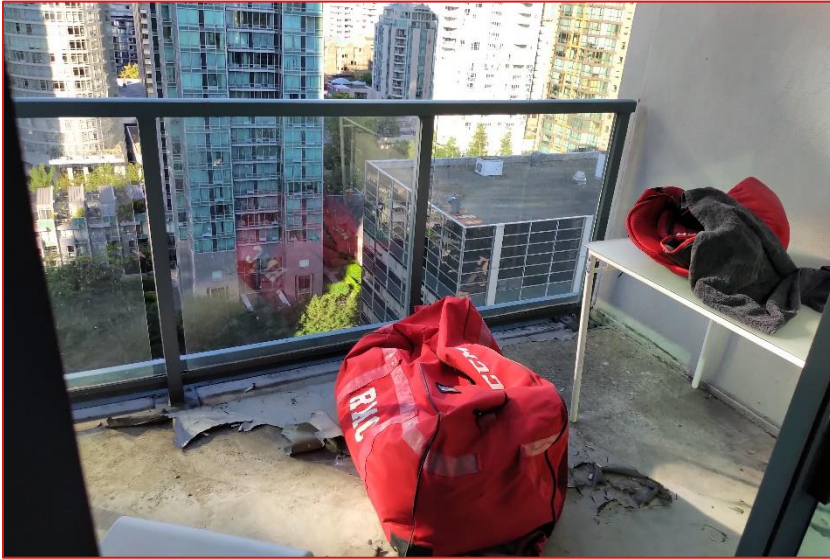
- **Address:** #2406 – 1238 Melville Street, Vancouver, BC, V64 4N2
- **Tenancy Start Date:** March 1, 2019
- **Tenancy End Date:** Feb 29, 2020 subject to the Landlord's option for early termination.
- **Early Termination:** The Tenant and the Landlord mutually and irrevocably agree that the Landlord may terminate the fixed term tenancy with two calendar months' notice by the Landlord to the Tenant. The Tenant shall be compensated for early termination of the fix term tenancy by receiving the final two months of tenancy rent free.

If the Tenant ends the fixed term tenancy early or the Landlord ends the fixed term tenancy for breach of the tenancy agreement by the Tenant before the end of the term as set above, the Tenant irrevocably agrees that the sum of One Thousand One Hundred Ninety-Five Dollars Only (\$1,195.00) shall be paid to the Landlord.

- **Rent Payments:** The Tenant shall pay \$2,390.00 rent per month, which includes the parking stall P79.

Appendix 2: Photographs of Subject Property





(Balcony view)

Appendix 3: Assumptions & Limiting Conditions

1. Liability Limit:

This report has been prepared by us for Tern Properties Company Limited (the “**Client**”), its auditors and any other person named herein for the specific purposes and functions, and on the assumptions and with the limiting conditions, stated herein (the “**Permitted Users**”). No person other than the Permitted Users may rely on this report without first obtaining written consent from us and the Client. This report has been prepared on the basis of the foregoing and any and all liability which may rise in connection with the use or reliance of this report by any person other than a Permitted user is disclaimed.

2. Title:

Except as otherwise noted in this report, we have assumed that title is clear and marketable and that there are no recorded or unrecorded issues that could adversely affect marketability or value. We are not aware of, or been advised of, any title defects except as otherwise noted in this report. We have not examined title and make no representations relative to the condition thereof. Documents which concern liens, easements, encroachments, restrictions, covenants or other encumbrances or conditions that may affect the quality of title have not been reviewed. Any concerns regarding financial loss arising due to claims that may occur due to defects in title should be addressed by the Client with insurance from a qualified title insurance provider.

3. Confidentiality and Use of the Report:

This report is subject to copyright and is confidential. Except as may be required by law, rule or regulation, it may not be provided, in whole or in part, to any third parties without our prior written consent. Neither all nor any part of the contents of this report shall be used for advertisement, newspaper, sales or any other purpose without our prior written consent.

4. Changes to the Report:

This report shall be used only in its entirety. All the conclusions and opinions expressed herein are ours, and no changes shall be made by anyone other than us except with our prior written consent.

5. Information Provided:

It is assumed that all factual data furnished to us by the Client or any other person on behalf of the Client in connection with the preparation of this report is accurate and correct, except as otherwise noted herein. Except as otherwise noted in this report, we have no reason to believe that any of the data so provided contains any material error. Any material error in such data could have a substantial impact on the conclusions in this report and we shall have the right to amend such conclusions if we become aware of any such error. The Client should carefully review all assumptions, data, calculations and conclusions and notify us immediately of any questions, concerns or errors.

6. Court Appearances, etc.:

Upon receipt of this report, the Client shall pay for it in its entirety as agreed to between us and the Client. We will not be required to appear in court to provide testimony or otherwise be present at any proceeding, or to otherwise provide any further consultations, unless agreed to by us and the Client. In the event that we are requested by Client to appear or otherwise participate in any proceeding, the Client shall compensate us for all of the time spent (at our standard rates then in effect) and shall reimburse us for all related reasonable and documented out-of-pocket expenses.

7. Plan, Location Maps and Photographs:

Any photographs, plans or location maps which form part of this report are provided for purposes of assisting the reader in identifying the subject properties. These items are not necessarily at scale and are not topographic surveys, unless otherwise indicated in the report.

8. Conditions of the Subsoil:

We have inspected, as intensely as possible through direct observation only, the land of the subject properties; however it was not possible to determine the conditions in the subsoil and we make no representations or warranties in connection therewith. Except as otherwise noted in this report, the estimate of market value set out herein assumes that there are no conditions that may cause a loss in value of the subject properties. Except as otherwise noted in the report, we have assumed that there are no mineral deposit or subsurface rights of value or any air or development rights of value associated with the subject properties. If material to the Client, we recommend the Client retain the appropriate specialist to provide an opinion or report with respect to these matters.

9. Structure and Improvements:

Except as otherwise noted in this report, we have assumed that: (A) the existing improvements on the subject properties are structurally sound, seismically safe and conform with all applicable municipal, provincial and federal building codes; (B) all building systems (e.g., mechanical, electrical, HVAC and plumbing) are in good working order with no major deferred maintenance or repair required; and (C) the roof and exterior are in good condition. No member of our staff is an engineer and therefore we are not qualified and do not purport to judge matters of an engineering nature, including for certainty any inspections of mechanical issues. We have not retained any services provider to assist in connection with the foregoing and we make no representations or warranties in connection therewith. Except as otherwise noted in this report: (A) no problems were brought to our attention by or on behalf of the Client; (B) we did not inspect the entire interior and exterior of the subject properties; and (C) we were not provided copies of any engineering studies. If an engineering consultant identifies negative factors of a material nature, or if such factors are later discovered, such information could have a substantial negative impact on the conclusions reported in this report. Accordingly, if negative findings are reported at any time by any engineering consultant, we will be entitled to amend this report in our sole discretion.

10. Environment, Zoning and Permitting:

Except as otherwise noted in this report, we have assumed that the subject properties fully comply with all applicable municipal, provincial and federal environmental and ecology laws and regulations. Likewise, we assume that all the construction and zoning regulations have been met, and all the permits and licenses are valid and may be renewed without any trouble whatsoever upon their expiration. Except as otherwise noted in this report, we are not aware of any contemplated public initiatives, governmental development controls or rent controls that would significantly affect the value of the subject properties.

11. Auxiliary Studies:

Except as otherwise noted herein, this report does not include special environmental impact studies or analyses. We reserve the right to modify, review or cancel any affirmation, opinion, value, estimate or conclusions set out in this report to reflect any information submitted to us in the future by or on behalf of the Client.

12. Other Types of Properties:

Furniture, equipment, appliances and other items that are ordinarily considered to be personal property, as well as operating conditions of the going concern, have been disregarded for purposes of this report, except as otherwise noted in the report or if such items would customarily be considered to form part of the subject properties. In certain types of properties, the real estate and going concern values may be changed.

13. Value of the Currency and Purchasing Power:

The estimated market value and the costs provided in this report are as of the date of this report, and all the amounts are based on the purchasing power and price of the Canadian dollar on such date. Though we may do so in our absolute discretion, we shall have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of this report.

14. Market Dynamics and Changes in Value:

The estimated market value provided in this report is subject to change due to changes in the market conditions that may occur subsequent to the date of this report. The value of the subject properties is directly related to their physical conditions, as well as to local and potentially non-local social, economic and political conditions. The estimated market value set out in this report is provided as at the date of this report and is subject to change given the dynamics of the market. We reserve the right to modify this report to reflect any information that we obtain or that is provided to us by or on behalf of the Client after the date of this report.

15. Use of Estimates

Any projections of income, expenses and economic conditions in this report are estimates of current expectations of future income and expenses. They are not predictions. Actual results may vary from the projections considered herein, and we provide no representation or warranties in connection therewith. Projections may be affected by circumstances beyond our current knowledge or control. Any estimate of market value provided in this report is provided in respect of the whole of the subject properties. Except as otherwise noted in this report, any pro ration or subdivision of title into fractional interests will invalidate such estimates of market value. Should title to the subject properties be held or changed to be held by a partnership or through a joint venture, co-tenancy or any other form of divisional ownership, the relative value of any fractional interest therein may differ from percentage ownership in the arrangements pertaining to the subject properties.

16. Hazardous Materials:

We are not qualified to detect hazardous materials and, except as otherwise noted in this report, we have no knowledge of the existence of any such materials on or in the subject properties. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the subject properties. The value estimate in this report assumes that there is no such material on or in the property that would cause a loss in value, and all liability is disclaimed with respect to any such conditions. The Client should retain an expert in this field, if desired.

17. Scope - General:

This report does not purport to provide any opinion or analysis on any matter which may require legal expertise or other specialized knowledge or skills beyond those which are customarily provided by real estate appraisers. We have not engaged and shall not be responsible for any costs to engage professionals qualified to provide an opinion or analysis of such items, and we make no representations or warranties with respect to the same.

18. Right to Modify the Report:

Without limiting our rights to do so as set out elsewhere in these assumptions and limiting conditions, we reserve the right to modify this report and the affirmations, analyses, conclusions or any other value estimate contained in this report, if data or general information not known previously is obtained or provided to us by or on behalf of the Client after the date of this report.

19. Professional Fees:

The fees paid to us for this report correspond to our professional services and not to the actual time required to complete the appraisal.

20. Compliance with AIC Standards:

It is our opinion that the appraisal and any opinions contained in this report have been prepared by us in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada, dated January 1, 2018, as well as the HKIS Valuation Standards, the IVSC and RICS Valuation Global Standards.

21. Indemnity by Client:

The Client shall indemnify and hold us and our directors, officers and employees (collectively, the “**Covered Persons**”) harmless from and against the full amount of any loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise and all interest, fines, penalties and reasonable and documented out-of-pocket professional fees and disbursements (“**Loss**”) which a Covered Person may suffer to a third party to the extent as a result of any disclosure of this report in whole or in part by the Client, if such disclosure is not permitted by these assumption and limiting conditions or if during any permitted disclosure the Client misrepresents, distorts or provides incomplete or inaccurate information contained herein to such a third party.

The acceptance or use of this report by any Permitted User constitutes the acceptance of assumptions and limited conditions stated herein by such Permitted Users. This report is only valid if it bears the signature of one of our representatives.

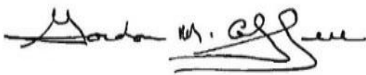
Appendix 4: Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions;
- We have no present or prospective interest in the properties that are the subject of this report, and we have no personal interest or bias with respect to the parties involved;
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada;
- The property was inspected by Mr. Coffell on June 17th, 2019;
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report we have fulfilled the requirements of the program;
- The value estimate contained in this report applies as of March 31st, 2019. This date may be referred to as the effective date of valuation.

Having regard for all the information contained in this report, it is our opinion that the market value of the 100 percent interest of **Unit 2406, 1238 Melville Street, Vancouver, BC, Canada** as of March 31st, 2019 is:

Nine Hundred Thousand Dollars
\$900,000



Gordon Coffell, AACI, P.App, MRICS
Executive Vice President & National Practice Lead
Advisory and Appraisal Services
Jones Lang LaSalle Real Estate Services Inc.

June 28th, 2019

Date