

The Board of Directors,
Nantai Investment (Shenzhen) Co.,Ltd.,
Zastron Electronic (Shenzhen) Co.,Ltd.,
East Zone, Nantai industrial Zone,
No.2 Nantai Road, Xixian Town,
Baoan District,
Shenzhen,
Guangdong Province,
PRC

Savills Real Estate Valuation
(Guangzhou) Limited
Room 2105, R&F Center
10 Hua Xia Road
Zhujiang New Town
Guangzhou, PRC

1 June 2017

Our Ref.: SZ/2017/L/23(a)/SL/AL

RE: 2 PARCELS OF LAND HELD BY NANTAI INVESTMENT(SHENZHEN) CO., LTD. LOCATED AT THE NORTHERN SIDE OF NANTAI ROAD, XIXIANG TOWN, BAOAN DISTRICT, SHENZHEN, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTY")

Yours faithfully,

For and on behalf of

Savills Real Estate Valuation (Guangzhou) Limited



Market value
in existing state
as at
9 May 2017

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>																															
2 parcels of land located at the northern side of Namtai Road Xixiang Town Baoan District, Shenzhen, Guangdong Province, PRC	The property comprises 2 parcels of land with a total site area of approximately 52,627.2 sq.m. (566,479.18sq.ft.). According to the provided information, upon completion, the Development will provide a total gross floor area (including Ancillary facilities) of approximately 348,380sq.m. (3,749,962.32 sq.ft.). the breakdown of which is as follows:	As at the date of valuation, the property comprises completed buildings and structures. As advised by the Company, a portion of the property (the East Zone) which had been included in Urban Renewal Unit Plan will be demolished and reconstructed; the remaining portion of the property will be applied for the renewal project initiation after fulfilling the urban renewal policy and thereafter will be demolished and reconstructed.	RMB 3,240,000,000																														
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As advised, the Development is scheduled to be completed in 1 September 2020.

Notes:

1. Pursuant to the a Land Use Rights Grant Contract of Shenzhen City, Baoan District – Shen Bao Di He Zi (1993) No. 146 entered into between the State-owned Land Bureau of Shenzhen City, Baoan District (“深圳市宝安区国土局”) and Namtai Electronic (Shenzhen) Co., Ltd. (“Namtai Electronic”), the land use rights of a parcel of land with a site area of 26313.28 sq.m.were contracted to be granted to Namtai Electronic with the particulars as follows:

Site Area	:	26,313.28 sq.m
Land Use	:	Industrial
Land Term	:	30 years
Land Premium	:	RMB3,946,991

2. Pursuant to 2 Land Use Right Grant Supplementary Contracts of Shenzhen City – Supplementary Contracts Nos.1 and 2 of Shen Bao Di He Zi (1993) No.146, Shen Bao Di Xie Zi No.(93146) and Shen Di Xie Zi No. (94-4-030), the land use rights of a parcel of land (Land Lot No.:A116-0006) with a site area of 26,313.3 sq.m have been modified with the particulars as follows:

Plot Ratio Accountable Gross Area	:	60,230 sq.m.
Plot Ratio	:	≤2.3
Land Term	:	30 years
Supplementary Land Premium	:	RMB1,816,944

3. As advised by the Company, the land use rights term of a parcel of land of the property (Land Lot No.A116-0006) with a site area of 26313.3 sq.m. has been adjusted to 50 years commencing from 31 December 1993 and expiring on 30 December 2043.

4. Pursuant to a Land Use Rights Grant Contract of Shenzhen City – Shen Di He Zi (1999) No.4-030 entered into between the Urban Planning, Land & Resources Commission of Shenzhen Municipality (“深圳市规划和国土局”) and Namtai Electronic, the land rights of a parcel of land with a site area of 26,313.9 sq.m. were contracted to be granted to Namtai Electronic with the particulars as follow:

Site Area	:	26,313.9 sq.m.
Land Use	:	Industrial

Plot Ratio	:	≤1.4
Land Term	:	50 years, expiring on 25 April 2049
Supplementary Land Premium	:	RMB421,022

5. As advised by the Company, Namtai Electronic (Shenzhen) Co., Ltd. is the former name to Namtai Investment (Shenzhen) Co., Ltd.
6. The market value of the property as if compliance with the development proposals provided by the Company as at the valuation date is estimated to be approximately RMB9,550,320,000.
7. In the valuation of this property, we have made the following assumptions:
 - i. Namtai 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. It is assumed that the project can be divided for sales;
 - ii. There are completed buildings and structures erected on the property as at the valuation date. As advised by the Company, we are instructed to assume in our valuation that the property was vacant for future development as at the valuation date and did not need to take into account the demolition and relocation costs of such completed buildings and structures erected on Property no.2;
 - iii. The Urban Renewal Unit Plan (including special planning and follow-up work) of Land Lot No. A116-0006 of Property no.2 can be smoothly carried forward and there is no legally impediment for applying for the approval of Urban Renewal Unit Plan of Land Lot No. A116-0018 of the property;
 - iv. After successfully changing the land use of the property to innovation industry land use, the remaining term of land use rights will be 50 years; and
 - v. The re-development proposals of the Property provided to us by the Company are in compliance with the relevant planning regulations and PRC's law and can be approved by the relevant government authorities and property implemented during its construction works.
