

Valuation Report

Xingda International Holdings Limited

Portfolio Valuation

Valuation as at 30 November 2022

27/F, One Island East, Taikoo Place,
18 Westlands Road, Quarry Bay, Hong Kong
香港鰗魚涌華蘭路 18 號太古坊港島東一號 27 樓
Tel 電話 +852 2507 0507
Fax 傳真 +852 2530 1502
cushmanwakefield.com.hk

27 January 2023

The Directors
Xingda International Holdings Limited
Unit S03, 7/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Central
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with your instructions for us to value certain properties in People's Republic of China (the "PRC") and Thailand (as more particularly described in the attached valuation summary) in which Xingda International Holdings Limited (the "**Company**") together with its subsidiaries (collectively the "**Group**") have interests, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at 30 November 2022 (the "**Valuation Date**").

VALUATION BASIS

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors which 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'.

VALUATION ASSUMPTIONS

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission and The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors.

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties, we have relied on the information and advice given by the Company and the Company's PRC legal advisers, Haiwen & Partners regarding the titles to the properties and the interests of the Company in the properties in the PRC. Unless otherwise stated in the legal opinion dated 16 January 2023, provided for the properties in the PRC; and as revealed from title search record for the properties in Thailand, we have assumed that the Company has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the respective valuation report.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

VALUATION METHODS

In valuing the property in Group I, which is property held by the Group for investment in the PRC, we have adopted Income Capitalisation Method on the basis of capitalisation of rental incomes derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions. We have also cross-checked against comparable sales evidence as available in the relevant market. Transactions involving similar scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as most properties generate rental income from letting arrangements and such rental comparables are more readily available, we consider Income Capitalisation Method, which is also commonly used in valuing properties for investment purpose, to be the best method to value these properties.

In undertaking our valuations for the properties by Income Capitalisation Method, we have mainly made reference to sales or lettings within the subject properties as well as other relevant comparable sales or rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, maintenance standard, size, time, configuration and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

In respect of the properties in Group II and III which are properties held by the Group for owner occupation in the PRC and Thailand respectively, due to the specific nature of the properties and lack of sales transactions of the properties of the same characteristics in the vicinity, we have mainly adopted Depreciated Replacement Cost (“DRC”) Method. DRC Method is based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of the improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimisation. For the land portion, we have generally made reference to comparable land sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, time, size etc. DRC Method is subject to service potential of the entity from the use of assets as a whole paying due regard to the total assets employed. The market value arrived using DRC Method applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In respect of the portion of property which is under construction, we have valued it on the basis that it will be developed and completed in accordance with the latest development proposals provided to us by the Group. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities. In arriving at our valuations, we have taken into account the incurred construction costs as provided to us by the Group.

MARKET VOLATILITY

The outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property may be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuations of the properties are valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuations when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

Up to the latest practical date, there is no material changes to our valuation. Should any material changes of the valuation throughout the offer period of this Composite Document, we will notify the Company accordingly.

SOURCE OF INFORMATION

We have been provided by the Company with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have not been provided with copies of the title documents relating to the property interests but have caused searches to be made at the appropriate land registries in Thailand.

In the course of our valuation of the properties, we have relied on the information and advice given by the Company and the Company's PRC legal advisers, Haiwen & Partners regarding the titles to the properties and the interests of the Company in the properties in the PRC.

In respect of all properties, we have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, rental incomes and revenue, development schemes, development time schedules, construction costs, site and floor areas, interest attributable to the Company and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the properties provided to us are mainly compiled in local language characters and the transliteration into English represents our understanding of the contents.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the titles of the properties in the PRC but have not carried out land title searches. In respect of all the properties in Thailand, we have caused searches to be made at Chonburi Land Department Office. However, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties and we have therefore relied on the advice given by the Company or the Company's legal advisers regarding the interests of each of the company in the properties.

No title search can be made in respect of the properties in the PRC. Legal opinions in respect of the properties in the PRC have been provided. We have no reason to doubt the truth and accuracy of such information provided by the Company and we have been advised by the Company that no material facts have been omitted from the information provided.

SITE INSPECTION

We inspected the exterior and, wherever possible, the interior of the properties in December 2022. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuations are in Renminbi (“**RMB**”) for the properties in the PRC and Thai Baht (“**THB**”) for the properties in Thailand.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB). For reference purpose, we have also stated the market values in Hong Kong Dollars in the report. The exchange rate adopted as at the Valuation Date was HK\$1 = RMB0.9187 and HK\$1 = THB 4.8369.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Group at the amounts valued by us comprise the following:

PRC properties

- Enterprise income tax at 25% on gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value
- Stamp duty at 0.05% on the transaction amount
- Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside the PRC as dividends (reduced to 5% if the Hong Kong-PRC double tax arrangement applies)
- Other surcharge at approximately 12% of value-added tax

Thailand properties

- Corporate Income Tax (“**CIT**”) at 20% on gain
- Withholding tax at 1% of sale price but can be considered as prepaid tax for CIT for that tax year
- Stamp duty at 0.5% of the higher between sale price or appraisal price of Department of Lands
- Registration fee for transfer at 2% of the higher between sale price or appraisal price of Department of Lands (this is usually paid on 50:50 basis between seller and buyer, but depends on negotiation basis)
- Special Business Tax (“**SBT**”) at 3.3% of the higher between sale price or appraisal price of Department of Lands. This is only applicable if the property was held less than 5 years before transfer. In the case that SBT applied, stamp duty will be exempted.

In respect of the properties held by the Group, the likelihood of the relevant tax liabilities being crystallised is remote as the Group have no plans for the disposal of such properties yet.

We enclose herewith summary of valuations and our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited



Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
Msc, MHKIS
Director

Note: Mr. Philip C Y Tsang is a Member of the Hong Kong Institute of Surveyors and Registered Professional Surveyor (General Practice). Mr. Tsang has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Mr. Tsang has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

The valuations of the properties in Group III in Thailand were undertaken by Mr. Philip Tsang in collaboration with Ms Tatchada Supakornpichan, Head of Valuation and Advisory of our Thailand Office. Ms. Tatchada Supakornpichan is a Qualified Senior Valuer under the Securities and Exchange Commission, Thailand (SEC) approval list no. 078 and member of Valuation Association of Thailand (VAT) and Thai Valuers Association (TVA), over 20 years of experience in the valuation of properties in Thailand.

Summary of Valuations

Property interests held by the Group in the PRC	Market value in existing state as at the Valuation Date (RMB)	Market value in existing state attributable to the Group as at the Valuation Date (RMB)
Group I - Property interests held for investment in the PRC	203,000,000	203,000,000
Group II - Property interests held for owner- occupation in the PRC	3,310,000,000	2,388,436,000
Sub-Total	3,513,000,000	2,591,436,000

Notes:

The market value in existing state of the property interests in the PRC as at the Valuation Date was approximately HKD3,823,881,572.

The market value in existing state of the property interests in the PRC attributable to the Group as at the Valuation Date was approximately HKD2,820,764,123.

Property interests held by the Group in Thailand	Market value in existing state as at the Valuation Date (THB)	Market value in existing state attributable to the Group as at the Valuation Date (THB)
Group III - Property interest held for owner occupation in Thailand	3,775,000,000	2,654,580,000

Notes:

The market value in existing state of the property interests in Thailand as at the Valuation Date was approximately RMB764,437,500/HKD780,458,600.

The market value in existing state of the property interests in the Thailand attributable to the Group as at the Valuation Date was approximately RMB537,552,450/HKD548,818,458.

VALUATION REPORT

Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022								
1. Units 101, 102, 103, Levels 2, 3, 4, 5, 6 and 7 of Huiying Mingzun Block 20 (also known as “Huiyin Financial Business Centre”). Lane 599 Yunling East Road, Putuo District, Shanghai, the PRC	<p>The property comprises 7 floors of office building 20 erected on a parcel of land of a total site area of approximately 54,766 sq m which was completed in 2008. The building age is about 14 years.</p> <p>The property has a GFA of approximately 6,939.29 sq m with details as follows:</p> <table><thead><tr><th>Use</th><th>GFA (sq m)</th></tr></thead><tbody><tr><td>Office</td><td>5,988.99</td></tr><tr><td>Retail</td><td>950.30</td></tr><tr><td>Total:</td><td>6,939.29</td></tr></tbody></table> <p>The property is situated at Putuo District, which is predominantly a commercial area. Developments in the vicinity comprise mainly office developments such as Greentown Zhejie Changfeng Enterprise Centre and Xingguangyao Square.</p> <p>The land use rights of the property have been granted for a term due to expire on 27 December 2054 for commercial and office use.</p>	Use	GFA (sq m)	Office	5,988.99	Retail	950.30	Total:	6,939.29	<p>As at the Valuation Date, portions of the property with a total gross floor area of approximately 3,000.01 sq m were subject to various tenancies with the last term expiring in April 2028. The total monthly rent was approximately RMB321,500 (exclusive of VAT).</p> <p>Portions of the property with a total gross floor area of approximately 1,712.42 sq m were owner occupied. The remainder portion of the property was vacant.</p>	<p>RMB203,000,000 (RENMINBI TWO HUNDRED AND THREE MILLION)</p> <p>(100% interest attributable to the Group: RMB 203,000,000)</p>
Use	GFA (sq m)										
Office	5,988.99										
Retail	950.30										
Total:	6,939.29										

Notes:

- (1) According to 10 Shanghai Real Estate Ownership Certificates all issued by Shanghai Housing and Land Resources Administration Bureau dated 5 and 6 November 2009, the title to the property with a total gross floor area of 6,939.29 sq m was vested in Xingda International (Shanghai) Special Cord Co. Ltd. (興達國際(上海)特種鋼索有限公司). Details of the Real Estate Ownership Certificates are as follows:

Certificate Nos	Land Use	Expiry Date	Gross Floor Area		Building Use
			(sq m)	Portion	
Hu Fang Di Pu Zi (2009) Di 035394	Commercial, Office and Leisure	27 December 2054	626.1	Unit 101	Retail
Hu Fang Di Pu Zi (2009) Di 035395	Commercial, Office and Leisure	27 December 2054	168.87	Unit 102	Retail
Hu Fang Di Pu Zi (2009) Di 035180	Commercial, Office and Leisure	27 December 2054	155.33	Unit 103	Retail
Hu Fang Di Pu Zi (2009) Di 035396	Commercial, Office and Leisure	27 December 2054	1,183.78	L2	Office
Hu Fang Di Pu Zi (2009) Di 035397	Commercial, Office and Leisure	27 December 2054	1,030.93	L3	Office
Hu Fang Di Pu Zi (2009) Di 035191	Commercial, Office and Leisure	27 December 2054	1,030.93	L4	Office
Hu Fang Di Pu Zi (2009) Di 035188	Commercial, Office and Leisure	27 December 2054	1,030.93	L5	Office
Hu Fang Di Pu Zi (2009) Di 035147	Commercial, Office and Leisure	27 December 2054	1,030.93	L6	Office
Hu Fang Di Pu Zi (2009) Di 034701	Commercial, Office and Leisure	27 December 2054	569.8	Unit 701	Office
Hu Fang Di Pu Zi (2009) Di 035124	Commercial, Office and Leisure	27 December 2054	111.69	Unit 702	Office
Total			6,939.29		

- (2) According to Business Licence No. 91310000792731388W on 27 December 2019, Xingda International (Shanghai) Special Cord Co. Ltd. (興達國際(上海)特種鋼索有限公司) was established as a limited company with a registered capital of USD12,000,000 for a valid operation period from 15 September 2006 to 14 September 2036.
- (3) Pursuant to a tenancy agreement entered into between the Company and Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼索股份有限公司), the Company agreed to sub-lease Level 5 of the property with a total gross floor area of 1,030.93 sq m for a term of one year from 1 November 2022 to 31 October 2023 at a monthly rent of RMB106,615.34 to Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼索股份有限公司). As advised by the Company, Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼索股份有限公司) is a 70.32% owned subsidiary of the Group. In accordance with Part 7 in VGN 3 of The HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors, we have disregarded the existence of the aforesaid inter-company lease in the course of valuation and we have not taken into account the rental of the aforesaid lease in the valuation.
- (4) Pursuant to a tenancy agreement entered into between the Company and Xingda International (Shanghai) Special Cord Co. Ltd. (上海興達鋼索有限公司), the Company agreed to sub-lease Level 7 of the property with a total gross floor area of 681.49 sq m for a term of one year from 1 November 2022 to 31 October 2023 at a monthly rent of RMB70,477.42 to Xingda International (Shanghai) Special Cord Co. Ltd. (上海興達鋼索有限公司). As advised by the Company, Xingda International (Shanghai) Special Cord Co. Ltd. (上海興達鋼索有限公司) is a wholly owned

subsidiary of the Group. In accordance with Part 7 in VGN 3 of The HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors, we have disregarded the existence of the aforesaid inter-company lease in the course of valuation and we have not taken into account the rental of the aforesaid lease in the valuation.

- (5) We have been provided with a legal opinion on the property prepared by the Company's legal adviser, which contains, inter alia, the following information:
- (a) Xingda International (Shanghai) Special Cord Co. Ltd. (興達國際(上海)特種簾線有限公司) has obtained the Real Estate Ownership Certificate of the property and is entitled to possess, use or transfer the property; and
 - (b) the property is not subject to any mortgage.
- (6) Eric Fan, 22 years of experience in the valuation of properties in the PRC, inspected the property on 28 December 2022.
- (7) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Level 1	RMB28,000,000
Level 2	RMB33,000,000
Level 3	RMB30,000,000
Level 4	RMB30,000,000
Level 5	RMB31,000,000
Level 6	RMB31,000,000
Level 7	RMB20,000,000

- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

Real Estate Ownership Certificate	Yes
Business Licence	Yes

- (9) Our key assumptions of the valuation are:

Average Market Monthly Rent (per sq m)	Capitalization Rate
Retail: RMB165	5.25%
Office: RMB146	4.50%

In undertaking our valuation, we have made reference to lettings within the subject property as well as other similar properties within the same and neighboring districts.

We have gathered and analysed the rate of return of relevant market segment which justifies a yield of approximately 5.0%-5.5% and 4.4%-4.6% for retail and office premises respectively.

The above market rent assumed by us is consistent with the relevant comparables after due adjustments. The capitalisation rate adopted is reasonable having regard to the analysed yields.

VALUATION REPORT

Group II – Property interests held by the Group for owner-occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
2. An industrial premise, East of Yong'an Road, North of Shengtong Road, South of Qigong Road, Daozhuang Town, Guangrao District, Dongying City, Shandong Province, the PRC	<p>The property comprises an industrial complex erected on various parcels of land with a total site area of approximately 548,817 sq m.</p> <p>The industrial complex is a large-scale development developed in 2 phases. It comprises various completed buildings and structures with a total a total gross floor area of approximately 386,392.30 sq m completed in during 2015 and 2022 with building ages up to 7 years and two buildings which are currently under construction and expected to complete in March 2023.</p>	As at the Valuation Date, the completed portion of the property was occupied by the Company for industrial use whilst the remainder of the property was under construction and estimated to complete in March 2023.	<p>RMB 1,263,000,000 (RENMINBI ONE BILLION TWO HUNDRED AND SIXTY THREE MILLION)</p> <p>70.32% interest attributable to the Group: RMB 888,141,600</p>

中國山東省東營市
廣饒區稻莊鎮永安
路以東、盛通路以
北、綦公路以南的
一處工業物業

Details summarized as follows:

Building	GFA (sq m)
Phase IA	92,328.70
Phase IB	98,624.18
Phase II	195,439.42
Total	386,392.30

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
	Proposed Building	GFA (sq m)	
	Phase II – Factory 3	40,344.20	
	Phase II – Supporting Workshop	<u>2,627.80</u>	
	Total	42,972.00	

The property is situated in a Industrial area in Guangrao District, Dongying City, with complete infrastructure. There are several completed industrial projects around the property. Public transport is readily available in the area. Access to the other districts is further enhanced by public transportation. The property is for Industrial use, there is no environmental issues and litigation dispute.

The land use rights of the property have been granted for various terms for industrial use.

Please see Note (1).

Notes:

- (1) According to 7 Real Estate Ownership Certificates all issued by Guangrao Bureau of Natural Resources and Planning , the land use rights of the property with a total site area of 548,817 sq m were granted to Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼索有限公司) for industrial use, Details are as follows:

Certificate No.	Use	Expiry Date	Site Area (sq m)
Guang guo yong (2014) No. 113	Industrial	22 September 2062	233,216
Lu (2018) Guangrao Budong chanquan No. 0001338	Industrial	29 September 2067	33,786
Lu (2018) Guangrao Budong chanquan No.0006909	Industrial	25 February 2068	17,933
Lu (2018) Guangrao Budong chanquan No.0006851	Industrial	25 February 2068	20,000
Lu (2021) Guangrao Budong chanquan No.0026736	Industrial	22 November 2068	52,673
Lu (2021) Guangrao Budong chanquan No.0026753	Industrial	29 September 2069	98,188
Lu (2021) Guangrao Budong chanquan No.0082975	Industrial	29 December 2071	93,021
Total			548,817

- (2) According to 3 Building Ownership Certificate, the building ownership of the property with a total gross floor area of 92,328.70 sq m, have been vested in Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼索有限公司) for industrial use, Details are as follows:

Certificate No.	Uses	Gross Floor Area (sq m)
No. 20163021	Workshop	6,367.15
		1,978.28
		5,430.93
		8,322.47
No. 20163022	Workshop	8,322.47
		2,002.95
		31,161.85
No. 20163023	Workshop	28,742.60
Total		92,328.70

- (3) According to 6 Planning Permit for Construction Use of Land issued by Guangrao Housing and Urban Rural Planning and Construction Bureau, the construction site of the property with a total site area of approximately 315,601 sq m is in compliance with the urban planning requirements.
- (4) According to Planning Permit for Construction Works No. 370523202200026 issued by Guangrao Administrative Examination and Approval Service Bureau, the construction works of a development with a total gross floor area of approximately 238,411.42 sq m are in compliance with the construction works requirements and have been approved.

- (5) According to Permit for Commencement of Construction Works No. 370523202211150101 issued by Guangrao Administrative Examination and Approval Service Bureau, the construction works of the development with a total gross floor area of approximately 238,411.42 sq m are in compliance with the requirement for works commencement and have been permitted.
- (6) According to Business Licence No. 913705005754828133 on 27 June 2011, Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼索有限公司) was established as a limited company with a registered capital of RMB579,700,000 for a valid operation period from 27 June 2011 to 26 June 2031.
- (7) As advised by the Company, Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼索有限公司) is a 70.32% owned subsidiary of the Group.
- (8) As advised by the Company, portion of the completed buildings with a total gross floor area of approximate 98,624.18 sq m are pending for Building Ownership Certificates from the Government.
- (9) According to the information provided by the Company, for the portion of the property which is under construction, the incurred construction cost as at the Valuation Date was approximate RMB143,957,596. The estimated total construction cost was RMB159,411,316. In the course of our valuation, we have taken into account for such costs.
- (10) The development value of the under development portion of the property as if completed as at Valuation Date was RMB159,000,000.
- (11) We have been provided with a legal opinion on the property prepared by the Company's legal adviser, which contains, inter alia, the following information:
 - (a) Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼索有限公司) has obtained Building Ownership Certificate and Real Estate Ownership Certificate for portion of the property and is entitled to possess, use or transfer the said portion; and the said portion of the property is not subject to any mortgage; and
 - (b) the Group has obtained certain construction permits for the buildings which have not obtained Building Ownership Certificate. There is no material legal obstacles for the Group to possess or use the said portion, unless the said portion is ordered to be dismantled by the relevant governmental authority.
- (12) Min Hao, 10 years of experience in the valuation of properties in the PRC, inspected the property on 17 December 2022.
- (13) The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RMB353 per sq m to RMB357 per sq m.
- (14) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	RMB191,000,000
Completed Buildings	RMB928,000,000
Buildings Under Development	RMB144,000,000

- (15) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

Real Estate Ownership Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
3. An industrial premise, No.88 Renmin West Road, Dainan Town, Xinghua City, Taizhou City, Jiangsu Province, the PRC 中國江蘇省泰州市興化市戴南鎮人民西路第88號的一處工業物業	The property comprises a large-scale industrial complex erected on various parcels of land with a total site area of 1,587,261 sq m. It comprises various completed buildings and structures including workshops, warehouses, office, apartment residence and staff quarters, canteen, conference center, research building, swimming pool and other ancillary facilities with a total gross floor area of approximately 1,038,933 sq m completed in during 1998 and 2018 with building ages of about 4 to 24 years. Three buildings (A workshop, a 220KV substation and an office building) with a total proposed gross floor area of approximately 38,457 sq m are currently under construction, expected to complete in 2023 to January 2024.	As at the Valuation Date, the completed portion of the property was occupied by the Company for industrial use whilst the remainder of the property was under construction and estimated to complete in January 2023 to January 2024.	RMB2,047,000,000 (RENMINBI TWO BILLION AND FORTY SEVEN MILLION) 73.29% interest attributable to the Group: RMB 1,500,294,400

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
	<p>The property is situated in a west area in Dainan Town, Xinghua City, with complete infrastructure. The immediate locality generally comprises industrial developments. Public transport is readily available in the area. Access to the other districts is further enhanced by Dainan Avenue and Renmin Road. The property is for industrial use, there is no environmental issues and litigation dispute.</p> <p>The land use rights of the property have been granted for various uses.</p> <p>Please see Note (1) and Note (2).</p>		

Notes:

- (1) According to 16 Real Estate Ownership Certificates all issued by Xingjua Bureau of Natural Resources and Planning, the real estate ownership of portion of the property with a total site area of 1,390,376.71 sq m and a total gross floor area of 805,103.18 sq m were vested in Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼簾線股份有限公司) for various uses. Details are as follows:

Certificate No.	Land Use	Land Use Term Expiry Date	Site Area (sq m)	Gross Floor Area (sq m)
(2020)0017917	Industrial	23 January 2050	25,942.00	13,305.11
		24 January 2058	2,592.00	
		27 February 2070	304.80	
		27 February 2070	495.40	
(2020)0017870	Industrial	23 January 2050	21,123.00	14,990.19
		27 February 2070	1,933.90	
(2020)0019124	Industrial	30 October 2055	230,000.00	151,622.47
		27 February 2070	50,503.60	
		04 August 2069	9,696.10	
(2020)0022824	Industrial	27 February 2070	101,706.21	141,233.19
		1 January 2053	67,867.20	
		17 September 2053	5,554.00	
		16 May 2051	29,255.10	
		6 April 2054	5,043.50	
		23 January 2050	27,784.80	
(2020)0019140	Industrial	17 September 2053	143,935.80	111,926.39
		27 February 2070	6,517.70	
(2020)0017792	Commercial	8 July 2049	10,311.10	12,989.50
		27 February 2060	3,044.70	
(2020)0017877	Industrial	23 January 2050	29,928.90	257,533.01
		22 November 2058	305,483.80	
		27 February 2070	11,458.80	
		28 August 2064	20,049.60	
(2020)0017871	Industrial	11 January 2058	13,024.00	4,203.40
		27 February 2070	2,958.40	
(2020)0012485	Industrial	27 February 2070	5,666.50	/
(2019)0022480	Residential	17 September 2073	7,243.40	15,976.98
(2020)0017755	Residential	24 June 2078	17,438.90	25,428.67
(2020)0017770	Industrial	23 January 2050	13,366.20	28,339.09
(2020)0017782	Commercial	8 July 2049	9,272.10	5,021.90
(2020)0017785	Industrial	16 May 2051	46,872.90	22,533.28
(2022)0009500	Industrial	14 March 2072	21,218.70	/
(2021)0005244	Industrial	7 March 2071	142,783.60	/
Total			1,390,376.71	805,103.18

- (2) According to 2 Real Estate Ownership Certificates both issued by Xing hua Bureau of Natural Resources and Planning, the real estate ownership of portion of the property with a total site area of 196,884.00 sq m and a total gross floor area of 106,283.19 sq m were vested in Taizhou Xingda Special Wire Rope Co. Ltd. (泰州興達特種鋼絲繩有限公司) for industrial use. Details are as follows:

Certificate No.	Land Use	Land Use Term Expiry Date	Site Area (sq m)	Gross Floor Area (sq m)
(2020)0203297	Industrial	14 March 2072	50,375.30	12,158.20
(2021)0001660	Industrial	9 March 2071	146,508.70	94,124.99
Total			196,884.00	106,283.19

- (3) As advised by the Company, portion of the property with a total gross floor area of 39,235.94 sq m was built across the site boundary of the property and not included in any title documents.
- (4) In the valuation of the property, we have ascribed no commercial value for the above-mentioned portion of the property.
- (5) According to Real Estate Ownership Certificate No. (2019)0017749, the land use rights of allocated nature of portion of the property with a site area of 8,058.10 sq m and a total gross floor area of 14,951.78 sq m has been vested in Jiangsu Xingda Steel Tyre Cord Co. Ltd. for residential use.
- (6) In the valuation of the property, we have ascribed no commercial value for the above-mentioned portion of the property due to the non-assignment restriction of allocated land nature of the said portion.
- (7) According to 2 Planning Permits for Construction Use of Land No. 321281202100030 and No. 321281202200044 issued by the Natural Resources and Planning Bureau of Xinghua City, the construction site of the property with a total site area of approximately 164,002.30 sq m is in compliance with the urban planning requirements.
- (8) According to 4 Planning Permits for Construction Works issued by the Natural Resources and Planning Bureau of Xinghua City, the construction works of the development with a total gross floor area of approximately 151,447.84 sq m are in compliance with the construction works requirements and have been approved.

Certificate No.	Uses	Floor Area (sq m)
321281202100045	Factory	112,594.59
321281202100132	Office building	2,523.15
321281202100119	220KV substation	6,054.20
321281202200076	Workshop	30,275.90
Total		151,447.84

- (9) According to 4 Permits for Commencement of Construction Works issued by the People's Government of Dainan Town, Xinghua City, the construction works of the development with a total gross floor area of approximately 151,051.21 sq m are in compliance with the requirement for works commencement and have been permitted.

Certificate No.	Uses	Floor Area (sq m)
321281202103180101	Factory	112,594.59
321281202203150101	Office Building	2,115.30
32128120220230101	220KV substation	6,065.42
321281202207070101	Warehouse	30,275.90
Total		151,051.21

- (10) According to Business Licence No.913200001426505355 on 27 March 1998, Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼簾線股份有限公司) was established as a limited company with a registered capital of RMB2,862,262,865 for a valid operation period from 27 March 1998.
- (11) As advised by the Company, Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼簾線股份有限公司) is a 70.32% owned subsidiary of the Group.

- (12) As advised by the Company, Taizhou Xingda Special Wire Rope Co. Ltd. (泰州興達特種鋼絲繩有限公司) is a wholly-owned subsidiary of the Group.
- (13) According to Construction Work Completion Permit, the construction works of a factory of 112,594.59 sq m was completed on 10 January 2022.
- (14) According to Business Licence No.91321281MA22K6JF1W on 27 September 2020, Taizhou Xingda Special Wire Rope Co. Ltd. (泰州興達特種鋼絲繩有限公司) was established as a limited company with a registered capital of RMB1,039,504,195 for a valid operation period from 27 September 2020 to 26 September 2050.
- (15) According to the information provided by the Company, for the portion of the property which is under construction, the incurred construction cost as at the Valuation Date was approximate RMB58,250,000. The estimated total construction cost was RMB95,000,000. In the course of our valuation, we have taken into account for such costs.
- (16) The development value of the under development portion of the property as if completed as at Valuation Date was RMB95,000,000.
- (17) We have been provided with a legal opinion on the property prepared by the Company's legal adviser, which contains, inter alia, the following information:
- (a) Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼纜線股份有限公司) and Taizhou Xingda Special Wire Rope Co. Ltd. (泰州興達特種鋼絲繩有限公司) have obtained Real Estate Ownership Certificates for the assignment of land use rights and the building ownership of portion of the property and is entitled to possess, use or transfer the said portion; and the said portion of the property is not subject to any mortgage;
 - (b) the Group has obtained Real Estate Ownership Certificate for the allocation of land use rights and the building ownership of portion of the property. There is no material legal obstacles for the Group to possess or use the said portion, unless the said land is ordered to be returned by the relevant governmental authority; and
 - (c) the Group has obtained certain construction permits for the buildings which have not obtained Building Ownership Certificate. There is no material legal obstacles for the Group to possess or use the said portion, unless the said portion is ordered to be dismantled by the relevant governmental authority.
- (18) Rong'an Zhou, 2 years of experience in the valuation of properties in the PRC, inspected the property on 30 December 2022.
- (19) The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RMB278 per sq m to RMB287 per sq m.
- (20) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	RMB416,000,000
Completed Buildings	RMB1,573,000,000
Buildings Under Development	RMB58,000,000

- (21) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:
- | | |
|---|-----|
| Real Estate Ownership Certificate | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land | Yes |

Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes
Construction Work Completion Permit	Yes

VALUATION REPORT

Group III – Property interests held by the Group for owner-occupation in Thailand

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
4. An industrial premise, WHA Eastern Seaboard Industrial Estate 2, Chachoengsao-Rayong Road (Highway No.331), Klong Kiew Subdistrict, Ban Bueng District, Chonburi Province, Thailand	The property comprises of a parcel of land with total site area of approximately 165,124.40 sq m on which a warehouse, office, canteen and other improvements were constructed in 2020. The building age is about 2 years. The property has a total gross floor area of approximately 110,914.00 sq m. Details summarized as follows.	As at the Valuation Date, the property was occupied by the Company for industrial use.	THB3,618,200,000 (THAI BAHT THREE BILLION SIX HUNDRED EIGHTEEN MILLION AND TWO HUNDRED THOUSAND) 70.32% interest attributable to the Group: THB 2,544,318,240

泰國 春武里府 班邦縣 Klong Kiew分區 差春騷－羅勇路 (331號高速公路) WHA偉華東海岸 工業區二區 一處工業物業	Type of property	GFA (sq m)
	Product Storage	14,280.00
	Strand Workshop	22,860.00
	Water Tank	
	Workshop	26,416.00
	Electroplating	
	Workshop	43,032.00
	Office Building	2,636.00
	Canteen Building	1,690.00
	Total:	<u>110,914.00</u>
	Other	
	Improvement	<u>36,884.00</u>
	Total Building and Improvements	147,798.00

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
	<p>The property located inside WHA Eastern Seaboard Industrial Estate 2. The property is situated in an existing industrial area where infrastructure is provided. The immediate locality generally comprises low rise industrial facilities. Public transport is moderately available in the area. Public transport is available in the area. Access to the other districts is further enhanced by Chachoengsao-Rayong Road (Highway No.331).</p> <p>The property is held in freehold.</p>		

Notes:

- (1) Our title searches at the Chonburi Land Department Office Provincial at Banbueng District Branch revealed a legal description of the subject land plot under valuation as follows:

Title Deed No.	Lot No.	Surveyed No.	Rai	Area		Sq wah
				Ngan		
54396	92	12108	71	3		67.50
57159	112	12506	31	1		13.60

The total land area is 165,124.40 sq m.

Conversion of Area Measurement

1 rai = 4 ngan = 400 sq wah

1 sq wah = 4 sq m

Tenure:	Freehold interest
Place Registered:	Banbueng district administrative office
Registered Owner:	Xingda Steel Cord (Thailand) Co. Ltd.
Encumbrance(s):	None

- (2) The property is zoned for Purple Zone (Special Economic Encouragement for Industrial Business Area).

- (3) According to the information provided by the Company, the total incurred cost for portion of the completed improvement works of the property was approximately THB56,600,000.
- (4) As advised by Company, Xingda Steel Cord (Thailand) Co. Ltd. is a 70.32% owned subsidiary of the Group.
- (5) Noppadon Srithiamthong, over 20 years of experience in the valuation of properties in Thailand, inspected the property on 22 December 2022.
- (6) The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of THB3,550,000 per Rai to THB3,750,000 per Rai.
- (7) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	THB381,850,000 (Approximately RMB 77,324,625)
Completed Buildings	THB3,236,350,000 (Approximately RMB 655,360,875)

- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

Land Title Deeds	Yes
Construction Permit	Yes

VALUATION REPORT

Group III – Property interest held by the Group for owner-occupation in Thailand

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
5. Residential condominium/apartment, Mab San Sook Soi 8 (public road) which connect to Chachoengsao-Rayong Road (Highway No.331), Khao Khansong Subdistrict, Sriracha District, Chonburi Province, Thailand 泰國春武里府是拉差縣Khao Khansong分區差春騷一羅勇路(331號高速公路)連接Mab San Sook Soi 8 (公共道路) 一處住宅公寓／公寓	The property comprises a plot of freehold land, which is registered on a title deed with a total area of 7 rai 2 ngan 46.80 sq wah (3,046.80 sq wah or 12,187.20 sq m) with 2 residential buildings with total gross floor area (GFA) of 4,475.20 sq m and total net floor area (NLA) of 2,108.20 sq m and other improvements for owner occupation which is intended to facilitate staff accommodation completed in 2022 with building age less than 1 year. It has the gross floor area of approximately 4,475.20 sq m.	As at the Valuation Date, the property was occupied by the Company for staff residence.	THB156,840,000 (THAI BAHT ONE HUNDRED FIFTY SIX MILLION AND EIGHT HUNDRED FORTY THOUSAND) 70.32% interest attributable to the Group: THB 110,289,888
		GFA (sq m)	
	Floor	Building A	Building B
	B2	99.00	
	B1	0.00	
	1 st	648.00	288.00
	2 nd	620.60	290.40
	3 rd	620.60	
	4 th	620.60	
	5 th	644.00	
	6 th	644.00	
	Total:	3,896.80	578.40

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
	<p>The property is situated in a mixed of moderate industrial and community area where infrastructure is provided. The surrounding is industrial, residential and golf course area. Public transport is available in the area. Access to the other districts is further enhanced by Chachoengsao-Rayong Road (Highway No.331).</p> <p>The property is held in freehold.</p>		

Notes:

- (1) Our title searches at the Chonburi Land Department Office Provincial at Sriracha District Branch revealed a legal description of the subject land plot under valuation as follows:

Title Deed No.	Lot No.	Surveyed No.	Rai	Area		Sq wah
				Ngan		
91834	160	2927	7	2		47.00

The total land area is 12,187.20 sq m.

Conversion of Area Measurement

1 rai = 4 ngan = 400 sq wah

1 sq wah = 4 sq m

Tenure:	Freehold interest
Place Registered:	Sriracha district administrative office
Registered Owner:	Xingda Steel Cord (Thailand) Co. Ltd.
Encumbrance(s):	None

- (2) The property is zoned for Light Purple with White Sport Zone (Industrial Development Area).
- (3) As advised by the Company, the book classification of the property is under development as at the Valuation Date since the property is still pending for final settlement. We have been provided with the incurred cost of the property by the Company, which is approximately THB144,860,000.
- (4) As advised by Company, Xingda Steel Cord (Thailand) Co. Ltd. is a 70.32% owned subsidiary of the Group.

(5) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
	THB26,660,000
Land	(Approximately RMB 5,398,650)
	THB130,180,000
Completed Buildings	(Approximately RMB 26,361,450)

(6) Tatchada Supakornpichan, over 20 years of experience in the valuation of properties in Thailand, inspected the property on 22 December 2022

(7) The average unit rate of residential land parcels in the locality as at the Valuation Date is in the range of THB3,009,751 per Rai to THB3,795,000 per Rai.

(8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

Land Title Deeds	Yes
Construction Permit	Yes