

Valuation Report

Xingda International Holdings Limited

Portfolio Valuation

Valuation as at 31 July 2024

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The Directors
Xingda International Holdings Limited
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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 31 July 2024 (the "Valuation Date") in the full valuation report would be incorporated into a composite document dated 25 October 2024 issued by the Company.

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 and RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered 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, The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors and RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors and Rule 11 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission.

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 22 October 2024, provided for the properties in the PRC; and as revealed from title search record for the properties in Thailand, in valuing the properties, 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 completed property held by the Group for investment in the PRC, we have adopted Income Capitalisation Method. As transactions involving similar scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as the property generates 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. Income Capitalisation Method is 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.

In undertaking our valuation for the property 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 including but not limited to size, location, age, quality and other relevant factors. 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 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.

SOURCE OF INFORMATION

For the properties in the PRC, 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. For the properties in Thailand, we have been provided with copies of the title documents relating to the property interests and have caused searches to be made at the appropriate land registries in Thailand.

In the course of our valuation of the properties in the PRC, 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. For the properties in Thailand, we have relied on the information and advice given by the Company and we have caused land searches at the land registries in Thailand.

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

In respect of the properties in the PRC, we have been provided with extracts of documents relating to the titles of the properties but have not carried out land title searches. 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.

In respect of the properties in Thailand, we have been provided with copies of the title documents relating to the property interest and have caused searches to be made at the appropriate land registries in Thailand.

SITE INSPECTION

We inspected the exterior and, wherever possible, the interior of the properties in September 2024. 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.

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 mainly 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 0.005% to 0.1% on the transaction amount
- The withholding tax rate on dividends is 10%. According to the tax arrangements between the PRC and Hong Kong, if the beneficial owner of the dividends is a resident of the other party and directly owns at least 25% of the capital of the company paying the dividends, the tax rate is reduced to 5% of the total dividends.
- The tax rates for Urban Maintenance and Construction Tax are 1 % to 7% depends on the location of taxpayer.
- The surcharge rate for Education Fees is 3%.
- The surcharge rate for Local Education Fees is 2%.

Thailand properties

- Corporate Income Tax (“CIT”) at 20% on gain depending on types of taxpayers
- Withholding tax at 1% to 10% depending on types of income

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.

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 = RMB0.9134 and HK\$1 = THB 4.6137.

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

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



Grace Lam
MRICS, MHKIS, RPS (GP)
Senior Director, Valuation & Advisory Services

Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam 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 Ms. Grace Lam 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. ๗๘ 078 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 interest held for investment in the PRC	189,000,000	189,000,000
Group II - Property interests held for owner- occupation in the PRC	<u>3,530,900,000</u>	<u>2,533,681,680</u>
Sub-Total	3,719,900,000	2,722,681,680

Notes:

The market value in existing state of the property interests in the PRC and attributable to the Group as at the Valuation Date was approximately HKD4,072,764,299 and HKD2,980,951,301 respectively.

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 interests held for owner occupation in Thailand	4,186,150,000	2,943,700,680

Notes:

The market value in existing state of the property interests in Thailand and attributable to the Group as at the Valuation Date was approximately RMB836,794,867 and RMB588,434,150 respectively/HKD907,330,342 and HKD638,034,697 respectively.

VALUATION REPORT

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

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2024								
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.</p> <p>The property has a GFA of approximately 6,939.29 sq m with details as follows:</p> <table border="1"> <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 3,009.68 sq m were subject to various tenancies with the last term expiring in September 2029. The total monthly rent was approximately RMB286,700 (exclusive of VAT).</p> <p>Portions of the property with a total gross floor area of approximately 1,712.42 sq m was leased to the subsidiaries of the Group expiring in October 2025 at a total monthly rent of RMB177,100 (exclusive of VAT).</p> <p>The remainder portion of the property was vacant.</p>	<p>RMB189,000,000 (RENMINBI ONE HUNDRED AND EIGHTY NINE MILLION)</p> <p>(100% interest attributable to the Group: RMB189,000,000)</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 the Shanghai Housing and Land Resources Administration Bureau on 5 and 6 November 2009, the real estate ownership of 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)特種簾線有限公司) for terms due to expire on 27 December 2054 for commercial, office and leisure uses. Details of the Real Estate Ownership Certificates are as follows:

Certificate Nos	Gross Floor Area (sq m)	Portion	Building Use
Hu Fang Di Pu Zi (2009) Di 035394	626.10	Unit 101	Retail
Hu Fang Di Pu Zi (2009) Di 035395	168.87	Unit 102	Retail
Hu Fang Di Pu Zi (2009) Di 035180	155.33	Unit 103	Retail
Hu Fang Di Pu Zi (2009) Di 035396	1,183.78	L2	Office
Hu Fang Di Pu Zi (2009) Di 035397	1,030.93	L3	Office
Hu Fang Di Pu Zi (2009) Di 035191	1,030.93	L4	Office
Hu Fang Di Pu Zi (2009) Di 035188	1,030.93	L5	Office
Hu Fang Di Pu Zi (2009) Di 035147	1,030.93	L6	Office
Hu Fang Di Pu Zi (2009) Di 034701	569.80	Unit 701	Office
Hu Fang Di Pu Zi (2009) Di 035124	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)特種簾線有限公司) 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) As advised by the Company, Xingda International (Shanghai) Special Cord Co. Ltd. (興達國際(上海)特種簾線有限公司) is a wholly owned subsidiary of the Group.
- (4) Pursuant to the tenancy agreements provided by the Company, Levels 5 and 7 of the property with gross floor areas of 1,030.93 sq m and 681.49 sq m respectively were leased to Jiangsu Xingda Steel Tyre Cord Co. Ltd. (江蘇興達鋼簾線股份有限公司) and Shanghai Xingda Steel Tyre Cord Co., Ltd. (上海興達鋼簾線有限公司) at monthly rents of RMB106,615 and RMB70,477 respectively.
- (5) 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 and Shanghai Xingda Steel Tyre Cord Co., Ltd. (上海興達鋼簾線有限公司) is a 70.32% owned subsidiary of the Group.

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

- (6) Jason Zhu, over 8 years of experience in the valuation of properties in the PRC, inspected the property in September 2024.
- (7) 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:
- 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
 - the property is not subject to any mortgage.

- (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 <i>(per sq m)</i>	Capitalization Rate
Retail: RMB150	5.25%
Office: RMB140	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 31 July 2024
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 various phases in 2015 to 2023. It comprises various buildings and structures with a total gross floor area of approximately 426,250 sq m completed.</p> <p>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.</p> <p>The land use rights of the property have been granted for a term due to expire on 1 November 2066 for industrial use. Please see Note (1).</p>	As at the Valuation Date, the property was occupied by the Company for industrial use.	<p>RMB1,225,000,000 (RENMINBI ONE BILLION TWO HUNDRED TWENTY FIVE MILLION)</p> <p>(70.32% interest attributable to the Group: RMB861,420,000)</p>

Notes:

- (1) According to 19 and 7 Real Estate Ownership Certificates all issued by Guangrao Bureau of Natural Resources and Planning dated 19 December 2023 and 14 June 2024 respectively, the real estate ownership of the property with a total site area of 548,817 sq m and a total gross floor area of 426,249.63 sq m was vested in Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼簾線有限公司) for a term due to expire on 1 November 2066 for industrial use.
- (2) According to Business Licence No. 913705005754828133 on 27 June 2011, Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼簾線有限公司) 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.
- (3) As advised by the Company, Shandong Xingda Steel Cord Co. Ltd. (山東興達鋼簾線有限公司) is a 70.32% owned subsidiary of the Group.
- (4) 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. (山東興達鋼簾線有限公司) has obtained Real Estate Ownership Certificate of portions of the property and is entitled to possess, use or transfer the property; and
 - (b) the property is not subject to any mortgage.
- (5) Hanson Han, CIREA, 13 years of experience in the valuation of properties in the PRC, inspected the property on 12 September 2024.
- (6) The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RMB354 per sq m to RMB373 per sq m.
- (7) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	RMB188,000,000
Completed Buildings	RMB1,037,000,000

- (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

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2024
<p>3. An industrial premise, No.88 Renmin West Road, Dainan Town, Xinghua City, Taizhou City, Jiangsu Province, the PRC</p>	<p>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 of transferred land in nature and 8,058 sq m of allocated land in nature. Please see Note (1), Note (2) and Note (5).</p> <p>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 1,059,046 sq m erected on transferred land and 14,952 sq m erected on allocated land, completed in during 1998 and 2024. Please see Note (1), Note (2) and Note (5).</p> <p>A Green Intelligent Factory with a total proposed gross floor area of approximately 80,272 sq m is currently under construction, expected to complete in 2025.</p> <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>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 2025.</p>	<p>RMB2,305,900,000 (RENMINBI TWO BILLION THREE HUNDRED AND FIVE MILLION NINE HUNDRED THOUSAND)</p> <p>(72.52% interest attributable to the Group: RMB1,672,261,680) (Please see Note (19))</p>

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2024
	Please see Note (1) and Note (2).		

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 1,440,752.11 sq m and a total gross floor area of 964,921.03 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.
- (2) According to Real Estate Ownership Certificate No. 2021 (0001660) issued by Xingjua Bureau of Natural Resources and Planning, the real estate ownership of portion of the property with a total site area of 146,508.70 sq m and a total gross floor area of 94,124.99 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.
- (3) As advised by the Company, portion of the property with a total gross floor area of 7,586.63 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 in Note (3).
- (5) According to Real Estate Ownership Certificate No. (2020) 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 in Note (5) due to the non-assignment restriction of allocated land nature of the said portion.
- (7) According to Planning Permit for Construction Works No. 3212812024GG0027466 issued by the Natural Resources and Planning Bureau of Xinghua City on 26 February 2024, the construction works of the development (Green Intelligent Factory) with a total gross floor area of approximately 80,272.09 sq m are in compliance with the construction works requirements and have been approved.
- (8) According to Permit for Commencement of Construction Works No. 321281202403180101 issued by the People's Government of Dainan Town of Xinghua City on 18 March 2024, the construction works of the development (Green Intelligent Factory) with a total gross floor area of approximately 80,272.09 sq m is in compliance with the requirement for works commencement and has been permitted.
- (9) 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.
- (10) 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.
- (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 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 RMB51,900,000. The estimated total construction cost was RMB117,600,000. In the course of our valuation, we have taken into account for such costs.

- (14) The development value of the under development portion of the property as if completed as at Valuation Date was RMB117,600,000. The said portion will be completed in 2025.
- (15) We have been provided with a legal opinion/advice 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;
 - (c) the Group has obtained certain construction permits for the buildings under construction which have not obtained Building Ownership Certificate. There is no material legal obstacles for the Group to possess or use the said portion; and
 - (d) buildings located outside the site boundary may face risks from the Natural Resources Authority of the County Government or higher. Such risks include orders to return illegally occupied land, mandates to dismantle structures within a specified timeframe, or confiscation of buildings and other facilities. Additionally, fines ranging from RMB100 to 1,000 per sq m for illegal land occupation may be imposed.
- (16) Hui Huang, CIREA, 14 years of experience in the valuation of properties in the PRC, inspected the property on 19 September 2024.
- (17) The average unit rate of industrial land parcels in the locality as at the Valuation Date is about RMB278 per sq m.
- (18) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	RMB405,000,000
Completed Buildings	RMB1,849,000,000
Buildings Under Development	RMB51,900,000

- (19) Breakdown of the Market Value by property owner

Owner	Value as at Valuation Date
Taizhou Xingda Special Wire Rope Co. Ltd.	RMB171,000,000
Jiangsu Xingda Steel Tyre Cord Co. Ltd.	RMB2,134,900,000

- (20) 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
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	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 31 July 2024																								
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	<p>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.</p> <p>As of inspection date, there have been some additional construction built and replaced from November 2022 for electroplating workshop, roofing stainless sheet, installation of 10 MV photovoltaic (PV) Hybrid System as well as repair/change the broken/out of order items of the utilities system.</p> <p>The property has a total gross floor area of approximately 110,914.00 sq m. Details summarized as follows.</p> <table border="1"> <thead> <tr> <th>Type of property</th> <th>GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Product Storage</td> <td>14,280.00</td> </tr> <tr> <td>Strand Workshop</td> <td>22,860.00</td> </tr> <tr> <td>Water Tank</td> <td></td> </tr> <tr> <td>Workshop</td> <td>26,416.00</td> </tr> <tr> <td>Electroplating</td> <td></td> </tr> <tr> <td>Workshop</td> <td>43,032.00</td> </tr> <tr> <td>Office Building</td> <td>2,636.00</td> </tr> <tr> <td>Canteen Building</td> <td>1,690.00</td> </tr> <tr> <td>Total:</td> <td>110,914.00</td> </tr> <tr> <td>Other Improvement</td> <td>39,295.00</td> </tr> <tr> <td>Total Building and Improvements</td> <td>150,209.00</td> </tr> </tbody> </table>	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:	110,914.00	Other Improvement	39,295.00	Total Building and Improvements	150,209.00	As at the Valuation Date, the property was occupied by the Company for industrial use.	<p>THB4,033,400,000 (THAI BAHT FOUR BILLION THIRTY THREE MILLION AND FOUR HUNDRED THOUSAND)</p> <p>(70.32% interest attributable to the Group: THB2,836,286,880)</p>
Type of property	GFA (sq m)																										
Product Storage	14,280.00																										
Strand Workshop	22,860.00																										
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Total Building and Improvements	150,209.00																										

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2024
	<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	
				Ngan	Sq wah
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 THB539,600,000 equivalent to approximate 70% completed as at date of valuation. Estimated outstanding cost to complete the project would be around THB200 million.

- (4) As advised by the Company, Xingda Steel Cord (Thailand) Co., Ltd is a 70.32% owned subsidiary of the Group.
- (5) Noppadon Srithiamthong, Qualified Senior Valuer, over 20 years of experience in the valuation of properties in Thailand, inspected the property on 16 September 2024.
- (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 THB4,350,000 per Rai.
- (7) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	THB402,500,000 (Approximately RMB80,458,162)
Completed Buildings	THB3,630,900,000 (Approximately RMB725,802,583)

- (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

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2024
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	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. 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.	THB152,750,000 (THAI BAHT ONE HUNDRED FIFTY TWO MILLION AND SEVEN HUNDRED FIFTY THOUSAND) (70.32% interest attributable to the Group: THB107,413,800)

Floor	GFA (sq m)	
	Building A 6-Storey	Building B 2-Storey
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

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).

The property is held in freehold.

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) According to the information provided 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 the Company, Xingda Steel Cord (Thailand) Co., Ltd is a 70.32% owned subsidiary of the Group.
- (5) Tatchada Supakornpichan, Qualified Senior Valuer, over 20 years of experience in the valuation of properties in Thailand, inspected the property on 16 September 2024.
- (6) The average unit rate of residential land parcels in the locality as at the Valuation Date is in the range of THB2,000,000 per Rai to THB6,500,000 per Rai.
- (7) Breakdown of the Market Value of the property

Portion	Value as at Valuation Date
Land	THB27,420,000 (Approximately RMB5,481,150)
Completed Buildings	THB125,330,000 (Approximately RMB25,052,972)

- (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