



Norton Appraisals

Registered Professional Surveyors, Valuers & Property Advisers

Unit F, 18/F., Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong

Tel : (852) 2810 7337

Email : info@norton-app.com

Fax : (852) 2810 6337

Website : www.norton-app.com

30 November 2021

The Directors
Tai United Holdings Limited
Room 2902, 29th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs,

Re: The Anyang Shopping Mall located in Jiefang Avenue, Beiguan District, Anyang City, Henan Province, the PRC

INSTRUCTIONS

In accordance with the instructions from Tai United Holdings Limited (the “**Company**”) for us to value the captioned property interest located in the People’s Republic of China (the “**PRC**”) in which to be acquired by the Company and/or its subsidiaries (together referred to as the “**Group**”). We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the property interest as at 30 September 2021 (the “**valuation date**”).

BASIS OF VALUATION

Our valuation has been undertaken on the basis of the Market Value, which is defined by The Hong Kong Institute of Surveyors 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”.

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In valuing the property interest, we have assumed that the owner has valid and enforceable title to the property interest which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the land use term granted subject to payment of annual land use fee and all requisite premium payable have been fully paid.

VALUATION METHODOLOGY

In arriving at our opinion of value, we have adopted Investment Approach by taking into account the current rents passing and the reversionary income potential of the tenancies. For the portions of the property which are currently vacant or self-occupied, we have valued the property interest by capitalization of the hypothetical and reasonable market rents with typical lease terms and also make reference to the Direct Comparison Approach.

TITLE INVESTIGATION

For property interest located in the PRC, we have been provided with copies of extracts of title documents. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. We have relied on the information given by the Group and its PRC legal adviser, Beijing Jingtian & Gongcheng Attorneys at Law (北京市競天公誠律師事務所) (the “**PRC Legal Adviser**”), regarding the title and other legal matters relating to such property interest.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of such property interest. In addition, no account has been taken of any option or right of pre-emption concerning or affecting sales of the property and no forced sale situation in any manner is assumed in our valuation.

We have inspected the exterior and, where possible, the interior of the property, by Mr. Zheng Xing Yi (Asset Appraiser in the China Asset Appraisal Society registered on 22 June 2020), including the physical external and internal building conditions, surrounding environments, pedestrian flow, accessibility, internal finishing, shop layout and facilities provided etc. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the property is free from rot, infestation or other defects.

We have not carried out site measurements to verify the correctness of the site and floor areas in respect of the property but have assumed that the areas shown on the documents and floor plans handed to use are correct. All dimensions, measurements and areas included in the attached valuation report are based on information contained in the documents provided to us by the Group and therefore only approximations.

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VALUATION CONSIDERATIONS

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, completion dates of buildings, particulars of occupancy, tenancy summaries, site and floor areas and all other relevant matter in the identification of the property interest.

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 a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

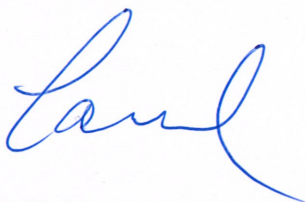
Our valuation has been carried out in accordance with The HKIS Valuation Standards 2020 issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices. Our valuation have also been prepared under the generally accepted valuation procedures and are in compliance with Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all sums stated in our valuation are in Renminbi (RMB).

Our valuation report is enclosed herewith.

Yours faithfully,
For and on behalf of
Norton Appraisals Limited



Paul M. K. Wong *MHKIS, RPS (G.P.), MCIREA*
Director

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 30 years' experience in valuation of properties in Hong Kong and in the PRC.

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VALUATION REPORT

Property interest to be acquired by the Group for Investment in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market value in Existing state as at 30 September 2021 RMB
The Anyang Shopping Mall located in Jiefang Avenue, Beiguan District, Anyang City, Henan Province, the PRC	<p>The Anyang Shopping Mall also known as “Anyang Diyi Shopping Street” comprises various retail units in a 2-storey underground shopping mall (the “Project”) completed in 2011.</p> <p>The total gross floor area of the property is approximately 24,815 sq.m.</p> <p>The operation rights of the Project are held for a term of 40 years.</p>	<p>Portions of the property with a total gross floor area of approximately 16,816.06 sq.m. are subject various tenancies for various terms with latest expiry date on 31 December 2022 whilst the remaining portions are currently vacant.</p>	502,000,000

Notes:

- (a) Pursuant to the Investment Agreement of Civil Air Defence Construction Project dated 27 February 2010, Asian Leader Investments Limited (鉅達投資有限公司) (“Asian Leader”), a company incorporated in Hong Kong which is wholly-owned by Willease Limited (the “Target Company”), is approved to develop the underground civil air defence space of the Project for commercial operation. Upon completion, Asian Leader has the rights to use and lease the Project and is entitled to receive income from the Project for 40 years from the commencement date of operation.
- (b) Pursuant to the Construction Works Planning Permit No. An Gui Guan Jian Gong Zi No. (2016) 016 dated 15 March 2011, the Project was permitted to be developed with a total gross floor area of 25,310 sq.m.
- (c) Pursuant to the 【消防安全檢查合格証】 No. An Gong Xiao An Jian Zi (2011) 0008 dated 23 August 2011, the fire safety works were inspected and passed prior the operation and put into use of the Project.

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- (d) Pursuant to the Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. Shang Wai Zi Yu Fu An Zi Zi (2010) 0002 dated 21 May 2012, Anyang Renhe New World Public Facilities Co., Ltd. (renamed as Anyang Jiangchuan Public Facilities Co., Ltd.) ("**Anyang Jiangchuan**") a company established in the PRC which is wholly-owned by Asian Leader, with a registered capital of USD15,000,000 is approved and the scope of business includes development of civil air defence facilities, venue rental and business management with a operation period of 40 years.
- (e) Pursuant to the Business Licence No. 9140500553163846W dated 17 July 2020, Anyang Jiangchuan has been established on 1 April 2010 with a registered capital of USD15,000,000 for an operation period from 1 April 2010 to 31 March 2052.
- (f) The opinion of the PRC legal advisor to the Group contains, inter alia, the following:
 - (i) The Investment Agreement of Civil Air Defence Construction Project dated 27 February 2010 is valid, enforceable and legally binding.
 - (ii) Anyang Jiangchuan is legally established and has the rights of occupy, use and receive income arised from the Project with a term of not less than 40 years commencing from the date of operation.
 - (iii) Anyang Jiangchuan has the rights to use the underground space of the land at which the property is located.
 - (iv) As confirmed by the Target Company, the property is not subject to mortgage or any other material encumbrances.