



Consultation Report of Land Market Value

Client: Namtai Investment (Shenzhen) Co., Ltd. / Zastron Electronic (Shenzhen) Co., Ltd.

Projects:

For internal reference by Namtai Investment (Shenzhen) Co., Ltd. to the market value consultation for land use right of east zone and west zone (after urban renewal) of Namtai Industrial Estate located at 2 Namtai Road, Gushu, Xixiang, Baoan District, Shenzhen, People's Republic of China

For internal reference by Zastron Electronic (Shenzhen) Co., Ltd to the market value consultation for land use right of the land (total area of 103,739.07 square meters) at Tangwei Community, Gongming Street, New Guangming District, Shenzhen City, Guangdong Province, PRC

Valuer: Savills Real Estate Valuation (Guangzhou) Limited

Date: July 23, 2015



Letter to Client for Consultation

To: Namtai Investment (Shenzhen) Co., Ltd.

As consigned by your company, we have conducted assessment for the market value of the real estate under different given conditions, and the summary of the assessment is reported as follows:

[Purpose of consultation] As an internal reference by Namtai Investment (Shenzhen) Co., Ltd., consultation is required for the market value at the value time point after urban renewal under given assumed conditions of the land use right of east zone and west zone of Namtai Industrial Estate at 2 Namtai Road, Gushu, Xixiang, Baoan District, Shenzhen, People's Republic of China, which will be taken as value reference basis.

[Object of consultation] Refer to the following table for the specific object of consultation, as consigned by the client:

Object of consultation	Name	Location	Scope	Size	Purpose	Title owner
Object of consultation A	Land used for industrial purpose in east zone after urban renewal (assumed condition 1)	2 Namtai Road, Gushu, Xixiang, Baoan District, Shenzhen, People's Republic of China	Land use right	Land area of 22,363.9 square meters	Industry	Assumed to be Namtai Investment (Shenzhen) Co., Ltd.
	Land used for industrial purpose in east zone after urban renewal (assumed condition 2)		Land use right	Land area of 22,363.9 square meters	Industry	
Object of consultation B	Land used for industrial purpose in west zone after urban renewal (assumed condition 1)		Land use right	Land area of 22,363.9 square meters	Industry	
	Land used for industrial purpose in west zone after urban renewal (assumed condition 2)		Land use right	Land area of 22,363.9 square meters	Industry	

[Valuation method] Hypothetical development method (residual method)

[Value time point] The time point of value consultation of the project is fixed by the client as the first day of site survey, i.e., June 25 of 2015.

[Value type] Market value.

[Consultation result] Consultation for the market value on June 25 of 2015 after urban renewal under given

assumed conditions of the land use right of east zone and west zone of Namtai Industrial Estate owned by Namtai Investment (Shenzhen) Co., Ltd. at 2 Namtai Road, Gushu, Xixiang, Baoan District, Shenzhen, People's Republic of China, which is specifically shown in the following table:

Object of consultation	Name of object of consultation	Total price (RMB 10000)	Composite unit price (RMB/square meter)	Remarks
Object of consultation A	Land used for industrial purpose in east area after urban renewal (assumed condition 1)	RMB94,800	6,694	Value of land use right, exclusive of the value of housing
	Land used for industrial purpose in east area after urban renewal (assumed condition 2)	RMB59,418	4,196	Value of land use right, exclusive of the value of housing
Object of consultation B	Land used for industrial purpose in west area after urban renewal (assumed condition 1)	RMB91,100	6,433	Value of land use right, exclusive of the value of housing
	Land used for industrial purpose in west area after urban renewal (assumed condition 2)	RMB62,693	4,427	Value of land use right, exclusive of the value of housing
Total of objects of consultation A and B (assumed condition 1)		RMB185,900	-	Value of land use right, exclusive of the value of housing
Total of objects of consultation A and B (assumed condition 2)		RMB122,111	-	Value of land use right, exclusive of the value of housing

[Special reminder]

The report user shall pay attention to the influence of the special matters on the consultation result:

1. The consultation result has already been rounded up to 10 thousand level.
2. No fees and taxes concerning trade of the object of consultation are deducted from the consultation result.
3. According to the schedule of the *Second Batch Program of 2014 Shenzhen Urban Renewal Unit Plan* provided by the client, Parcel A116-0006 of object of consultation A was already listed into Shenzhen urban renewal unit plan on July 4 of 2014; now object of consultation A is at the stage of report and approval for special planning, and approval has not been obtained. Parcel A116-0018 of object of consultation B and No. 8 Building thereon have not been listed into Shenzhen urban renewal unit plan at the time point of consultation. It is assumed in the consultation that objects of consultation A and B are the parcels of perfect title after urban

renewal flow has been completed and land price has been paid at the proclaimed base land price for urban renewal compensation, and it is assumed that the buildings on objects of consultation A and B have been removed, and the land development level is at the status of “six accesses and site leveling”; the remaining service life of the land is 50 years, the client may obtain the *State-Owned Land Use Certificate* of objects of consultation A and B respectively on January 1 of 2017 and January 1 of 2021, and the planned economic and technical indicators provided by the client (refer to the following table for details) can be approved by the relevant planning departments; the consultation result excludes the expenses concerned during the course of removal of buildings, and the consultation result shall be adjusted accordingly in case the actual approval planning is altered and parcel development and utilization situation fails to conform to the assumed conditions.

Economic and technical indicators of objects of consultation A and B and assumed conditions						
Item	Object of consultation A	Object of consultation B	unit	Assumed condition 1	Assumed condition 2	
Area of land for development construction	22,363.9	22,363.9	m ²	It is assumed that the project can be leased only and cannot be sold	It is assumed that the project can be divided for sales	
Parcel number	A116-0006	A116-0018				
Nature of land use	Land used for industrial purpose (M0)	Land used for industrial purpose (M0)				
Floor-area ratio	6.33	6.33				
Land service life	50 years (calculated from signing land transfer contract again, i.e., January 1 of 2017)	50 years (calculated from signing land transfer contract again, i.e., January 1 of 2021)	year			
Total building area including floor-area ratio, including	141,620	141,620	m ²			
Including	Housing for industrial development	98,890.0	98,890.0			m ²
	Small commercial service facilities	16,110.0	16,110.0			m ²
	Apartment	24,150	24,150.0			m ²
	Public housing	2,470	2,470.0			

Building area of underground garage	57,000	57,000	m ²		
Total building area	198,620.00	198,620.00	m ²		
Underground parking spaces	1290	1290	Unit.		

4. Assumed condition 1 is the market value of land use right when proceeds are obtained by leasing the housing for industrial development, small commercial service facilities and apartment after the completion of development and construction of object of consultation A and B; assumed condition 2 is the market value of land use right when proceeds are obtained by dividing the housing for industrial development, small commercial service facilities and apartment for sales after the completion of development and construction of object of consultation A and B.

5. According to the provisions of *Shenzhen Urban Renewal Methods* (Order of the People's Government of Shenzhen City (No. 211)) and *Shenzhen Industrial Building Transfer Management Methods (Tentative)* and with consulting with the relevant land departments, land price payable shall be calculated and paid according to the market assessment standard for land price with deduction of paid-up land price if the office, single quarter and small commercial service facilities which are used as industrial auxiliary facilities in urban renewal projects are divided for sales, and land price payable shall be calculated and paid according to the average value standards for land-price market assessment for industrial and office purpose with deduction of paid-up land price if industrial buildings are divided for transfer. Refer to the following table for calculation and payment of the total land price payable of objects of consultation A and B under assumed condition 2 according to the provisions of above policies, which will not be the basis for actual calculation and payment of the total land price payable; the consultation result is the market value after the total land price payable in the following table is deducted, and the actual land price payable shall be subject to the calculation by land department, in case of any changes in the actual amounts, the consultation result shall be adjusted correspondingly.

Object of consultation	Total land price in market assessment (RMB 10000)	Paid-up total land price (RMB 10000)	Total land price payable (RMB 10000)	Remarks
Object of consultation A (Assumed condition 2)	102,273	26,691	75,582	1. Total land price in market assessment is the immediate result, without 15% off; 2. the paid-up total land price of object of consultation A



Object of consultation B (Assumed condition 2)	74,379	28,072	46,307	is the land price at the proclaimed base land price for urban renewal compensation because the client fails to provide the original land cost of object of consultation A; 3. the paid-up total land price of object of consultation B contains the original land cost and the land price at the proclaimed base land price for urban renewal compensation.
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Please read the full text of the report for real estate market value consultation for the whole situation of the consultation project.

Savills Real Estate Valuation (Guangzhou) Limited (official seal)

Legal representative:

Date: July 23, 2015

Schedule of Consultation Result of Land Value

Valuer: Savills Real Estate Valuation (Guangzhou) Limited

Value Consultation Report: SZ/2015/L/11/JW/AL

Date of consultation: June 25, 2015

Purpose: internal reference

Nature of land use right at consultation date: transfer of state-owned land for construction

Assumed condition	Land user at value consultation date	Parcel No.	Name of parcel	Land use certificate No.	Purpose at value consultation date			Floor-area ratio			Actual land development level at value consultation date	Given land development level in value consultation	Remaining land use right service life	Area/m ²	Unit area floor land price (RMB/m ²)	Total land price (RMB 10000)	Remarks
					Included in certificate (or approved)	Actual	Given	Planned	Actual	Given							
Assumed condition 1	Zastron Electronic (Shenzhen) Co., Ltd.	A620-0295	Industrial-Purpose land, Tangwei Community, Gongming Street, New Guangming District	Shen Fang Di Zi No. 5000316492	Industry	Industry	Industry	2.55	2.55	2.55	“six accesses” out of the red line of parcel, site leveling in red line	“six accesses” out of the red line of parcel, site leveling in red line	Industry: 42 years	103,739.07	3,306	87,600	
Assumed condition 2	Zastron Electronic (Shenzhen) Co., Ltd.	A620-0295	Industrial-Purpose land, Tangwei Community, Gongming Street, New Guangming District	Shen Fang Di Zi No. 5000316492	Industry	Industry	Industry	2.55	2.55	2.55	“six accesses” out of the red line of parcel, site leveling in red line	“six accesses” out of the red line of parcel, site leveling in red line	Industry: 42 years	103,739.07	2,740	72,600	

I. Restrictive conditions for consultation result of the above land value

1. Restriction on land right: at the consultation date, the object of value consultation is the land transferred by agreement, and the nature of land is non-commercial housing; the parcel can be used only for projects fixed by the government when approving the land use; it is not allowed to transfer the parcel, and Real Estate Certificate cannot be divided; it is not allowed to be used for mortgage without approval. As required by the client, the market value of land use right shall be measured under assumed condition 1 (i.e., 0% of office building is for sales and 100% is to be leased) and under assumed condition 2 (i.e., 50% of office building is for sales and 50% is to be leased).

2. Conditions of infrastructure:



Floor leveling situation: parcel is leveled for the object of consultation

Situation of surrounding roads: the object of consultation of eastern to Guangming Avenue, Dongchang Road and No. 18 Road

Situation of gas supply: municipal gas supply

Situation of communication: mobile signal, fixed line telephone, 100% of guarantee rate

Situation of power supply: municipal power supply, 95% of guarantee rate

Situation of water supply: municipal water supply

Situation of drainage: municipal water supply

3. Restrictive condition in planning: the floor-area ratio of the object of consultation is 2.55 according to *Permits for Planning of Land Used for Construction in Shenzhen* (Shen Gui Tu Xu GM-2015-0015) provided by the client.

4. Other restrictive conditions influencing land price: the ownership of the parcel originates from transfer by agreement (deduction price), assumed condition 2 shall be approved by relevant governmental departments. It is required by the government that title owner shall reserve 50% for use by itself.

5. Two assumed conditions in the value consultation: assumed condition 1 is the market value when proceeds of all properties are obtained by leasing after the construction of the parcel is completed; assumed condition 2 is the market value when proceeds of the properties other than 50% of office building for leasing and 50% for sales (leasing area is 89,500 square meters and selling area is 89,500 square meters) are obtained by leasing after the construction of the parcel is completed.

II. Other matters which shall be explained specifically:

1. It is assumed in the consultation that the object of consultation has no defects of right, liabilities and restrictions influence its value, and all taxes and payables concerning the object of consultation have been paid up.

2. It is assumed in the consultation that the floor-area ratio of the object of consultation is 2.55, the value consultation result shall be adjusted accordingly in case the actual indicators approved for construction work planning are inconsistent to the indicators given in the above consultation.

3. The price in the market value consolation is only for reference by the enterprise internally, and shall not be used for other purposes.
4. Floor land price is calculated according to net land use.
5. The object of consultation is the land use right of the Industrial-Purpose land, Tangwei Community, Gongming Street, New Guangming District, the Real Estate Certificate (Shen Fang Di Zi No. 5000316492) has been obtained, the ownership of the parcel originates from transfer by agreement (deduction price) and the nature of land is non-commercial housing according to the abstract and excursus in Other Rights of Real Estate Certificate of the object of consultation. According to the Contract for Transfer of Land Use Right in Shenzhen (Shen Di He Zi No. (2007) 4150, Shen Di He Zi No. (2007) 4150 supplemental contract 1 and Shen Di He Zi No. (2007) 4150 supplemental contract 2) provided by the client, RMB 50,996,184 of the land price of parcel A614-0377 paid by the title owner Zastron Electronic (Shenzhen)Co., Ltd is taken as the land price of the parcel, which totals RMB 50,996,184, is paid as remuneration for assignment of the right to the use of land. According to Article 9 of the Rules for Measurement of Land Price of Parcels in Shenzhen (Tentative): the land price payable for the non-commercial real estate transferred by agreement shall be measured as per base land price standard according to the reminding land use right service life, with deduction of the land price previously paid in the reaming service life. According to Article 8 of *Shenzhen Industrial Building Transfer Management Methods (Tentative)*: approval shall be obtained according to specified procedures and supplementary land price shall be paid at proclaimed base land price if integral transfer is made for non-commercial industrial buildings; in case transfer by dividing is made, land price payable shall be calculated and paid with deduction of paid-up land price according to market assessment standards for land price. The value consultation result is the market value after the land price payable is deducted at proclaimed base land price provided integral transfer for the object of consultation is made, and the specific land price payable shall be subject to the calculation by land department, and the consultation result shall also be adjusted correspondingly. The consultation result is the market consultation value provided that 50% of the office building of the object of consultation is sold and the land price payable is deducted at market land price, the land price payable measured according to the above policies is RMB 142,570,000, and the actual land price payable shall be subject to the calculation by land department, and the consultation result shall be adjusted correspondingly in case of any changes in the actual amounts.

Valuer (official seal): *Savills Real Estate Valuation (Guangzhou) Limited*

Date: July, 23, 2015