

# 2020 Q2 Results Presentation

July 2020

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01

## Major Achievements

# Operation Highlights

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## Leasing Business Continued to Grow

- As of June 30, 2020, our leasable area was approximately 365,000 square meters, **85% of which was in the first-tier city Shenzhen** and the remainder was in Wuxi and Shanghai.
- The pre-leasing rate of Nam Tai Inno Park had reached **23%**, an increase of **10 percentage points** compared to 2019 Q4.
- We hosted **signing ceremonies** with two high-tech companies in Nam Tai Inno Park in Q2. Our project is gaining popularity among the technology industries in Shenzhen.

## Development & Construction Steadily Proceeded

- The **renovations on the operation service center** of Nam Tai Inno Park have been completed. We will be offering professional supporting services to enterprise tenants in the park.
- The baseplate construction of Nam Tai Technology Center has been completed; **the construction of the main structure is proceeding in an orderly manner.**
- We have submitted an urban renewal application for Nam Tai Inno Valley, striving to gain redevelopment indicators allowed by local regulations.
- We have obtained the **“Land Use Rights Certificate” and “Land Use Planning Permit”** for the project in Machong, Donggugan.

## Pandemic Response and Contribution to Local Development Recognized

- We continued to enforce the six pandemic prevention measures, to achieve **zero infections and a project resumption rate of 100%.**
- We have been honored and awarded as **“A Top 10 Industrial Investment Enterprise of 2019”** by the Government of Guangming District, Shenzhen, in recognition of our investment and contribution to the district as it embarks on its goal to become a world-class science city.

## Grew with a Healthy Debt Level

- **Revenue increased by 15%** to US\$1.5 million compared with the first half of 2019.
- **Total assets increased by 46%** to US\$490 million and **net real estate properties under development increased by 86%** to US\$371 million compared with 1H 2019 .
- **Debt ratio<sup>(a)</sup> was at a healthy level of 57.5%**; current ratio<sup>(b)</sup> remained at 1.23 times.

## Secured Credit Facilities with Sound Repayment Schedule

- **We have secured credit facilities for the two major projects under construction** – Nam Tai Inno Park and Nam Tai Technology Center. As of June 30, 2020, US\$78 million and US\$28 million of credit facilities had been withdrawn for Nam Tai Inno Park and Nam Tai Technology Center, respectively.
- **The repayment schedule is sound:** approximately, 4% of the debt repayable within 1 year, 17% repayable within the following years, 44% repayable between 3-5 years, and 35% repayable after 5 years.

Note:

(a) Debt ratio is calculated with total liabilities divided by total assets.

(b) Current ratio is calculated with all current assets, including prepaid expenses and other receivables, divided by all current liabilities.





# 02

## Operational Review

# Our Project Portfolio

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## Nam Tai Inno Park

<b>Introduction</b>	The project contains 5 industrial office buildings, 2 business services centers and 3 dormitories which are expected to complete by 2020 Q4. The major target tenants include enterprises in the A.I., new generation information technology and new materials industries.
<b>Type <sup>(a)</sup></b>	R&D office, industrial service space and dormitory
<b>Site Area (sq.m.)</b>	103,739
<b>Capacity GFA (sq.m.)</b>	265,139
<b>Total GFA (sq.m.)</b>	331,701
<b>Leasable GFA (sq.m.)</b>	264,337
<b>Location</b>	Phoenix Community, Guangming District



## Nam Tai Technology Center

<b>Introduction</b>	The project contains 3 industrial office buildings, 1 dormitory and business space in the podiums which are expected to complete by 2022 Q1. The major target tenants are enterprises in A.I.-related industries.
<b>Type</b>	R&D office, industrial service space and dormitory
<b>Site Area (sq.m.)</b>	22,364
<b>Capacity GFA (sq.m.)</b>	139,746
<b>Total GFA (sq.m.)</b>	194,595
<b>Leasable GFA (sq.m.)</b>	130,166
<b>Location</b>	Namtai Road, Bao'an District



Note:

(a) The types of our projects are based on our planning or certificates issued by the relevant authority subject to adjustment upon the final approval of the relevant authority.



# Our Project Portfolio

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## Nam Tai Inno Valley

<b>Introduction</b>	<p>Adjacent to Nam Tai Technology Center, the existing buildings of the project have a total gross floor area of approximately 42,000 sq. m. and are mainly leased to a group of enterprise tenants.</p> <p>The project is awaiting an urban renewal application for a redevelopment.</p>
<b>Type <sup>(a)</sup></b>	Office and dormitory (post-redevelopment)
<b>Site Area (sq.m.)</b>	22,367
<b>Estimated Total GFA (sq.m.)</b>	170,200 <sup>(b)</sup>
<b>Location</b>	Namtai Road, Baoan District



## Nam Tai • Longxi

<b>Introduction</b>	<p>Located in the central area of Machong town, the project is bordered by the Machong river, Xinhua College of Sun Yet-sen University and the Machong Avenue with scenic landscape and a wealth of supporting facilities.</p> <p>The project is commencing development into an iconic residential and commercial complex of Machong, which is expected to be completed in 2022.</p>
<b>Type <sup>(a)</sup></b>	Residential and commercial properties
<b>Site Area (sq.m.)</b>	33,763
<b>Capacity GFA (sq.m.)</b>	84,408
<b>Total GFA (sq.m.)</b>	110,271 <sup>(c)</sup>
<b>Location</b>	Machong Avenue, Machong town, Dongguan



### Notes:

(a) The types of our projects are based on our planning or certificates issued by the relevant authority subject to adjustment upon the final approval of the relevant authority.

(b) The gross floor area is based on the assumption that we will receive M-0 zoning approval for the entire Inno Valley site prior to its redevelopment. If we do not receive the M-0 zoning approval, we will be required to develop Inno Valley under the M-1 zoning requirements. In that case, appropriate adjustments to our plan will have to be made. The existing gross floor area of Inno Valley is 41,927 square meters. According to "Shenzhen Industrial Block Range Line Management Measures", the location of Nam Tai Inno Valley is within the designated industrial block range, of which the government strictly controls the proportion of M-0 zoning on industrial land. Therefore, the proportion of M-0 zoning, floor area ratio and construction area of Inno Valley are subject to the final approval of the government with uncertainty. We cannot guarantee that we will be able to develop Inno Valley according to the floor area currently disclosed.

(c) The figure is subject to adjustment upon the final approval of the relevant authority.

# Leasing Overview

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As of June 30, 2020, our leasable area was approximately **365,000 square meters, of which 85% of the leasable area was in the first-tier city Shenzhen** and the remaining 15% was in Wuxi and Shanghai.

## Leasing Progress

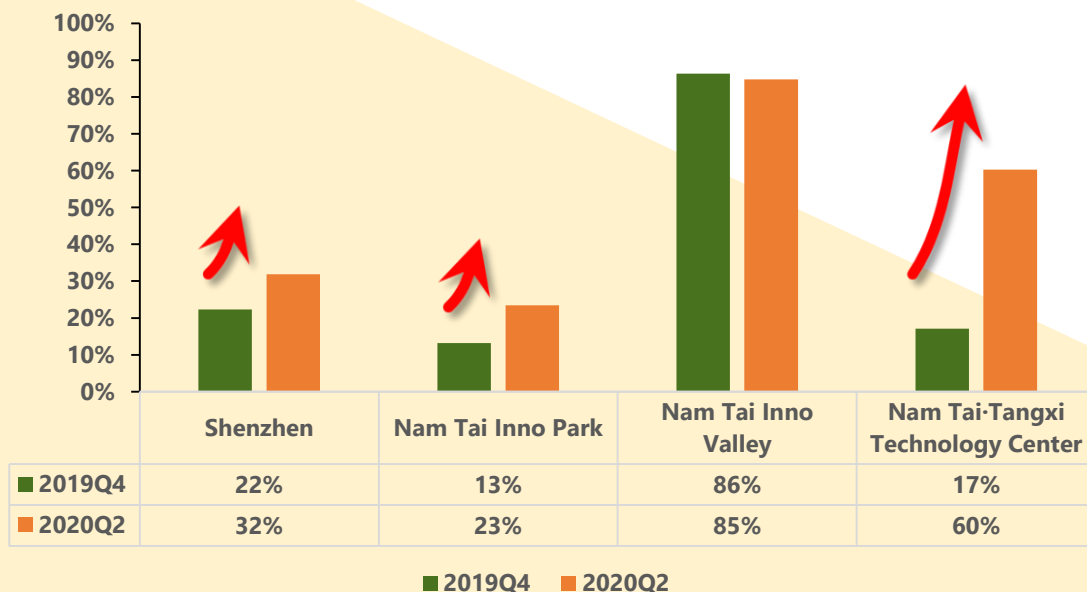
Project	Leasable Area(sq.m.)	Percentage of Leasable Area (%)	Leasing Rate (%)
<b>Shenzhen</b>	<b>310,193</b>	<b>85%</b>	<b>32%</b>
Nam Tai Inno Park <sup>(1)</sup>	264,337	72%	23%
Nam Tai Inno Valley	38,270	10%	85%
Nam Tai • Tang Xi Technology Park	7,586	2%	60%
<b>Wuxi &amp; Shanghai</b>	<b>54,809</b>	<b>15%</b>	<b>96%</b>
Wuxi Facilities	50,828	14%	100%
Nam Tai • U-Creative Space (Lujiazui)	3,981	1%	38%
<b>Total</b>	<b>365,002</b>	<b>-</b>	<b>41%</b>

Note:

<sup>(1)</sup> The pre-leasing of Nam Tai Inno Park is launched by phases depending on market conditions.

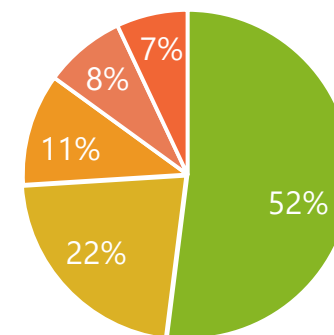
## Leasing Overview of Shenzhen Projects (as of June 30, 2020)

Leasing Rate



- ✓ The leasing rate of Shenzhen projects was approximately **32%**. In particular, the pre-leasing rate of Nam Tai Inno Park was 23%, **an increase of 10 percentage points** compared to 2019 Q4.

## Industry Categories of Enterprise Tenants in Nam Tai Inno Valley



- High-end, General Appliance Manufacturing
- Software & IT Service
- Retail Service
- Others
- Education

- ✓ As of June 30, 2020, there were **27 enterprise tenants** in Nam Tai Inno Valley. Around 52% of the tenants were in **high-end and general appliance manufacturing**.
- ✓ Well-known enterprise tenants of Nam Tai Inno Valley included Ai Huishou, Zinergy Co., Ltd. and Apexo Electronics Co., Ltd.



# Project Development & Construction

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## Estimated Project Development Schedule

Schedule	Nam Tai Inno Park	Nam Tai Technology Center
Land Use Permit	June 2015	May 2018
Land Use Rights Certificate	September 2015	March 2019
Construction Land Planning Permit	August 2017	May 2019
Main Structure Construction Permit	May 2018	July 2019
Main Structure Completion Acceptance Certificate	December 2019	Q1 2022
Property Ownership Certificate	June 2020	Q4 2022
Delivery	Launched from Q3 2020	N/A

 Obtained

Remarks:

Detail development schedule for Nam Tai Inno Valley is not yet available as the project is still pending approval for urban renewal.

# Historical Capital Expenditure

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Historical Capital Expenditure (Unit: US\$ '000)				
Project	2017	2018	2019	First half of 2020
Nam Tai Inno Park	\$16,269	\$49,247	\$66,839	14,040
Nam Tai Technology Center	\$847	\$72,555	\$16,645	5,708

- Nam Tai Inno Park and Nam Tai Technology Center are in the development stage with credit facilities secured for their construction. Since 2017, we have invested approximately US\$146 million and US\$96 million in Nam Tai Inno Park and Nam Tai Technology Center, respectively.
- Our capital expenditure plan may be adjusted according to the development needs.

# Development and Construction Updates

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## Nam Tai Inno Park

- ✓ **2020 Q2 Updates:** We obtained property ownership certificates for the 11 buildings of the park in May 2020. We have **completed the renovation works for the operation and service center** of the park and will soon be offering professional supporting services to enterprise tenants. Currently, we are carrying out renovation works for the R&D office and dormitory area. The R&D office will be delivered in roughcast standard.
- ✓ **Progress Monitor:** We commenced construction of the main structure in June 2018, with the capping of the main building completed in April 2019 and the Construction Acceptance Reports obtained in December 2019. The construction of the project is in the final stage. It is estimated that the park will be ready for tenants from 2020 Q3 to 2021.

Renovation for Operation and Service Center



Public Area of R&D Office Space



Public Area of Dormitory





# Development and Construction Updates

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## Nam Tai Technology Center

- ✓ **Q2 2020 Updates:** The construction work of the project has fully resumed and the **baseplate construction work has been completed**. We are currently undergoing basement and main structure construction. **We have not yet met the conditions for obtaining the pre-sale permit.**
- ✓ **Progress Monitor:** In the first half of 2018, we demolished all of our old factory buildings on the site as part of the preparation for the redevelopment. In July 2019, we began construction of the main structure. The Property Ownership Certificate of the project was obtained in November 2019.

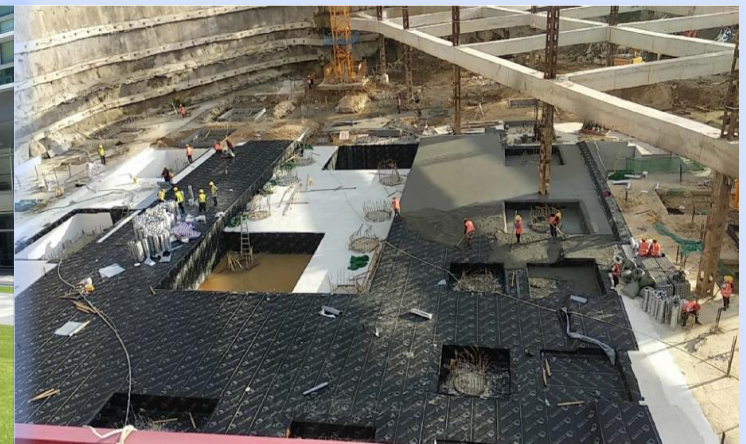
Top View



Garden in the Exhibition Area



Baseplate



# Development and Construction Updates

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## Nam Tai Inno Valley

- ✓ **Q2 2020 Updates:** We have **submitted the redevelopment application** to the Urban Renewal and Land Development Bureau of Shenzhen Bao'an District for Nam Tai Inno Valley. We applied for mixed land indicators, including traditional industrial land (M-1) as primary land use and innovative industrial land (M-0) as supplementary land use. The indicators are subject to the government's final approval.
- ✓ **Progress Monitor:** In the second half of 2018, we renovated and subdivided the existing factory buildings on the site into smaller units for short-term leasing while the project was pending for urban renewal. The units are currently leased to a group of enterprise tenants.

Factory Building in Inno Valley



Inno Valley



Inno Valley





# Hosting Industrial Events

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**Signing Ceremony with Shenzhen Ksodr Healthy Products Tech. Co., Ltd.**

June 2020: Nam Tai hosted a signing ceremony with Shenzhen Ksodr Healthy Products Tech. Co., Ltd. on leasing over 2,000 sq.m in Nam Tai Inno Park



**AI Opens a New Era of Smart Manufacturing – Smart Manufacturing & Robotic Industry Sharing Salon**

May 2020: Nearly 30 companies from smart manufacturing and robotic industries discussed the challenges and future development of the smart robotic industry



**Demystifying 5G: Harbin Institute of Technology & Investors Joint Conference**

May 2020: Authoritative experts, investors, and entrepreneurs in the field of informatization established a communication platform to develop 5G application projects



**Salon: AI Empowers New Ecosystem of Smart security**

June 2020: Nearly 40 A.I. smart security companies discussed the construction of A.I. security systems under big data and the smart upgrade of power systems, as well as explored opportunities for industry transformation



**Salon: Smart Healthcare Empowers Health Industry**

June 2020: Nearly 40 companies from smart healthcare and biomedical technology industries discussed the latest developments in the smart medical industry and biomedical technology applications and the big health industry



**Salon: Nam Tai Inno Park Cloud Computing & Big Data Sharing**

June 2020: Nearly 30 companies from cloud computing and big data industries discussed how to use big data analysis tools to facilitate corporate transformation in the digital age



## Six Anti-Pandemic Measures

- ① Prompt preparation
- ② Regular disinfection and cleaning
- ③ Formulation of anti-pandemic plans
- ④ Establishment of emergency teams
- ⑤ Continuous temperature monitoring and transparent data sharing
- ⑥ Distribution of masks to all employees

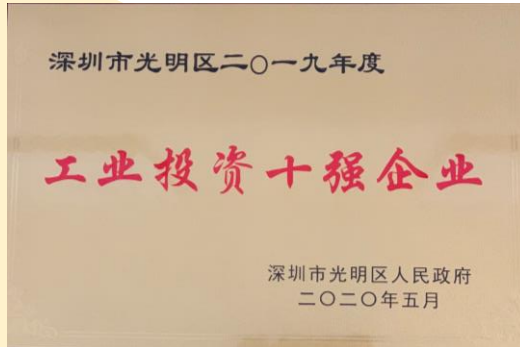
**Zero Infections,  
100% Resumption Rate**



# Awards and Honors

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## Q2 2020



- We were honored and awarded as **“A Top 10 Industrial Investment Enterprise of 2019”** by the Guangming District, Shenzhen in May 2020.
- 2019 marked the first complete year of the establishment of the Guangming District, which is striving to become a world-class science city and the center of northern Shenzhen, as designated by the Shenzhen government. The award was given to top performing industrial investment enterprises as models for the district in consideration of factors including business service quality, capital increment and production expansion, and enterprise development quality.

## 2019

### Guangdong Province High-quality Structure of Construction Project Award



### Shenzhen High-quality Structure Project Award



### Shenzhen Safety Production and Civilized Construction Excellence Award for the First Half of 2019



## 2018

### OFweek Award - China's Most Potential Technology Park Award



# Introduction to Nam Tai • Longxi

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Nam Tai • Longxi	
Project Source	Bidding, Auction and Listing
Location	Machong Town, Shuixiang District, Dongguan City
Type	Residential and Commercial Property
Site Area (sq.m.)	33,763
Plot Ratio	2.5
Capacity GFA (sq.m.)	84,408
Total GFA (sq.m.)	110,271*
Positioning	Nam Tai's first flagship project in Dongguan; iconic residence of Machong

\*The indicators may be adjusted upon the final approval of the authority.



# Nam Tai • Longxi Project Rendering

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# Nam Tai • Longxi Project Rendering

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# Development and Construction Updates

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## Nam Tai • Longxi

- ✓ **2020 Q2 Updates:** We obtained the "**Land Use Right Certificate**" and "**Land Use Planning Permit**" for Nam Tai • Longxi project in May and June 2020, respectively.
- ✓ **Progress Monitor:** In March 2020, we won the public auction for the land use right of a land parcel in Machong Town, Dongguan City organized by Dongguan Natural Resources Bureau and Dongguan Public Resources Trading Center. We have commenced construction of the project.

### Survey Completion



### Earthworks Machinery On Site



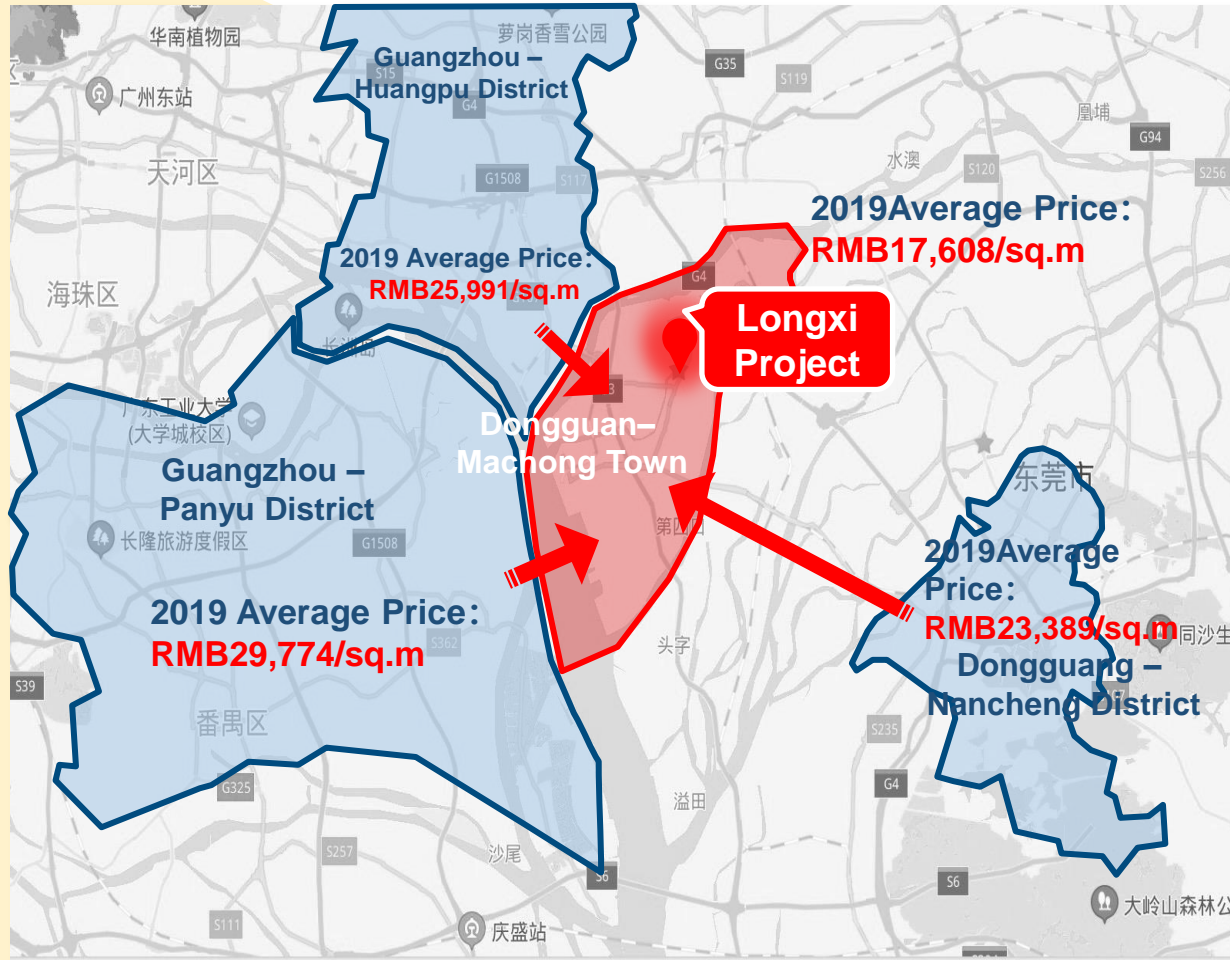
### Pile Foundation Machine On Site





# Target Customers of Nam Tai • Longxi

- The main target customers of Nam Tai • Longxi are locals with rigid demands and who want to improve their living conditions in Machong Town, Dongguan, as well as external customers from other parts of Dongguan and the nearby Guangzhou city.
- According to our research, **units with three bedrooms and two bathrooms** are relatively popular in the area.



## Transportation Advantage

- ✓ The **Guangzhou–Shenzhen Intercity Railway** commenced operation in December 2019.
- ✓ The straight-line distances from Machong to Huangpu District and Panyu District of Guangzhou are only **4 and 7 kilometers**, respectively.
- ✓ A journey from Dongguan West Railway Station to Guangzhou East Railway Station takes only **36 minutes**, and to Shenzhen Airport takes only **40 minutes**.

## Price Advantage

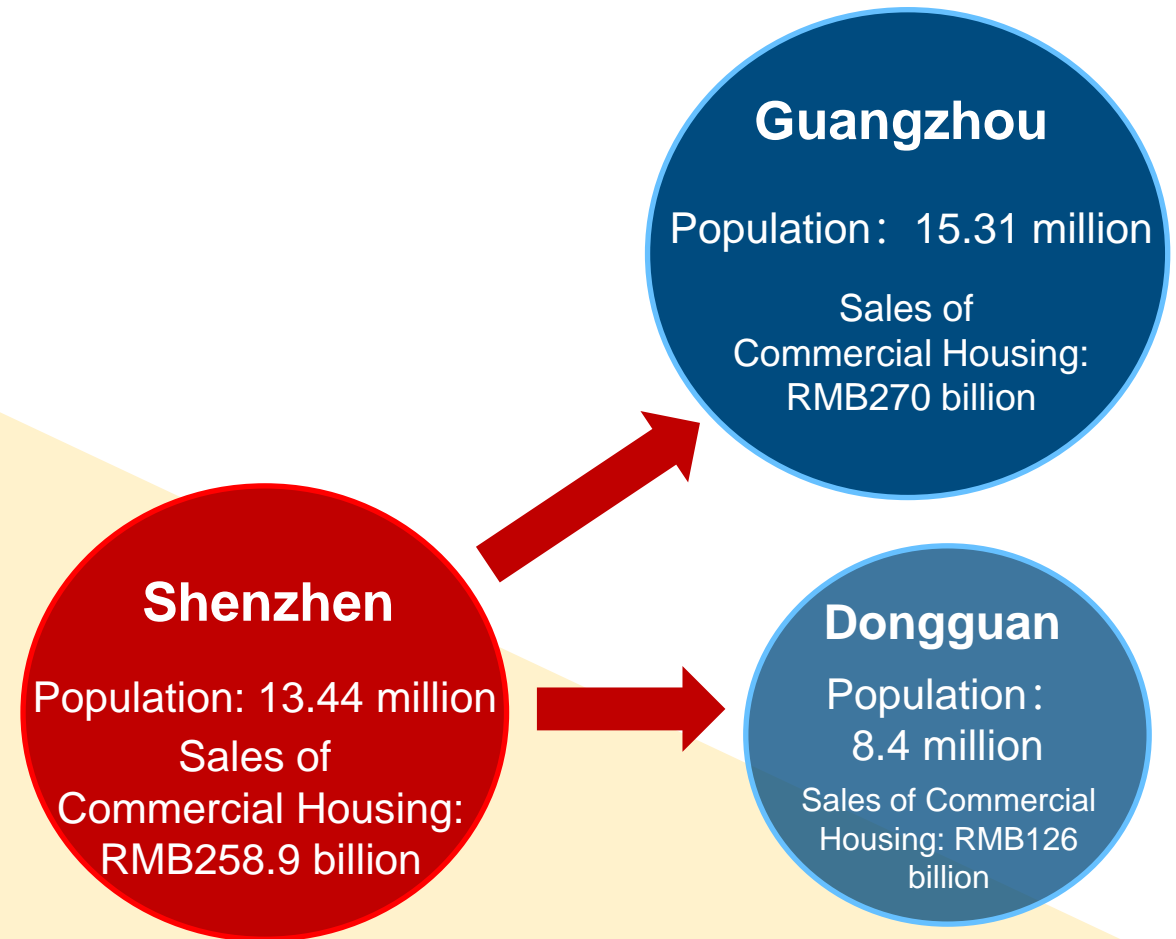
- ✓ The average price of commercial housing in Machong Town is only **59% and 68%** of that in Panyu District and Huangpu District of Guangzhou City, respectively, and around **one-third** of that of both the Tianhe District of Guangzhou and Bao'an District of Shenzhen.



# Strategic Significance of Nam Tai • Longxi

- Nam Tai's projects have previously been primarily focused in Shenzhen, lacking visibility in other cities in the Greater Bay Area. Nam Tai • Longxi will enhance Nam Tai's **brand awareness in Dongguan and Guangzhou** and **help form new relationship networks** within the local communities.

- The project will also help us **expand the residential and commercial property portfolio and create synergies** with our existing projects



Remarks: Data from 2019, Units in RMB

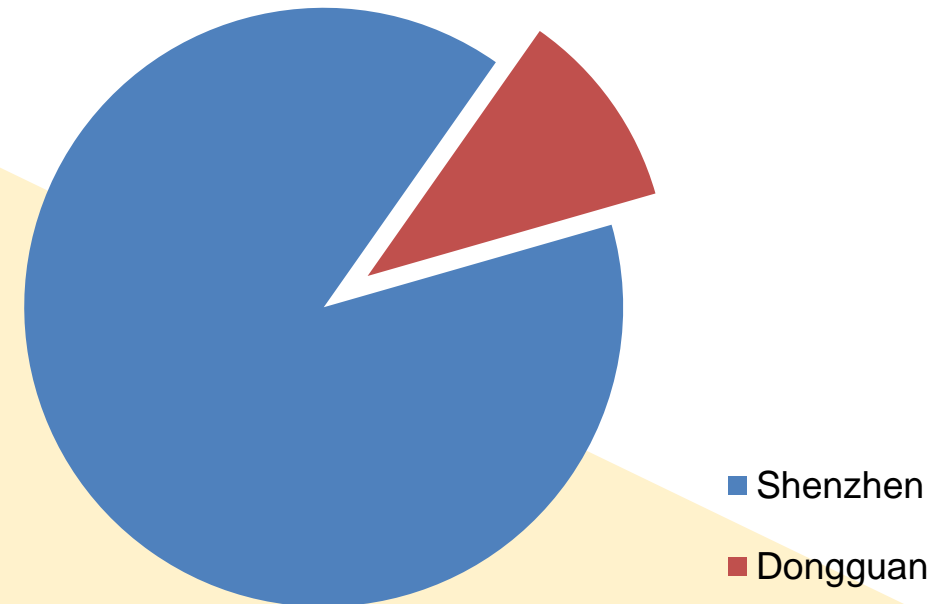
# Strategic Significance of Nam Tai • Longxi

- Most of the land resources of Nam Tai have been previously obtained in the form of government allocation. Gaining new land through bidding, auction and listing is a **breakthrough in land acquisition**.

Land Acquisition Method	Status
Government Allocation	√
<b>Bidding, Auction and Listing</b>	√
Urban Renewal	√
M&A	To be explored

- Nam Tai's **project portfolio has been considerably expanded** after adding the Machong project, which is beneficial to the sustainable development of the Company.
- The project has **helped Nam Tai to break into Dongguan**, a robust market in the region.

Project Portfolio (Sq.m)





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## Development Strategy

# Our Core Competitiveness

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## Excellent cost control capabilities

Cost control capabilities are important to the profitability of our projects and the Company and crucial for us to compete in the fierce land market in the region.

## Experienced management team

The management team has extensive experience in real estate development, construction, sales and operations in China with, collectively, more than 100 projects previously managed. As the first transformation project of the Company, Nam Tai Inno Park has already been honored with several awards in construction and operations.

## Competitiveness

## High-quality project resources and leading industrial operation capabilities

We are establishing a full-chain industrial operation model with strategic cooperation with a large number of professional institutions.

## Strong financing and debt management abilities

Both Nam Tai Inno Park and Nam Tai Technology Center have secured credit facilities for their development at a competitive funding cost. The debt level of the Nam Tai has also remained at a healthy level.



## **Unleash the values of existing projects**

- ❑ Promote business invitation of Nam Tai Inno Park, Nam Tai • Tang Xi Technology Park as well as Nam Tai • U-Creative Space, and improve cash collection.
- ❑ Accelerate the construction of Nam Tai Technology Center and consider application for pre-sale permit when related conditions are met
- ❑ Promote the application for urban renewal of Nam Tai Inno Valley.

## **Prudently manage financing and control costs**

- ❑ Prioritize the financing support for the development and construction of existing projects.
- ❑ Maintain the asset-liability ratio and liquidity at a stable level
- ❑ Continuously evaluate and adjust the project budget to achieve effective cost control

## **Improve product and service qualities**

- ❑ Deliver high-standard projects that will provide tenants with high-quality industrial space.
- ❑ Further improve the industrial operation system and cultivate the industrial operation team.
- ❑ Improve performance of business invitation through industrial operation and strengthen our image as a technology park operator.

## **Explore development opportunities in the GBA**

- ❑ Focus on the Greater Bay Area markets and continuously explore differentiated projects and development models.
- ❑ Aim at maximizing the return for the Company and our shareholders through sustainable development strategies.

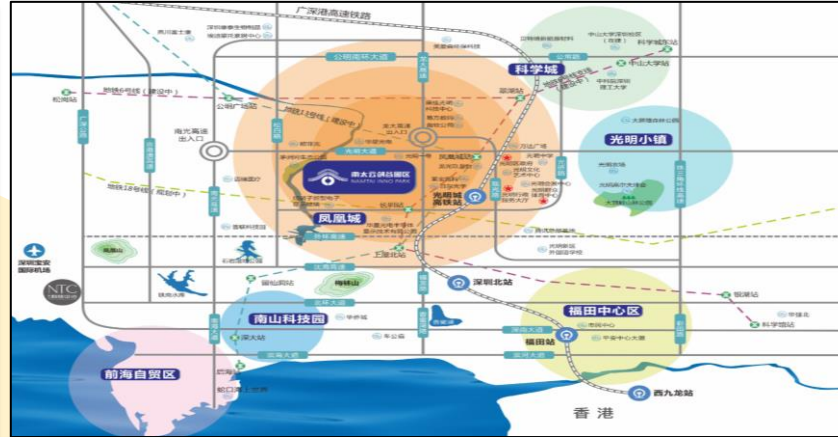
# Unleash the Values of Existing Projects

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## Nam Tai Inno Park

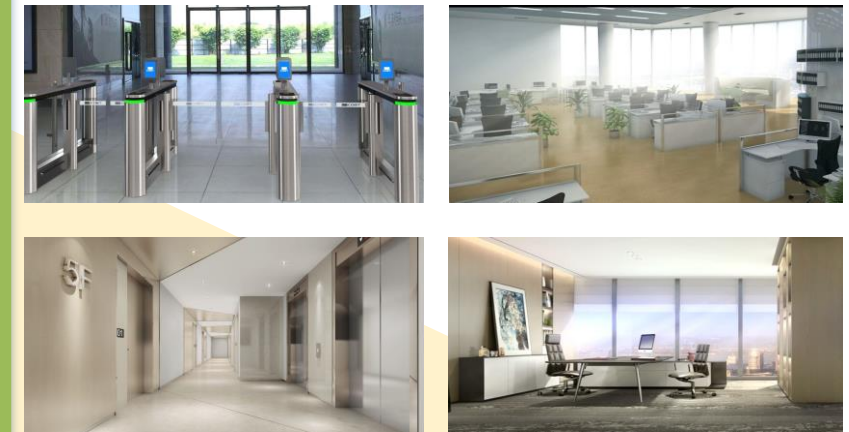
- ✓ Located in the **central area of Guangming District** with convenient transportation links
- ✓ **Diversified spaces**, including R&D office, industrial service space and talent dormitory and leisure facilities, establishing an integrated ecological technology park
- ✓ **Equipped with high-quality intelligent systems**
- ✓ **A whole-chain industrial service model** with diversified business services provided by professional institutions under strategic cooperation
- ✓ A differentiated development and operation model that **aims at catering to the various needs of technology enterprises and their employees**

Three-dimensional traffic networks that enable efficient access to city center



The integration of shopping, catering and entertainment with office space

Technology parks with an integrated ecology comprising office, commercial property and dormitory



Office areas equipped with high quality intelligent systems

High-quality Leasable and potential saleable resources lay the foundation for the Company's growth



# Enhancing Project Value

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## Urban Renewal of Nam Tai Technology Center



**Before**



**After** (Architectural Rendering)

- Leveraging the success in the adjacent Nam Tai Technology Center, we will **promote the application of urban renewal of Nam Tai Inno Valley** and strive for redevelopment indicators.

Nam Tai Technology Center	Before Redevelopment	After Redevelopment
Term of land use right	2043	2068
Ownership certificate	The project has a single ownership certificate and cannot be sold separately	The project can be sold separately, in line with the market demand
Land Type	Traditional industrial land (M-1)	Innovative industrial land (M-0)
Business format	Old factory buildings	A large-scale comprehensive technology park integrating innovative R&D space, commercial area and dormitory.

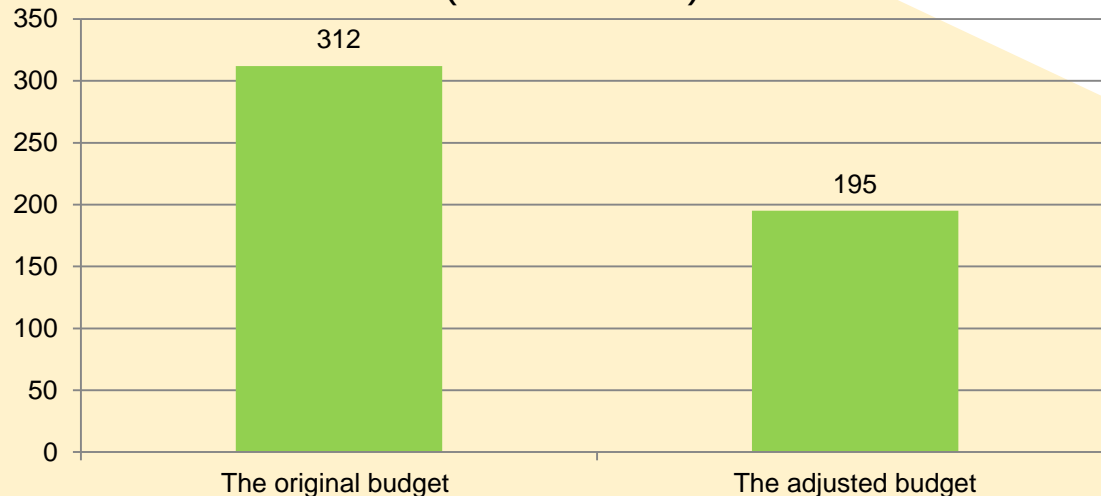


# Stringent Cost Control

## Nam Tai Inno Park

The original budget of Nam Tai Inno Park was **US\$312 million**. After the new management team arrived and reviewed the cost in 2018, a series of new measures were adopted. As of June 30, 2020, the estimated development budget of Nam Tai Inno Park had been significantly reduced to **US\$195 million**. The budget included land costs, construction and installation costs as well as indirect development costs.

**Estimated Development Costs**  
(USD Million)



### Measures adopted

A	Adjusted positioning of the project and optimized costs
B	Strictly implemented the design on prescribed costs and controlled excessive expenses
C	Adopted a procurement model with vendors providing services after client orders; to save costs of material purchase
D	Took advantage of new national tax policies to reduce the tax burden

◆ We will continue to review the project cost, optimize the budget, and seek to improve the profitability.

# Sufficient Project Resources

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Projects	Leasable Area (sq.m.)	Location
Nam Tai Inno Park	264,337	Guangming District, Shenzhen
Nam Tai • Tang Xi Technology Park	7,586	Bao'an District, Shenzhen
Nam Tai • U-Creative Space	3,981	Pudong New Area, Shanghai

Projects	Saleable or Leasable Area (sq.m.)	Location
Nam Tai Technology Center	130,166	Bao'an District, Shenzhen
Nam Tai • Longxi	64,408*	Machong Town, Dongguan

\*Excluding parking space and construction area that needs to be handed over to the local government free of charge. The final floor area is subject to the approval of the government.

◆ High-quality leasable/saleable project resources lay the foundation for the growth of Nam Tai.

# Expanding Project Types

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R&D Office Area



Co-working Space



Talent Dormitory



Industrial  
Factory Building



Middle and High-end  
Residential Properties



Commercial Space

◆ Gradually diversify product types to meet varying demands of the market.



# Sound Corporate Governance

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<b>Mr. Ying Chi Kwok</b>	<b>Dr. William Lo</b>	<b>Mr. Peter Kellogg</b>	<b>Mr. Mark Waslen</b>	<b>Professor Si Zong Wu</b>	<b>Mr. Vincent Fok</b>	<b>Dr. Aiping Lyu</b>
Chairman and CEO	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director

- ✓ Our Board of Directors is composed of a majority of Independent Directors under the Director Independence Standards set by the New York Stock Exchange with **Independent Directors accounting for as much as around 86% of the directorship.**
- ✓ All of the three committees of our Board of Directors are composed entirely of **Independent Directors.**
- ✓ The Audit Committee reviews and approves matters such as **internal control, connected transactions and financial reporting.**
- ✓ The directors of Nam Tai are **renowned experts** in their respective fields with excellent reputations.
- ✓ The majority of our Directors have in-depth insights and **rich experiences in Chinese markets**

◆ A Board of Directors with strong corporate governance and rich market insights will continue to guide our growth and create value for our shareholders.



04

**Financial Performance**

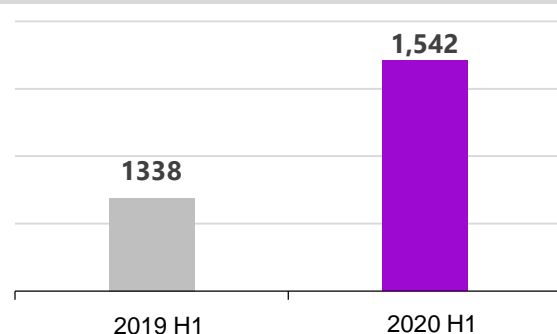
# Financial Highlights

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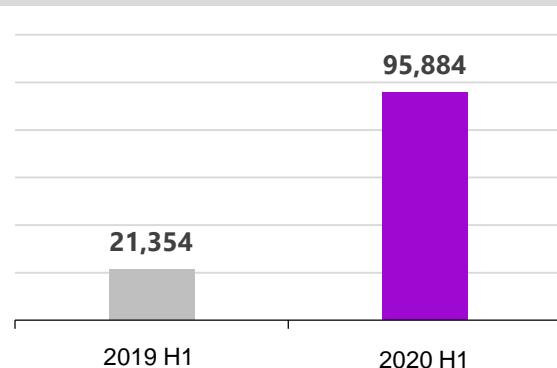
(Units: thousand dollars)

## Steady Growth

### Revenue

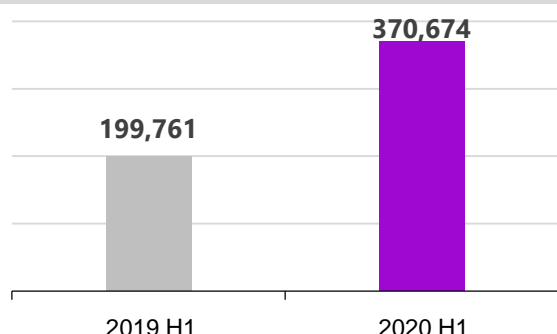


### Advance from Customers

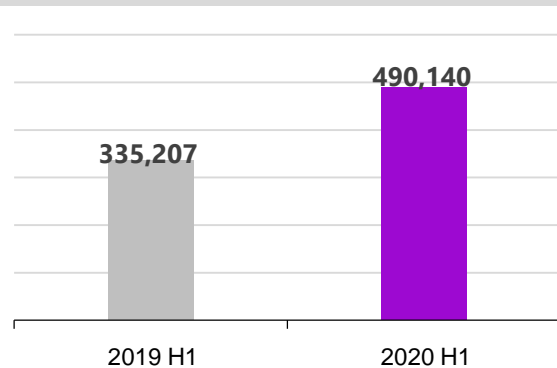


## Continuous Investment In Project Development

### Real Estate Properties under Development

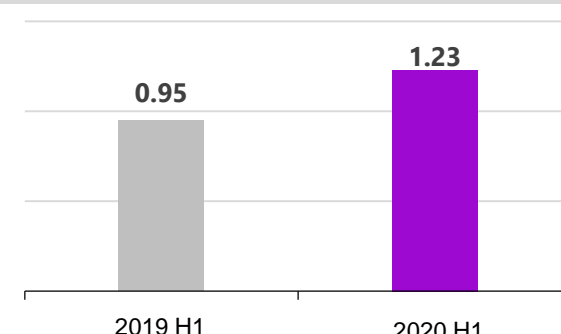


### Total Assets

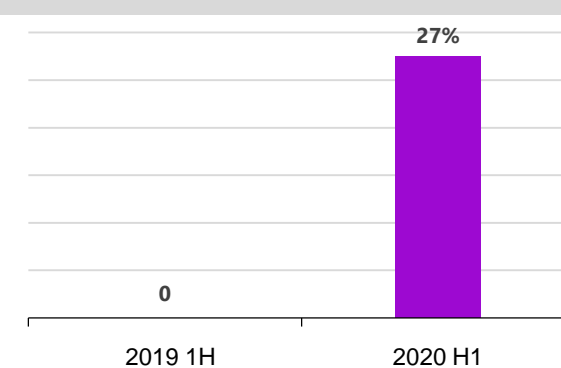


## Prudent Liquidity Management

### Current Ratio



### Net Debt Ratio (a)



Note:

(a) Net debt ratio = (bank borrowings-monetary funds) / owner's equity



# Key Financial Indicators

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( US\$ thousand)

## Key Financial Indicators

	2020 H1	2019 H1	Changes
<b>Revenue</b>	<b>1,542</b>	1,338	15%
<b>Gross profit</b>	<b>242</b>	778	-69%
<b>Total cash<sup>(a)</sup></b>	<b>69,315</b>	100,271	-31%
<b>Real estate properties under development</b>	<b>370,674</b>	199,761	86%
<b>Total assets</b>	<b>490,140</b>	335,207	46%
<b>Bank borrowings</b>	<b>126,207</b>	0	—
<b>Advance from customers</b>	<b>95,884</b>	21,354	349%
<b>Net debt ratio<sup>(b)</sup></b>	<b>27%</b>	—	—
<b>Current ratio</b>	<b>1.23 times</b>	0.95 times	0.28 times

Notes:

(a) Total cash = bank balances and cash + restricted bank deposits + other cash assets; unrestricted cash accounts for 98.4% of the balance

(b) Net debt ratio = (bank borrowings-monetary funds) / owner's equity

**Revenue:** As the revenue of Nam Tai Inno Park is not recognized until delivery of the units, the revenue growth in 2020 H1 was mainly been driven by the increase in rental income and management fee from Wuxi facilities, Tang Xi Technology Park and U-Creative Space in Shanghai.

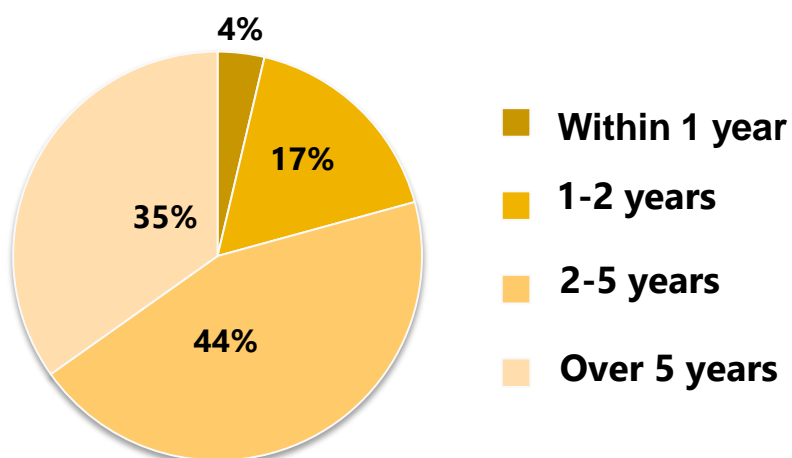
**Loans:** We have withdrawn bank loans of approximately US\$127 million which has been invested heavily into project development over the past 12 months. In 2020 Q2, we invested approximately US\$12 million and US\$4 million for the construction of Nam Tai Inno Park and Nam Tai Technology Center, respectively, and US\$ 103 million for the land of Nam Tai • Longxi.

**Current Ratio:** A current ratio of 1.23 times is believed to be a healthy level.

# Debt Structure and Maturity

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**Debt Maturity Profile**



Years	Amount to be repaid (US\$ thousand)	Proportion
Within 1 year	4,659	3.7%
1-2 years	21,524	17.1%
2-5 years	56,089	44.4%
Over 5 years	43,935	34.8%
<b>Total</b>	<b>126,207</b>	<b>100.0%</b>

- As of June 30, 2020, **of approximately US\$126 million of interest-bearing debts, only 3.7% was to be repaid within one year, 17.1% was to be repaid within 1-2 years, 44.4% was to be repaid within 2-5 years, and 34.8% was repayable after 5 years. The Company has relatively small repayment pressure in the short term.**
- All debts of the Company are borrowed from domestic banks.

Note:

The average financing interest rate is the weighted average of the contract interest rates.



# 05

## Appendix

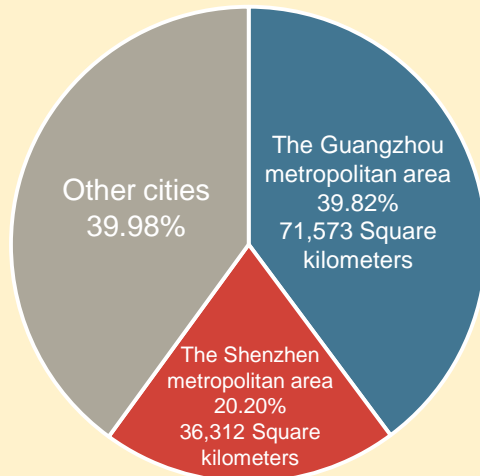


# Policy Update: Concept of Shenzhen Metropolitan Area

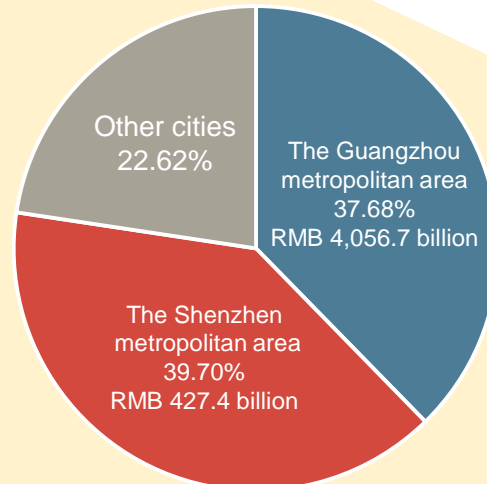
40

- In June 2020, Guangdong Provincial Development and Reform Commission, Department of Science and Technology of Guangdong Province and other local departments jointly issued the “General Development Plan of the Guangdong Development Zone (2020-2035)” (the “Plan”). The plan defines the scope of the Shenzhen metropolitan area and the Guangzhou metropolitan area, of which **the Shenzhen metropolitan area includes Shenzhen, Dongguan, Huizhou and Shanwei.**
- The plan calls for the promotion of the in-depth integration of the Shenzhen metropolitan area and other metropolitan areas, as well as the development of advanced manufacturing, strategic emerging industries and supporting industries in development zones of the Pearl River Delta region, and the upgrading of traditional advantageous industries. The goal is that by 2022, the GDP of the province's development zones will exceed RMB 3 trillion; by 2025 and 2035, **the GDP of the province's development zones will exceed RMB4 trillion and RMB8 trillion, respectively.**

In 2019, the Shenzhen metropolitan area accounted for approximately 20% of land in Guangdong province, contributing approximately 40% of the province's GDP.



Land area of Guangdong province:  
179,725 Square kilometers



GDP of Guangdong province:  
RMB 107,671 billion

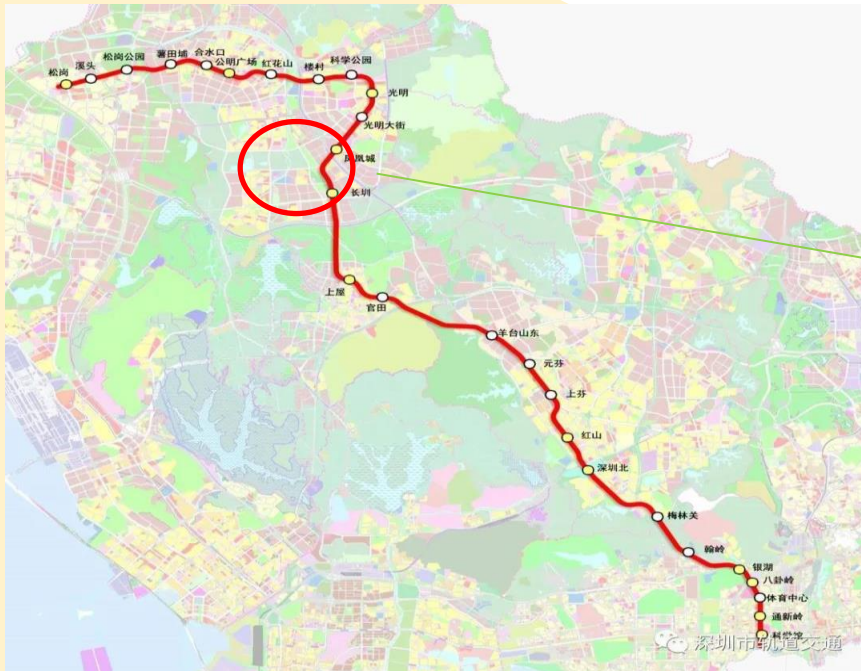


Five cities of the Shenzhen  
metropolitan area

# Transportation Development: Shenzhen Metro Line 6

41

- ◆ According to a report from Shenzhen Transportation Bureau, the construction of Metro Line 6, which began in October 2015, is now close to completion. **The new metro line is expected to commence operation at the end of July or in August 2020.**
- ◆ **Nam Tai Inno Park is close to both Changzhen station and Fenghuangcheng station of Metro Line 6.** The opening of the metro line will improve the accessibility and attractiveness of Nam Tai Inno Park. In addition, Fenghuangcheng station will be an interchange station connecting Metro Line 13, which is under construction. Following the completion of Metro Line 13, the journey time from Guangming District to Futian District and Nanshan District will be considerably shortened.



Metro Line 6 Schematic Diagram



Nam Tai Inno Park is close to Changzhen station and Fenghuangcheng station of Metro Line 6 with a straight-line distance to both stations of approximately 1.6 km.

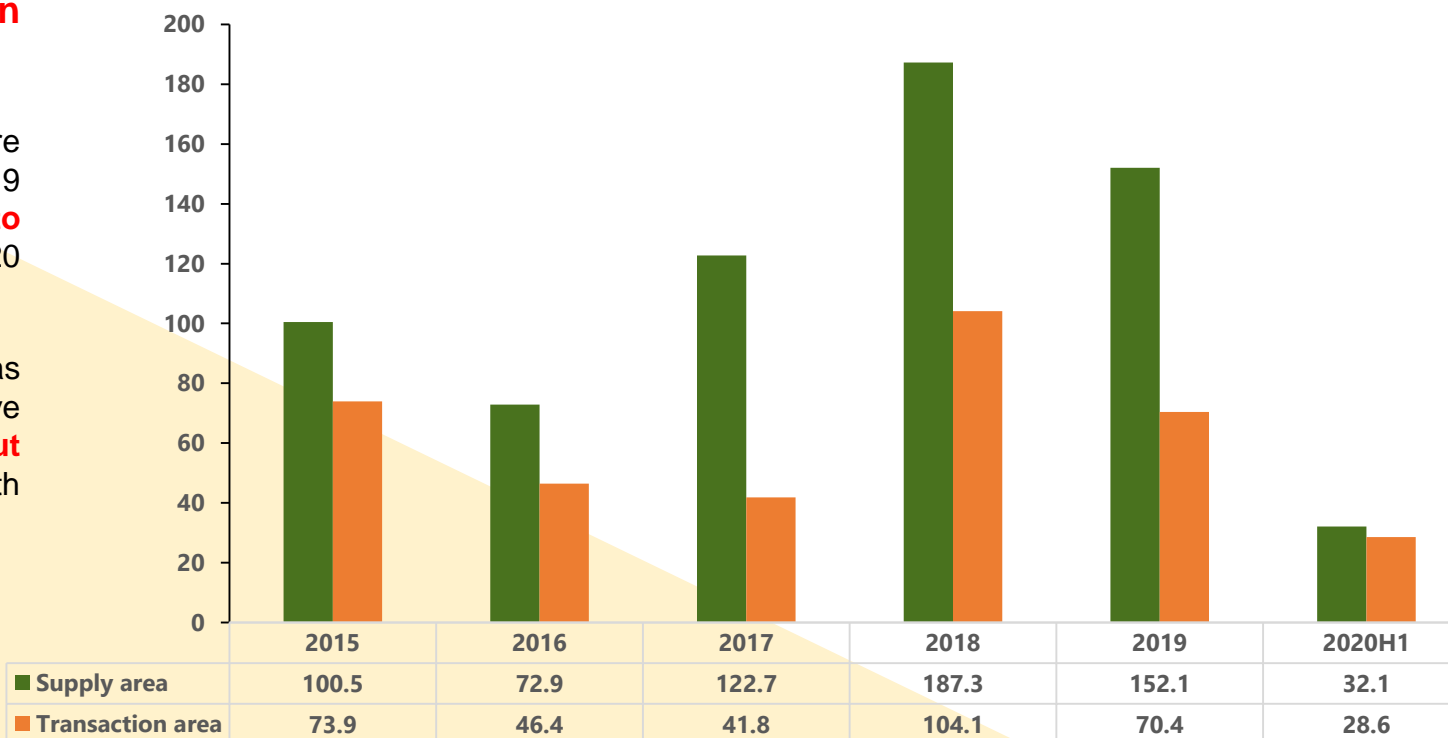
# Shenzhen Office Market: Continuing Decline

42

The supply volume of the office market in Shenzhen has been higher than the transaction volume.

- The office market in Shenzhen has been under pressure over the past two years. The transaction area in 2019 declined by approximately 30% year-on-year to 704,000 square meters, and the transaction area in 2020 H1 shrunk to approximately 290,000 square meters.
- The supply volume of the office market in Shenzhen has been higher than the transaction volume over the past five years. The supply-demand ratio<sup>(a)</sup> in 2019 was about 2.2:1, representing an increase of 22.2% compared with that in 2018.

Supply and Demand of Shenzhen Office Market (10 thousand m<sup>2</sup>)



Note: (a) The supply-demand ratio is equal to the supply area divided by the transaction area in that year

Data source: CRIC



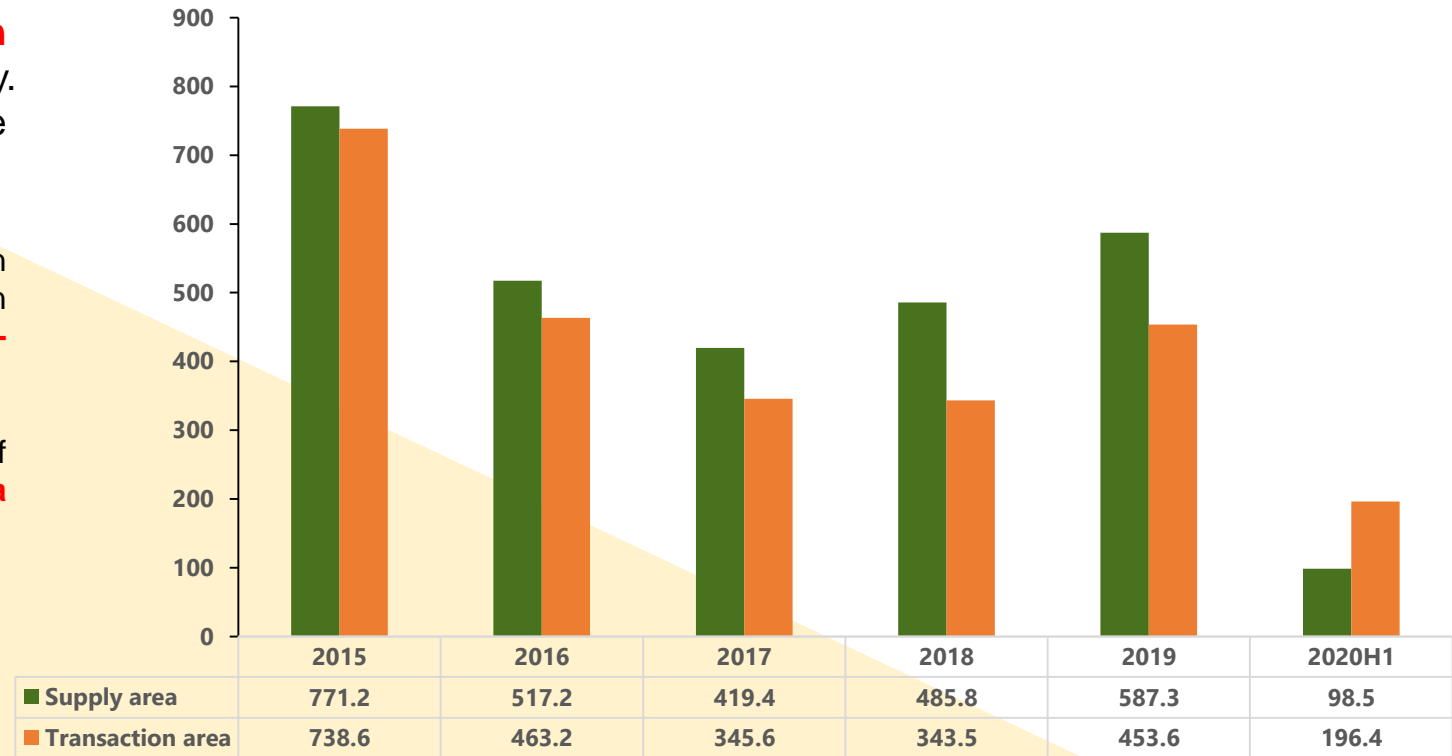
# Shenzhen Housing Market: Supply in Shortage

43

In recent years, **the demand of commercial housing<sup>(a)</sup> market in Shenzhen has been growing with the population increasing** in the city. In 2020 H1, the market even experienced a severe supply shortage.

- The transaction area of commercial housing market in Shenzhen rose in 2017-2019. The transaction area in 2019 was 4.54 million sq.m., **an increase of 32% year-on-year.**
- In 2020 H1, the commercial housing market of Shenzhen experienced a severe supply shortage **with a supply-demand ratio<sup>(b)</sup> of around 1:2.**

Supply and Demand of Shenzhen Commercial Housing Market  
(10 thousand m<sup>2</sup>)



Notes:

(a) Commercial housing includes residence, villa and apartment

(b) The supply-demand ratio is equal to the supply area divided by the transaction area in that year

Data source: CRIC

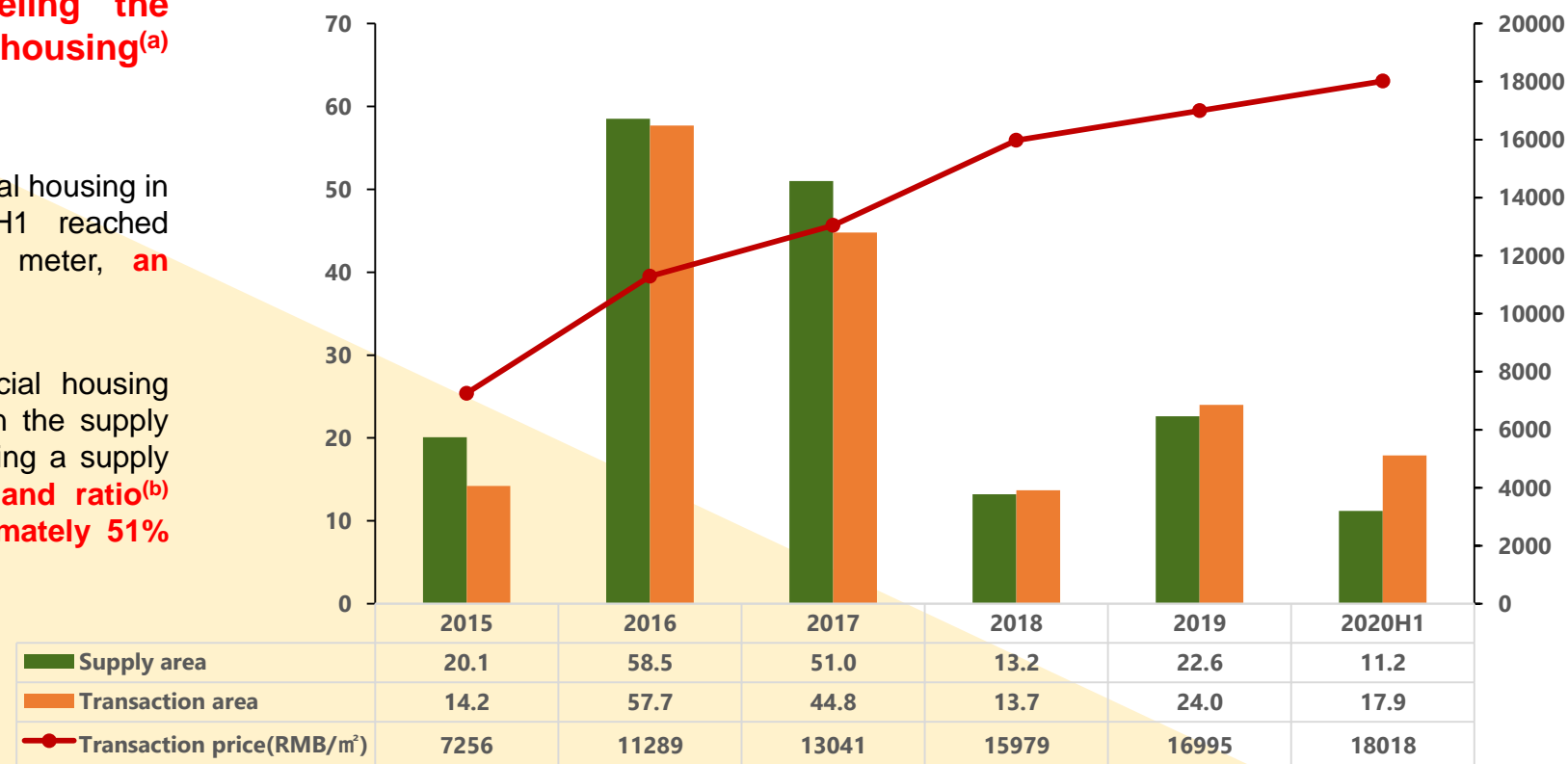
# Machong Housing Market: Robust Performance

44

**A supply shortage has been fueling the increase in price of the commercial housing<sup>(a)</sup> in Machong.**

- The average transaction price of commercial housing in Machong Town, Dongguan in 2020 H1 reached approximately RMB18,018 per square meter, **an increase of 6% year-on-year.**
- The transaction volume of the commercial housing market in Machong has been higher than the supply volume over the past three years, indicating a supply shortage. **In 2020 H1, the supply-demand ratio<sup>(b)</sup> reached 1:1.6, an increase of approximately 51% year-on-year.**

Supply and Demand of Machong Commercial Housing(a) Market (10 thousand m<sup>2</sup>)



Notes:

(a) Commercial housing includes residence, villa and apartment

(b) The supply-demand ratio is equal to the supply area divided by the transaction area in that year

Data source: CRIC

THANK YOU