

# Valuation Advisory

Client: Nam Tai Investment (Shenzhen) Co., Ltd.

Property: Various properties located in the People's Republic of China

1 April 2021





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Our ref: CON100442715RE-1

1 April 2021

The Board of Directors

**Nam Tai Investment (Shenzhen) Co., Ltd.**

No.2 Nantai Road

Bao'an District

Shenzhen

The PRC

Dear Sirs,

**Re: Valuation of: (1) Portions of Nam Tai Inno Park located in Guangming District, Shenzhen City, Guangdong Province, the People's Republic of China (the "PRC"), (2) Nam Tai Technology Center under construction located in Bao'an District, Shenzhen City, Guangdong Province, the PRC, (3) Nam Tai Inno Valley located in Bao'an District, Shenzhen City Guangdong Province, the PRC, (4) Nam Tai Longxi under construction located in Machong Town, Dongguan City, Guangdong Province, the PRC, (5) Units 2706 to 2710 of Tower C of Qianhai Excellence Time Square located in Bao'an District, Shenzhen City, Guangdong Province, the PRC and (6) an industrial complex located in Xishan District, Wuxi City, Jiangsu Province, the PRC ((1), (2), (3), (4), (5) and (6) hereinafter together referred to as the "Properties").**

### **Instructions**

In accordance with the instructions of Nam Tai Investment (Shenzhen) Co., Ltd. (the "Company" or "Nam Tai Investment") to value the captioned properties in which Zastron Electronic (Shenzhen) Co., Ltd. ("Zastron Electronic"), Nam Tai Investment, Dongguan Nam Tai Real Estate Development Co., Ltd. ("Dongguan Nam Tai") and Wuxi Zastron Precision-Flex Co., Ltd. ("Wuxi Zastron") (hereinafter together referred to as the "Target Companies") have interests in the PRC, we confirm that we have made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 28 February 2021 (the "valuation date") for internal reference purpose.

### **The Properties**

According to the information provided by the Company, the Properties comprise:





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- Property no. 1: Portions of Nam Tai Inno Park held by Zastron Electronic located at the southern side of Guangming Avenue and the western side of Tongye Road, Fenghuang Subdistrict Office, Guangming District, Shenzhen City, Guangdong Province, the PRC;
- Property no. 2: Nam Tai Technology Center under construction held by Nam Tai Investment located at the northern side of Nantai Road, Xixiang Town, Bao'an District, Shenzhen City, Guangdong Province, the PRC;
- Property no. 3: Nam Tai Inno Valley held by Nam Tai Investment located at the northern side of Nantai Road, Xixiang Town, Bao'an District, Shenzhen City, Guangdong Province, the PRC;
- Property no. 4: Nam Tai Longxi under construction held by Dongguan Nam Tai located at the eastern side of Machong Avenue, Dongtai Village, Machong Town, Dongguan City, Guangdong Province, the PRC;
- Property no. 5: Units 2706 to 2710 of Tower C of Qianhai Excellence Time Square held by Nam Tai Investment located at the southern side of Haitian Road, Bao'an District, Shenzhen City, Guangdong Province, the PRC; and
- Property no. 6: An industrial complex held by Wuxi Zastron located at No. 502 Xida Road, Xishan District, Wuxi City, Jiangsu Province, the PRC.

The details of the Properties are disclosed in the valuation certificates.

### **Basis of Valuation**

Our valuation is carried out on a market value basis. Market value is defined 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".

### **General Assumptions**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, 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 report for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

### **Special Assumptions**

Notwithstanding the above general assumptions, we have made the following special assumptions in our valuation:

- Zastron Electronic legally holds the ownership rights of Property no. 1 and has the rights to occupy, use and lease Property no. 1. Zastron Electronic also has the rights to mortgage or otherwise dispose of Property no. 1 after obtaining the permissions from the vendor of the land;
- Nam Tai Investment legally holds the land use rights of Property nos. 2 and 5 and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of Property nos. 2 and 5;
- Nam Tai Investment legally holds the ownership rights of Property no. 3 and has the rights to occupy, use and lease Property no. 3. Nam Tai Investment also has the rights to mortgage or otherwise dispose of Property no. 3 after obtaining the permissions from the vendor of the land;
- Dongguan Nam Tai legally holds the land use rights of Property no. 4 and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of Property no. 4;
- Wuxi Zastron legally holds the land use rights of Property no. 6 and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of Property no. 6;
- Nam Tai Investment and Dongguan Nam Tai have legally obtained all the necessary approvals, permits and certificates for the construction works in accordance with the relevant PRC and local laws or regulations and can legally commence the construction works of Property nos. 2 and 4;
- The construction works of Property nos. 2 and 4 will be completed according to the development plan provided to us and the operation activities of Property nos. 2 and 4 upon its completion are in compliance with all the local and industrial regulations and laws;
- There will be no legal impediment for Nam Tai Investment and Dongguan Nam Tai to obtain the Real Estate Title Certificates of Property nos. 2 and 4 after the construction works have been completed;
- The Tenancy Agreements entered between the Target Companies and relevant lessees are legally binding, valid and enforceable;
- As advised by the Company, Nam Tai Investment is applying for the project initiation approval of Property no. 3 as an Urban Renewal Unit. As at the valuation date, no permit or reply has been obtained by Nam Tai Investment for such application. As instructed by the Company, we have valued the Property no. 3 in its existing state and use and disregarded such renewal plan in our valuation; and
- Our valuation is based upon the information provided by the Company. We reserve the right to amend our assessment if more detailed information is subsequently provided that would materially affect the values of the property interests.



### **Method of Valuation**

In valuing the dormitory units of Property no. 1 and Property no. 5, we have adopted the comparison approach by making reference to comparable market transactions in our assessment of the market value of a property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

In valuing the industrial office units, retail units and car parking spaces of Property no. 1, Property no. 3 and Property no. 6, we have adopted the income approach by taking into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

In valuing Property no. 2 and Property no. 4, we have adopted residual method. The residual method is based on the assumption that Properties are newly completed in accordance with the regeneration and development proposal provided to us in terms of property uses, respective saleable areas and construction schedules to establish the gross development value ("GDV"). The total costs of the development including construction costs, professional fees and other associated expenditures, together with an allowance for interest expense, and developer's profit and risk margin are estimated and deducted from the established GDV.

### **Valuation Standards**

In valuing the properties, we have complied with all the requirements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

### **Source of Information**

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

### **Document and Title Investigation**

We have been shown copies of Land Use Rights Grant Contracts of Shenzhen City, Land Use Rights Grant Supplementary Contracts of Shenzhen City, State-owned Construction Land Use Rights Grant Contract, Novation Agreement of State-owned Construction Land Use Rights Grant Contract, Construction Land Planning Permits, Real Estate Title Certificates, Construction Work Planning Permits, Construction Work Commencement Permits and other documents relating to the Properties and have made relevant enquiries. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals. If necessary, we would recommend that a PRC legal opinion is sought to verify the existing title to the Properties in the PRC.

### **Area Measurement and Inspection**

Due to the unfavourable effect of the novel coronavirus and certain restrictions on travelling, site inspections of the Properties have not been arranged. For such properties, we valued the Properties on desktop basis upon the recent photos and relevant information provided by the Company. Our valuation is subject to inspection to be carried out upon separate instruction and we reserve our right to revise our valuation when there are material differences in the conditions of the Properties from the information provided by the Company.

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

### **Limiting Conditions**

This report is subject to our standard Limiting Conditions as attached.

### **Caveats and Non-publication Clause**

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.



### **Currency**

All monetary figures stated in this report are in Renminbi (RMB).

### **Commentary on the Impact of COVID-19 on Valuation**

We are instructed to provide our opinion of values as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world.

As of the report date, China's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activities and market sentiments in these particular market sectors remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of these properties under frequent review.

### **Valuation**

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,

For and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

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**Gilbert C. H. Chan**  
*MRICS MHKIS RPS (GP)*  
Senior Director

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Ref. No.: CON100442715RE-1





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## VALUATION SUMMARY

No.	Property	Market value in existing state as at 28 February 2021 RMB
1.	Portions of Nam Tai Inno Park located at the southern side of Guangming Avenue and the western side of Tongye Road Fenghuang Subdistrict Office Guangming District Shenzhen City Guangdong Province The PRC (南太雲創谷的一部分)	2,389,900,000
2.	Nam Tai Technology Center under construction located at the northern side of Nantai Road Xixiang Town Bao'an District Shenzhen City Guangdong Province The PRC (南太科技中心在建工程)	1,985,000,000
3.	Nam Tai Inno Valley located at the northern side of Nantai Road Xixiang Town Bao'an District Shenzhen City Guangdong Province The PRC (南太創之谷)	265,800,000 (see note *)
4.	Nam Tai Longxi under construction located at the eastern side of Machong Avenue Dongtai Village Machong Town Dongguan City Guangdong Province The PRC. (南太瓏璽在建工程)	864,700,000





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No. Property	Market value in existing state as at 28 February 2021 RMB
5. Units 2706 to 2710 of Tower C of Qianhai Excellence Time Square located at the southern side of Haitian Road Bao'an District Shenzhen City Guangdong Province the PRC (前海卓越時代廣場C棟2706-2710單元)	90,950,000
6. An industrial complex No. 502 Xida Road Xishan District Wuxi City Jiangsu Province The PRC (無錫市的一處工業廠房)	139,300,000
<b>Total:</b>	<b><u>5,735,650,000</u></b>

Note \*:

*The market value of property no. 3 was under special assumptions as at the valuation date. The relevant special assumptions can be referred to note 6 on Page 17 in this report.*



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## VALUATION CERTIFICATE

				Market value in existing state as at 28 February 2021 RMB												
No.	Property	Description and tenure	Particulars of occupancy													
1.	Portions of Nam Tai Inno Park located at the southern side of Guangming Avenue and the western side of Tongye Road Fenghuang Subdistrict Office Guangming District Shenzhen City Guangdong Province The PRC (南太雲創谷的一部 分)	<p>Nam Tai Inno Park comprises 10 industrial office or dormitory buildings completed in 2020 which is located at the southern side of Guangming Avenue and the western side of Tongye Road. The subject area of Nam Tai Inno Park is well-served by public transportation with 35 minutes' driving distance to Shenzhen Bao'an International Airport, 10 minutes' driving distance to Guangmingcheng Railway Station and one hour's driving distance to Shenzhen city centre. The locality of the property is in close proximity to some industrial factories and a few residential properties.</p> <p>The property comprises various industrial office units, retail units, dormitory units and car parking spaces of Nam Tai Inno Park with a total gross floor area of approximately 270,054.17 sq.m. The details are set out as below:</p> <table><tr><th>Usage</th><th>Gross Floor Area (sq.m.)</th></tr><tr><td>Industrial office</td><td>171,880.38</td></tr><tr><td>Retail</td><td>27,122.00</td></tr><tr><td>Dormitory</td><td>7,937.27</td></tr><tr><td>Basement (inclusive of 1,490 car parking spaces)</td><td>63,114.52</td></tr><tr><td><b>Total:</b></td><td><b>270,054.17</b></td></tr></table>	Usage	Gross Floor Area (sq.m.)	Industrial office	171,880.38	Retail	27,122.00	Dormitory	7,937.27	Basement (inclusive of 1,490 car parking spaces)	63,114.52	<b>Total:</b>	<b>270,054.17</b>	As at the valuation date, portions of the property were leased to various third parties whilst the remaining portion was vacant.	2,389,900,000
Usage	Gross Floor Area (sq.m.)															
Industrial office	171,880.38															
Retail	27,122.00															
Dormitory	7,937.27															
Basement (inclusive of 1,490 car parking spaces)	63,114.52															
<b>Total:</b>	<b>270,054.17</b>															

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021 RMB
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The land use rights of the property have been granted for a term of 50 years commencing from 29 December 2007 and expiring on 28 December 2057 for industrial use.

*Notes:*

1. Pursuant to 11 Real Estate Title Certificates – Yue (2020) Shen Zhen Shi Bu Dong Chan Quan Di Nos. 0094577 to 0094587, Nam Tai Inno Park (including the property) with a total gross floor area of approximately 273,634.74 sq.m. is owned by Zastron Electronic. The relevant land use rights (including the land use rights of the property) have been granted to Zastron Electronic for a term of 50 years commencing from 29 December 2007 and expiring on 28 December 2057 for industrial use.
2. We have not been provided with any Real Estate Title Certificates of the car parking spaces of the property. As advised by the Company, the basement (inclusive of 1,490 car parking spaces) of the property has a gross floor area of approximately 63,114.52 sq.m.
3. According to various Tenancy Agreements, portions of the property with a total lettable area of approximately 62,524.78 sq.m. were leased to various independent third parties for various terms with the expiry dates between 29 June 2023 and 30 June 2036. The annual rent as at the valuation date was approximately RMB39,042,000, exclusive of management fees, water and electricity charges.
4. In the valuation of this property, we have made the following assumptions:
  - a. Zastron Electronic legally holds the ownership rights of the property and the title certificates mentioned above are in full force and effect;
  - b. Zastron Electronic has the rights to occupy, use and lease the property. Zastron Electronic also has the rights to mortgage or otherwise dispose of the property after obtaining the permissions from the vendor of the land; and
  - c. The Tenancy Agreements mentioned above are legally binding, valid and enforceable.





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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021 RMB
2.	Nam Tai Technology Center under construction located at the northern side of Nantai Road Xixiang Town Bao'an District Shenzhen City Guangdong Province The PRC (南太科技中心在建工程)	<p>Nam Tai Technology Center is located at the northern side of Nantai Road and the southwestern side of Guangshen Highway G107. The subject area of the property is well-served by public transportation with 20 minutes' driving distance to Shenzhen Bao'an International Airport and 40 minutes' driving distance to Shenzhen City Centre. The locality of the property is in close proximity to some industrial zones and a few residential properties.</p> <p>Nam Tai Technology Center had been approved to be included into the Second Batch Plan of Urban Renewal Unit Plan of Shenzhen City in 2014 and had completed the project initiation approval procedure of urban renewal and obtained the special planning approval.</p> <p>The property comprises a parcel of industrial land with a site area of approximately 22,363.59 sq.m., which is being developed into a technology park.</p>	As at the valuation date, the property was under development.	1,985,000,000
		<p>The property was under development as at the valuation date and is scheduled to be completed in the second quarter of 2022. As advised by the Company, upon completion, the property will have a total planned gross floor area of approximately 194,594.92 sq.m. The details are set out as below:</p>		



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No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021
				RMB
		Usage	Planned Gross Floor Area (sq.m.)	
		Industrial office	93,736.34 (including 4,700 sq.m. innovative industrial office)	
		Dormitory	24,150.00	
		Retail	12,500.00	
		Ancillary	9,166.02	
		Basement (inclusive of 1,247 car parking spaces)	54,848.90	
		Reduction Area	193.66	
		<b>Total:</b>	<b><u>194,594.92</u></b>	

As advised by the Company, the development cost of the property is estimated to be approximately RMB1,806,000,000, of which approximately RMB844,000,000 had been incurred as at the valuation date.

The land use rights of the property have been granted for a term of 50 years expiring on 24 October 2068 for innovation industrial use.

*Notes:*

1. According to the Reply Letter in relation to Approval Situation of Renewal Unit Planning of Industrial Land Parcel of Nam Tai in Xixiang Town, Bao'an District (關於《寶安區西鄉街道南太集團工業地塊更新單元規劃》審批情況的復函) issued by Shenzhen Planning and Land Resources Committee, the planning of urban renewal unit of the property has been approved.
2. Pursuant to a Land Use Rights Grant Contract of Shenzhen City – Shen Di He Zi (2018) No. B013, the land use rights of a parcel of land with a site area of 22,363.59 sq.m. were contracted to be granted to Nam Tai Investment with the particulars as follows:

Site Area : 22,363.59 sq.m.



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Land Use : Innovation industrial land  
Land Term : 50 years  
Land Premium : RMB488,529,063

3. Pursuant to a Construction Land Planning Permit – Shen Gui Tu Xu No. BG-2018-0023, permission towards the planning of a parcel of land with a site area of approximately 22,363.59 sq.m. has been granted to Nam Tai Investment.
4. Pursuant to a Real Estate Title Certificate – Yue (2019) Shen Zhen Shi Bu Dong Chan Quan Di No. 0223703, the land use rights of a parcel of land with a site area of approximately 22,363.59 sq.m. have been granted to Nam Tai Investment for a term of 50 years expiring on 24 October 2068 for innovation industrial use.
5. Pursuant to a Construction Work Planning Permit – Shen Gui Tu Jian Xu No. BG-2019-0009, Nam Tai Technology Center with a gross floor area of approximately 194,594.92 sq.m. have been approved for construction.
6. Pursuant to a Construction Work Commencement Permit – No. 2018-440300-72-03-50352302, permission by the relevant local authority was given to commence the construction of Nam Tai Technology Center with a gross floor area of approximately 194,594.92 sq.m.
7. In the valuation of this property, we have made the following assumptions:
  - a. Nam Tai Investment legally holds the land use rights of the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property;
  - b. Nam Tai Investment has legally obtained all the necessary approvals, permits and certificates for the construction works in accordance with the relevant PRC and local laws or regulations and can legally commence the construction works of the property;
  - c. The construction works of the property will be completed according to the development plan provided to us and the operation activities of the property upon its completion are in compliance with all the local and industrial regulations and laws; and
  - d. There will be no legal impediment for Nam Tai Investment to obtain the Real Estate Title Certificates of the buildings under construction after the construction works have been completed.





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## VALUATION CERTIFICATE

				Market value in existing state and under relevant assumptions as at 28 February 2021 RMB														
No.	Property	Description and tenure	Particulars of occupancy															
3.	Nam Tai Inno Valley located at the northern side of Nantai Road Xixiang Town Bao'an District Shenzhen City Guangdong Province The PRC (南太創之谷)	<p>Nam Tai Inno Valley is located at the northern side of Nantai Road and the southern side of Gushu 2nd Road. The subject area of the property is well-served by public transportation with 20 minutes' driving distance to Shenzhen Bao'an International Airport and 40 minutes' driving distance to Shenzhen City Centre. The locality of the property is in close proximity to some industrial zones and a few residential properties.</p> <p>The property comprises a parcel of industrial land with a site area of approximately 26,313.90 sq.m., 8 buildings and various structures erected thereon which were completed in various stages between 2003 and 2006.</p> <p>The property has a total gross floor area of approximately 42,927.06 sq.m. The details are set out as below:</p> <table><tr><th>Usage</th><th>Gross Floor Area (sq.m.)</th></tr><tr><td>Staff quarter</td><td>7,083.26</td></tr><tr><td>Canteen</td><td>1,355.86</td></tr><tr><td>Warehouse</td><td>110.00</td></tr><tr><td>Office</td><td>7,563.79</td></tr><tr><td>Factory</td><td>24,503.15</td></tr><tr><td>Equipment Room</td><td>1,311.00</td></tr></table>	Usage	Gross Floor Area (sq.m.)	Staff quarter	7,083.26	Canteen	1,355.86	Warehouse	110.00	Office	7,563.79	Factory	24,503.15	Equipment Room	1,311.00	As at the valuation date, portions of the property were occupied by Nam Tai Investment for office purpose or leased to various third parties whilst the remaining portion was vacant.	265,800,000
Usage	Gross Floor Area (sq.m.)																	
Staff quarter	7,083.26																	
Canteen	1,355.86																	
Warehouse	110.00																	
Office	7,563.79																	
Factory	24,503.15																	
Equipment Room	1,311.00																	

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state and under relevant assumptions as at 28 February 2021 RMB
		Usage	Gross Floor Area (sq.m.)	
		Basement (inclusive of 28 car parking spaces)	1,000.00	
		<b>Total:</b>	<b><u>42,927.06</u></b>	
		The land use rights of the property have been granted for a term of 50 years expiring on 25 April 2049 for industrial use.		
		As advised by the Company, Nam Tai Investment is applying for the project initiation approval of this property as an Urban Renewal Unit. As at the valuation date, no permit or reply has been obtained by Nam Tai Investment for such application.		

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Shen Fang Di Zi Di No. 5000511918, 8 buildings with a total gross floor area of approximately 41,927.06 sq.m. are owned by Nam Tai Investment. The relevant land use rights have been granted to Nam Tai Investment for a term of 50 years expiring on 25 April 2049 for industrial use.
2. We have not been provided with any Real Estate Title Certificates of the car parking spaces of the property. As advised by the Company, the basement (inclusive of 28 car parking spaces) of the property has a gross floor area of approximately 1,000 sq.m.
3. According to various Tenancy Agreements, portions of the property were leased to various third parties for various terms with the expiry dates between 30 June 2021 and 31 December 2021. The annual rent as at the valuation date was approximately RMB10,725,000, exclusive of management fees, water and electricity charges.
4. In the valuation of this property, we have made the following assumptions:
  - a. Nam Tai Investment legally holds the ownership rights of the property and the title certificate mentioned above is in full force and effect;
  - b. Nam Tai Investment has the rights to occupy, use and lease the property. Nam Tai Investment also has the rights to mortgage or otherwise dispose of the property after obtaining the

permissions from the vendor of the land; and

- c. The Tenancy Agreements mentioned above are legally binding, valid and enforceable.
5. Notwithstanding the above assumptions, we have also made the special assumption in our valuation. As advised by the Company, Nam Tai Investment is applying for the project initiation approval of this property as an Urban Renewal Unit. As at the valuation date, no permit or reply has been obtained by Nam Tai Investment for such application. As instructed by the Company, we have valued in its existing state and use and disregarded such renewal plan in our valuation.



## VALUATION CERTIFICATE

				Market value in existing state as at 28 February 2021 RMB				
No.	Property	Description and tenure	Particulars of occupancy					
4.	Nam Tai Longxi under construction located at the eastern side of Machong Avenue Dongtai Village Machong Town Dongguan City Guangdong Province The PRC. (南太瓏璽在建工程)	<p>The property is located at the eastern side of Machong Avenue and the southern side of Changming Road. The subject area of the property is well-served by public transportation with 20 minutes' driving distance to Dongguan West Railway Station and 40 minutes' driving distance to Dongguan City Centre. The locality of the property is in close proximity to a hospital and some residential properties.</p> <p>The property comprises a parcel of industrial land with a site area of approximately 33,763.20 sq.m., which is being developed into a residential development.</p> <p>The property was under development as at the valuation date and is scheduled to be completed in the second quarter of 2022. As advised by the Company, upon completion, the property will have a total planned gross floor area of approximately 114,519.93 sq.m. The details are set out as below:</p>	As at the valuation date, the property was under development.	864,700,000				
		<table><tr><th>Usage</th><th>Planned Gross Floor Area (sq.m.)</th></tr><tr><td>Residential</td><td>59,501.76</td></tr></table>	Usage	Planned Gross Floor Area (sq.m.)	Residential	59,501.76		
Usage	Planned Gross Floor Area (sq.m.)							
Residential	59,501.76							

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021
				RMB
		Usage	Planned Gross Floor Area (sq.m.)	
		Retail	24,365.53 (including 20,000 sq.m. to be transferred to the government after completion free of charge)	
		Ancillary	1,740.11	
		Basement (inclusive of 761 car parking spaces)	28,912.53	
		<b>Total:</b>	<b><u>114,519.93</u></b>	

As advised by the Company, the development cost of the property is estimated to be approximately RMB1,190,000,000, of which approximately RMB803,000,000 had been incurred as at the valuation date.

The land use rights of the property have been granted for a term of 70 years expiring on 5 May 2090 for residential use.

*Notes:*

- Pursuant to a State-owned Construction Land Use Rights Grant Contract – Dong Zi Ran Chu Rang (Shi Chang) He (2020) No. 032 and its supplemental agreement, the land use rights of a parcel of land with a site area of 33,763.20 sq.m. were contracted to be granted to Dongguan Nam Tai with the particulars as follows:

Site Area	:	33,763.20 sq.m.
Land Use	:	Residential
Land Term	:	70 years
Land Premium	:	RMB705,480,000



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2. Pursuant to a Novation Agreement of State-owned Construction Land Use Rights Grant Contract – Dong Zi Ran Zi (Shi Chang) Bian Geng (2020) No. 36 of Dong Zi Ran Chu Rang (Shi Chang) He (2020) No. 032, the land use rights of the aforesaid land parcel mentioned in note 1 have been modified with the particulars as follows:

Building density	:	32.5%
Maximum height	:	80 meters
Supplementary Land Premium	:	RMB3,967,200
3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. 4419002020001013, permission towards the planning of a parcel of land with a site area of approximately 33,763.20 sq.m. has been granted to Dongguan Nam Tai.
4. Pursuant to a Real Estate Title Certificate – Yue (2020) Dong Guan Bu Dong Chan Quan Di No. 0087975, the land use rights of a parcel of land with a site area of approximately 33,763.20 sq.m. have been granted to Dongguan Nam Tai for a term of 70 years expiring on 5 May 2090 for residential use.
5. Pursuant to 8 Construction Work Planning Permits – Jian Zi Di Nos. 2020-06-1094 to 2020-06-1101, Nam Tai Longxi with a total gross floor area of approximately 114,519.93 sq.m. has been approved for construction.
6. Pursuant to 8 Construction Work Commencement Permits – Nos. 441900202012312101, 441900202012312201, 441900202012312301, 441900202012312401, 441900202012312501, 441900202012312601, 441900202012312701 and 441900202012312801, permissions by the relevant local authority were given to commence the construction of Nam Tai Longxi with a total gross floor area of approximately 114,519.93 sq.m.
7. In the valuation of this property, we have made the following assumptions:
  - a. Dongguan Nam Tai legally holds the land use rights of the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property;
  - b. Dongguan Nam Tai has legally obtained all the necessary approvals, permits and certificates for the construction works in accordance with the relevant PRC and local laws or regulations and can legally commence the construction works of the property;
  - c. The construction works of the property will be completed according to the development plan provided to us and the operation activities of the property upon its completion are in compliance with all the local and industrial regulations and laws; and
  - d. There will be no legal impediment for Dongguan Nam Tai to obtain the Real Estate Title Certificates of the buildings under construction after the construction works have been completed.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021 RMB
5.	Units 2706 to 2710 of Tower C of Qianhai Excellence Time Square located at the southern side of Haitian Road Bao'an District Shenzhen City Guangdong Province the PRC (前海卓越時代廣場 C棟2706-2710單元)	<p>Tower C of Qianhai Excellence Time Square is an office building completed in 2017 which is located at the southern side of Haitian Road and eastern side of Baohua Road. The subject area of Tower C of Qianhai Excellence Time Square is well-served by public transportation with 3 minutes' driving distance to Baohua Metro Station, 25 minutes' driving distance to Shenzhen Bao'an International Airport. The locality of the property is in close proximity to some shopping malls, residential properties and office properties.</p> <p>The property comprises 5 office units of Tower C of Qianhai Excellence Time Square with a total gross floor area of approximately 1,207.84 sq.m.</p> <p>The land use rights of the property have been granted for a term of 40 years expiring on 11 March 2054 for commercial office use.</p>	As at the valuation date, the property was occupied by Nam Tai Investment.	90,950,000

### Notes:

1. Pursuant to 5 Real Estate Title Certificates – Yue (2018) Shen Zhen Shi Bu Dong Chan Quan Di Nos. 0056475, 0056490, 0056519, 0056537 and 0056566, the property with a total gross floor area of approximately 1,207.84 sq.m. is owned by Nam Tai Investment. The relevant land use rights have been granted to Nam Tai Investment for a term of 40 years commencing from 12 March 2014 and expiring on 11 March 2054 for commercial office use.
2. In the valuation of this property, we have made the following assumptions:
  - a. Nam Tai Investment legally holds the ownership rights of the property and the title certificates mentioned above are in full force and effect; and
  - b. The property can be freely transferred, leased, mortgaged or otherwise disposed of by Nam Tai Investment with no outstanding payable fees or monies.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2021 RMB
6.	An industrial complex No. 502 Xida Road Xishan District Wuxi City Jiangsu Province The PRC (無錫市的一處工業 廠房)	<p>The property is located at Xida Road, Xishan District, Wuxi City. The subject area of the property is served by public transportation with 10 minutes' driving distance to Wuxi East Railway Station and 18 minutes' driving distance to Sunan Shuofang International Airport. The locality of the property is in close proximity to some industrial factories.</p> <p>The property comprises various industrial buildings and ancillary buildings which were completed in 2009.</p> <p>The property has a total gross floor area of approximately 50,827.88 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 30 December 2056 for industrial use.</p>	As at the valuation date, the property was leased to Wuxi Minxin.	139,300,000

### Notes:

- Pursuant to a Real Estate Title Certificate – Su (2020) Wu Xi Shi Bu Dong Chan Quan Di No. 0055249, the property with a gross floor area of approximately 50,827.88 sq.m. is owned by Wuxi Zastron. The relevant land use rights have been granted to Wuxi Zastron for a term expiring on 30 December 2056 for industrial use.
- According to a Tenancy Agreement, the property was leased to Wuxi Minxin Property Advisory Co., Ltd. ("Wuxi Minxin", an independent third party) for a term of 12 years commencing from 17 October 2018. The annual rent as at the valuation date was approximately RMB6,680,000, exclusive of management fees, water and electricity charges and will be increased by 10% per three years.
- In the valuation of this property, we have made the following assumptions:
  - Wuxi Zastron legally holds the ownership rights of the property and the title certificate mentioned above is in full force and effect;
  - The property can be freely transferred, leased, mortgaged or otherwise disposed of by Wuxi



Zastron with no outstanding payable fees or monies; and

- c. The Tenancy Agreement mentioned above is legally binding, valid and enforceable.



## LIMITING CONDITIONS

1. We have assumed that the conditions of the Properties are the same as at the time of our inspection and the valuation date.
2. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the Properties described herein, unless prior arrangements have been made.
3. We are unable to accept any responsibility for the title and area of the Properties, or for any liabilities against the Properties which were unrecorded at the time of our inspection.
4. Our valuation is based upon various assumptions including market condition, some of which are of subjective and uncertain nature. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions, therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the Properties.
5. As instructed, this report has been compiled for internal reference purposes and certain assumptions have been made which may not be confirmed upon external checking. For this reason this report is not intended for external reference and should not be relied upon for that purpose.
6. This report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.
7. Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.
8. Reliance on this valuation report is permitted only:
  - i) by a party expressly identified by the report as being permitted to rely on it;
  - ii) when the given party has received the report directly from Jones Lang LaSalle Corporate Appraisal and Advisory Limited; and
  - iii) for a purpose expressly identified by the report as being a permitted use of the report.



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## VALUER'S PROFESSIONAL DECLARATION

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

- Information in this report has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analysis, opinions, and conclusions are subject to the assumptions and limiting conditions as stated in the report and based on our personal, unbiased professional analysis, opinions, and conclusions.
- We are external valuers, independent from the client and the property owner, their subsidiaries and their jointly controlled entities (collectively, the "Group") and their respective directors and controlling shareholder and that we do not have any direct or indirect material interests in the securities or assets of the Group, its connected persons, or any associate of the Group and we have no bias with respect to the parties involved.
- Our professional fee is not contingent upon the amount of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The under mentioned persons provided professional assistance in the compilation of this report.

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