

### **The Board of Directors**

Capxon International Electronic Company Limited  
P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman, KY1-1205  
Cayman Islands

31 August 2020

Dear Sirs,

### **INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Values of the property interests held by Capxon International Electronic Company Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries, searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at 30 June 2020 (the “Valuation Date”).

### **VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors effective from 30 December 2017 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2020; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited; and Rule 11 of the Hong Kong Code on Takeovers and Mergers published by the Securities and Futures Commission.

### **VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value 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”.

As per the information provided by the Group, the property interests held by the Group do not comprise land being developed or with immediate development potential.

### **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale.

## POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests include:

- (a) Property interests located in The People's Republic of China ("The PRC"):
- (i) Value added tax on the consideration at a rate of 9% (plus a surcharge)
  - (ii) Corporate income tax on the profit from the sale of property at a rate of 25%; and
  - (i) Land value appreciation tax on appreciated land value at progressive tax rates as follows:

<b>Appreciated land value</b>	<b>Progressive tax rate</b>
Not more than 50%	30%
More than 50% but not more than 100%	40%
More than 100% but not more than 200%	50%
More than 200%	60%
- (b) Property interests located in Taiwan:
- (i) Corporate income tax on the profit from the sale of property at a rate of 20%;
  - (ii) Land value appreciation tax on appreciated land value at progressive tax rates as follows: and

<b>Appreciated land value</b>	<b>Progressive tax rate</b>
Not more than 100%	20%
More than 100% but not more than 200%	30%*
More than 200%	40%*

\*adjusted by terms of ownership rights of land held and inflation
  - (iii) Integrated housing and land tax on profit from the sale of property minus appreciated land value at rate of 20% (incorporated into corporate income tax assessment).

For the property interests held by the Group in Group 1 and Group 2, they are continued to be held by the Group and with no intention for disposal. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

## VALUATION METHODOLOGY

The property interests in Group 1 comprise purpose-built industrial plants, which have limited comparable sales in the market. Hence, when valuing the property interests in Group 1, we have adopted Cost Approach.

The property interests in Group 2 comprise various industrial units of a standard industrial building, which have sufficient comparable sales in the market. Hence, when valuing the property interests in Group 2, we have adopted Market Approach.

Cost Approach is subject to an assumption of adequate potential profitability of the business (or to service potential of the entity from the use of assets as a whole) paying due regard to the total assets employed. This technique is based on an estimate of the value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of the land, reference has been made to the land sale transactions as available in the locality. It generally provides the most reliable indication of value for a property in the absence of a known market based on comparable sales.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

## **LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Group.

We have relied on the advices given by The PRC legal adviser of the Group, Tian Yuan Law Firm, and Taiwan legal adviser of the Group, Chien Yeh Law Offices, regarding the titles of the property interests in The PRC and Taiwan respectively. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal advisers.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

## **INFORMATION SOURCES**

We have relied to a considerable extent on the information provided by the Group and the legal advisers, in respect of the titles of the property interests in The PRC and Taiwan. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation.

## **INSPECTION AND INVESTIGATIONS**

The properties were inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

## CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi ("RMB") and New Taiwan Dollar ("TWD"). The exchange rate adopted in our valuation is approximately TWD1.00 = RMB0.24 which was approximately the prevailing exchange rates as at the Valuation Date.

The valuation summary and the valuation certificates are attached hereto.

Yours faithfully,  
For and on behalf of

**Vincorn Consulting and Appraisal Limited**



**Vincent Cheung**

BSc (Hons) MBA FRICS MHKIS RPS(GP) MCIREA

MHKSJ MISCM MHIREA

Registered Real Estate Appraiser & Agent PRC

Managing Director

### Note:

*Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region ("Hong Kong"), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators and a Registered Real Estate Appraiser and Agent People's Republic of China. He is suitably qualified to carry out the valuation and has over 23 years of experience in the valuation of properties of this magnitude and nature in the subject region.*

## VALUATION SUMMARY

### Group 1 - Property Interests Held by the Group for Occupation in The PRC

No.	Property	Market Value as at 30 June 2020	Interest Attributable to the Group	Market Value as at 30 June 2020 Attributable to the Group
1	An Industrial Plant Located at No. 4132 Songbai Road, Guangming District, Shenzhen, Guangdong Province, The PRC	RMB419,200,000	100%	RMB419,200,000
2	An Industrial Plant Located at No. 168 Jiangnan Avenue, Dianjun District, Yichang, Hubei Province, The PRC	RMB192,300,000	100%	RMB192,300,000
3	An Industrial Plant Located at Nanraocheng Road, Guchengwan Town, Donghe District, Baotou, Inner Mongolia Autonomous Region, The PRC	RMB68,700,000	100%	RMB68,700,000
Sub-total:		RMB680,200,000		RMB680,200,000

### Group 2 - Property Interests Held by the Group for Occupation in Taiwan

No.	Property	Market Value as at 30 June 2020	Interest Attributable to the Group	Market Value as at 30 June 2020 Attributable to the Group
4	Industrial Units on 5th Floor and Car Parking Space Nos. 6, 7, 8, 9, 10, 11, 19, 20, 21, 38, 39 and 40 on Basement 3rd Floor, Nos. 155- 157 & 165-167 Da Tong Road 2nd Section, Xizhi District, New Taipei City, Taiwan	TWD92,800,000  (RMB22,272,000)	100%	TWD92,800,000  (RMB22,272,000)
Sub-total:		TWD92,800,000  (RMB22,272,000)		TWD92,800,000  (RMB22,272,000)
<b>Total:</b>		<b>RMB702,472,000</b>		<b>RMB702,472,000</b>

## VALUATION CERTIFICATE

### Group I - Property Interests Held by the Group for Occupation in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 30 June 2020
I	An Industrial Plant Located at No. 4132 Songbai Road, Guangming District, Shenzhen, Guangdong Province, The PRC	<p>The property comprises a parcel of land, on which four workshops, four dormitories, a composite dormitory with a canteen therein, an office and various ancillary buildings are erected.</p> <p>As per the Real Estate Title Certificate, the subject site has a site area of approximately 59,898.10 square metres ("sq.m."). As per the Real Estate Title Certificate and the information provided by the Group, the property has a total Gross Floor Area ("GFA") of approximately 98,557.93 sq.m. As per the Real Estate Title Certificate, it was completed in about 2007.</p> <p>The land use rights of the property were granted for a term expiring on 29 June 2050 for industrial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group for industrial purposes.	<p>RMB419,200,000 (Renminbi Four Hundred Nineteen Million and Two Hundred Thousand)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB419,200,000 (Renminbi Four Hundred Nineteen Million and Two Hundred Thousand)</p>

#### **Notes:**

1. The property was inspected by Xiaolong Liu *MComm* with an experience of 5 years in the real estate and construction industry on 12 June 2020.
2. The valuation and this certificate were prepared by Vincent Cheung *FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC*.
3. Pursuant to a State-owned Land Use Rights Grant Contract, Shen Di He Zi (2000) No. 4048 dated 30 June 2000 and entered into between Shenzhen Planning State-owned Land Bureau and 豐賓電子(深圳)有限公司, the land use rights of the property with a site area of 59,898.10 sq.m. were granted to 豐賓電子(深圳)有限公司 for a term of 50 years for industrial uses at a consideration of RMB5,217,940.
4. Pursuant to the Real Estate Title Certificate, Shen Fang Di Zi No. 8000101283 dated 9 August 2010 and issued by Shenzhen Real Estate Title Registration Centre, the land use rights of the property with a site area of 59,898.10 sq.m. and the building ownership rights of a portion of the property with a total GFA of 87,257.93 sq.m. were legally vested in 豐賓電子(深圳)有限公司. The land use rights were granted for a term expiring on 29 June 2050 for industrial uses.
5. As per the Real Estate Title Certificate, the property is restricted for industrial uses only.
6. Pursuant to a Mortgage Agreement, 07300DY20198022 dated 17 January 2019 and entered into between 寧波銀行股份有限公司深圳分行 as the lender and 豐賓電子(深圳)有限公司 as the borrower, the property was subject to a mortgage with a maximum loan amount of RMB250,000,000.
7. The general description and market information of the property are summarized below:  
 Location : The property is located at No. 4132 Songbai Road, Guangming

District, Shenzhen, Guangdong Province, The PRC

Transportation : Shenzhen Bao'an International Airport and Guangmingcheng Railway Station are located approximately 30 kilometres and 8 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Guangming District.

8. 豐賓電子(深圳)有限公司 is an indirect wholly-owned subsidiary of the Group.
9. We have been provided with a legal opinion regarding the property by Tian Yuan Law Firm, which contains, inter alia, the following:
  - (a) 豐賓電子(深圳)有限公司 has legally obtained the relevant title certificates of the property and legally owned the state-owned land use rights and building ownership rights of the property during the land use rights term stated on the title certificates;
  - (b) 豐賓電子(深圳)有限公司 can occupy, use and make profit from the relevant state-owned land use rights and building ownership rights of the property in accordance with relevant laws and regulations and subject to the limitations from the mortgagee;
  - (c) The state-owned land use rights and building ownership rights of the property are subject to a mortgage. The mortgagee is 寧波銀行股份有限公司深圳分行; and
  - (d) Various ancillary buildings of the property have not obtained the relevant title certificates of land use rights and building ownership rights.
10. As advised by the Group, various ancillary buildings of the property with a total GFA of approximately 11,300.00 sq.m. are yet to be granted with a proper title certificate of building ownership rights. In the course of our valuation, we have attributed no commercial value to that portion of the property. The reference value of that portion of the property, assuming that it has been granted with a proper title certificate of building ownership rights and it can be freely transferred, as at the Valuation Date was circa RMB22,800,000.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 30 June 2020
2	An Industrial Plant Located at No. 168 Jiangnan Avenue, Dianjun District, Yichang, Hubei Province, The PRC	<p>The property comprises a parcel of land, on which three workshops, a dormitory, a research and development building and four ancillary buildings are erected.</p> <p>As per the State-owned Land Use Rights Certificates, the subject site has a site area of approximately 163,333.18 sq.m. As per the Building Ownership Certificates, the property has a total GFA of approximately 65,715.66 sq.m. As per the Construction Project Work Completion Certificates, it was completed in various stages between 2004 and 2006.</p> <p>The land use rights of the property were granted for a term expiring on 11 August 2055 for industrial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group for industrial purposes.	<p>RMB192,300,000 (Renminbi One Hundred Ninety Two Million and Three Hundred Thousand)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB192,300,000 (Renminbi One Hundred Ninety Two Million and Three Hundred Thousand)</p>

**Notes:**

- The property was inspected by Yajun Wang BEng with an experience of 5 years in the real estate and construction industry on 17 June 2020.
- The valuation and this certificate were prepared by Vincent Cheung FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA Registered Real Estate Appraiser & Agent PRC and Kit Cheung MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC.
- Pursuant to a State-owned Land Use Rights Grant Contract, dated 5 August 2001 and entered into between Yichang Land Administration Bureau Dianjun Land Administration Branch and 豐賓電子科技（宜昌三峽）有限公司, the land use rights of a portion of the property with a site area of 80,027.55 sq.m. were granted to 豐賓電子科技（宜昌三峽）有限公司 for a term of 50 years for industrial uses at a consideration of RMB7,202,479.50.
- Pursuant to 13 State-owned Land Use Rights Certificates, dated 1 September 2008 and issued by Yichang State-owned Land Resources Bureau, the land use rights of the property with a total site area of 163,333.18 sq.m. were granted to 凱普松電子科技（宜昌三峽）有限公司 for a term expiring on 11 August 2055 for industrial uses.

The details of the State-owned Land Use Rights Certificates are summarized below:

<u>Certificate No.</u>	<u>Site Area (sq.m.)</u>
Yi Shi Guo Yong (2008) Di No. 030101078-1	8,305.78
Yi Shi Guo Yong (2008) Di No. 030101078-2	12,462.13
Yi Shi Guo Yong (2008) Di No. 030101078-3	9,407.82
Yi Shi Guo Yong (2008) Di No. 030101078-4	1,001.97
Yi Shi Guo Yong (2008) Di No. 030101078-5	534.36
Yi Shi Guo Yong (2008) Di No. 030101078-6	2,564.49
Yi Shi Guo Yong (2008) Di No. 030101078-7	1,593.31
Yi Shi Guo Yong (2008) Di No. 030101078-8	2,018.60
Yi Shi Guo Yong (2008) Di No. 030101078-9	121.97



<b>Certificate No.</b>	<b>Site Area (sq.m.)</b>
Yi Shi Guo Yong (2008) Di No. 030101078-10	31,241.41
Yi Shi Guo Yong (2008) Di No. 030101078-11	48,847.01
Yi Shi Guo Yong (2008) Di No. 030101078-12	6,673.72
Yi Shi Guo Yong (2008) Di No. 030101078-13	38,560.01
<b>Total</b>	<b>163,333.18</b>

5. Pursuant to nine Building Ownership Certificates, issued by Yichang Real Estate Administration Bureau, the building ownership rights of the property with a total GFA of 65,715.66 sq.m. were legally vested in 凱普松電子科技(宜昌三峽)有限公司.

The details of the Building Ownership Certificates are summarized below:

<b>Certificate No.</b>	<b>Portion</b>	<b>GFA (sq.m.)</b>	<b>Planned Use</b>
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184300	Workshop No. 1	14,763.48	Workshop & Office
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0216337	Workshop No. 2	15,936.03	Workshop
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184302	Workshop No. 3	20,493.83	Workshop & Office
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184374	Electrical Room	740.77	Others
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184328	Boiler Room	401.63	Others
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0199176	Staff Dormitory	7,786.41	Residential
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184330	Water Filtration Plant	1,362.56	Workshop
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184298	Research and Development Building	4,143.35	Workshop & Office
Yi Shi Fang Quan Zheng Dian Jun Zi Di No. 0184296	Sewage Treatment Plant	87.60	Others
<b>Total</b>		<b>65,715.66</b>	

6. As per the State-owned Land Use Rights Certificates, the property is restricted for industrial uses only.
7. The general description and market information of the property are summarized below:
- Location : The property is located at No. 168 Jiangnan Avenue, Dianjun District, Yichang, Hubei Province, The PRC
- Transportation : Yichang Sanxia Airport and Yichang Railway Station are located approximately 40 kilometres and 11 kilometres away from the property respectively.
- Nature of Surrounding Area : The area is predominately an industrial area in Dianjun District.
8. 豐賓電子科技(宜昌三峽)有限公司 is an indirect wholly-owned subsidiary of the Group.
9. We have been provided with a legal opinion regarding the property by Tian Yuan Law Firm, which contains, inter alia, the following:
- (a) 凱普松電子科技(宜昌三峽)有限公司 has legally obtained the relevant title certificates of the property and legally owned the state-owned land use rights and building ownership rights of the property during the land use rights term stated on the title certificates; and
- (b) 凱普松電子科技(宜昌三峽)有限公司 can occupy, use, make profit from and handle the relevant state-owned land use rights and building ownership rights of the property in accordance with relevant laws and regulations.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 30 June 2020
3	An Industrial Plant Located at Nanraocheng Road, Guchengwan Town, Donghe District, Baotou, Inner Mongolia Autonomous Region, The PRC	<p>The property comprises a parcel of land, on which two workshops, a dormitory, an electrical room and a guardhouse is erected.</p> <p>As per the State-owned Land Use Rights Certificate, the subject site has a site area of approximately 73,462.20 sq.m. As per the Building Ownership Certificates and the information provided by the Group, the property has a total GFA of approximately 24,652.64 sq.m. As per the information provided by the Group, it was completed in various stages between 2007 and 2010.</p> <p>The land use rights of the property were granted for a term expiring on 17 January 2053 for industrial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group for industrial purposes.	<p>RMB68,700,000 (Renminbi Sixty Eight Million and Seven Hundred Thousand)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB68,700,000 (Renminbi Sixty Eight Million and Seven Hundred Thousand)</p>

**Notes:**

- The property was inspected by Yajun Wang BEng with an experience of 5 years in the real estate and construction industry on 16 June 2020.
- The valuation and this certificate were prepared by Vincent Cheung FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA Registered Real Estate Appraiser & Agent PRC and Kit Cheung MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC.
- Pursuant to a Contract, dated 7 January 2006 and entered into between Baotou Donghe District People's Government and 凱普松電子科技集團, the land use rights of the master site of the property with a site area of approximately 133,333.33 sq.m. were granted to 凱普松電子科技集團 at a consideration of RMB8,000,000.
- Pursuant to a State-owned Land Use Rights Certificate, Bao Guo Yong (2007) Di No. 200021 dated 23 March 2007 and issued by Baotou State-owned Land Resources Bureau, the land use rights of the property with a site area of 73,462.20 sq.m. were granted to 凱普松電子科技(包頭)有限公司 for a term expiring on 17 January 2053 for industrial uses.
- Pursuant to two Building Ownership Certificates, dated 9 July 2010 and issued by Baotou Real Estate Title Administration Department, the building ownership rights of a portion of the property with a total GFA of 18,852.64 sq.m. were legally vested in 凱普松電子科技(包頭)有限公司.

The details of the Building Ownership Certificates are summarized below:

Certificate No.	GFA (sq.m.)	Planned Use
Bao Fang Quan Zheng Dong Zi Di No. 488732	1,308.00	Industrial
Bao Fang Quan Zheng Dong Zi Di No. 488733	17,544.64	Industrial
<b>Total</b>	<b>18,852.64</b>	

- As per the State-owned Land Use Rights Certificates, the property is restricted for industrial uses only.

7. Pursuant to a Mortgage Agreement, 2019 Nian Zhong Yin Bao Dong Si Di Zi Di No. KPS001 dated 23 September 2019 and entered into between 中國銀行股份有限公司包頭市東河支行 as the lender and 凱普松電子科技（包頭）有限公司 as the borrower, the land use rights and building ownership rights of the property were subject to mortgage with a maximum loan amount of RMB10,000,000.
8. The general description and market information of the property are summarized below:
 

Location	: The property is located at Nanraocheng Road, Guchengwan Town, Donghe District, Baotou, Inner Mongolia Autonomous Region, The PRC.
Transportation	: Baotou Donghe Airport and Guchengwan Railway Station are located approximately 15 kilometres and 6 kilometres away from the property respectively.
Nature of Surrounding Area	: The area is predominately an industrial area in Donghe District.
9. 凱普松電子科技(包頭)有限公司 is an indirect wholly-owned subsidiary of the Group.
10. We have been provided with a legal opinion regarding the property by Tian Yuan Law Firm, which contains, inter alia, the following:
  - (a) 凱普松電子科技（包頭）有限公司 has legally obtained the relevant title certificates of the property and legally owned the state-owned land use rights and building ownership rights of the property during the land use rights term stated on the title certificates;
  - (b) 凱普松電子科技（包頭）有限公司 can occupy, use and make profit from the relevant state-owned land use rights and building ownership rights of the property in accordance with relevant laws and regulations and subject to the limitations from the mortgagee;
  - (c) The state-owned land use rights and building ownership rights of the property are subject to a mortgage. The mortgagee is 中國銀行股份有限公司包頭市東河支行; and
  - (d) A portion of the master site of the property and various buildings erected thereon have not obtained the relevant title certificates of land use rights and building ownership rights.
11. As advised by the Group, a portion of the master site of the property and various buildings erected thereon with a site area of approximately 59,871.80 sq.m. and a total GFA of approximately 5,800.00 sq.m. is yet to be granted with a proper title certificates of land use rights and building ownership rights. In the course of our valuation, we have attributed no commercial value to that portion of the property. The reference value of that portion of the property, assuming that it has been granted with a proper title certificates of land use rights and building ownership rights and it can be freely transferred, as at the Valuation Date was circa RMB30,500,000.

## Group 2 - Property Interests Held by the Group for Occupation in Taiwan

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 30 June 2020
4	Industrial Units on 5th Floor and Car Parking Space Nos. 6, 7, 8, 9, 10, 11, 19, 20, 21, 38, 39 and 40 on Basement 3rd Floor, Nos. 155-157 & 165-167 Da Tong Road 2nd Section, Xizhi District, New Taipei City, Taiwan	<p>The property comprises four industrial units on 5th Floor and 12 car parking spaces on Basement 3rd Floor of a 10-storey (plus 3-storey basement) industrial building.</p> <p>As per the Land Title Certificates, the subject site has a total apportioned site area of approximately 196.09 sq.m. As per the Building Title Certificates, the property has a total GFA of approximately 1,738.36 sq.m. As per the Building Title Certificates, it was completed in about 1999.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group for industrial purposes.	<p>TWD 92,800,000 (New Taiwan Dollar Ninety Two Million and Eight Hundred Thousand)</p> <p>100% Interest Attributable to the Group:</p> <p>TWD92,800,000 (New Taiwan Dollar Ninety Two Million and Eight Hundred Thousand)</p>

### Notes:

- The property was inspected by Junlang Hu MSc BEng with an experience of 6 years in the real estate and construction industry on 13 June 2020.
- The valuation and this certificate were prepared by Vincent Cheung FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA Registered Real Estate Appraiser & Agent PRC and Kit Cheung MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC.
- Pursuant to three Land Title Certificates, dated 29 April 2019 and issued by New Taipei City Xizhi Land Office, the registered owner of the property with a total apportioned site area of 196.09 sq.m. is 英屬維京群島商凱普松科技股份有限公司.

The details of the Land Title Certificates are summarized below:

Certificate No.	Lot No.	Apportioned Site Area (sq.m.)
108 Xi Dian Zi Di No. 023566 Xi Zhi Qu Hao Tian Duan No. 0761-0000	Xi Zhi Qu Hao Tian Duan No. 0761-0000	190.75
108 Xi Dian Zi Di No. 023567 Xi Zhi Qu Hao Tian Duan No. 07612-0000	Xi Zhi Qu Hao Tian Duan No. 0762-0000	2.50
108 Xi Dian Zi Di No. 023568 Xi Zhi Qu Hao Tian Duan No. 07613-0000	Xi Zhi Qu Hao Tian Duan No. 0763-0000	2.84
<b>Total</b>		<b>196.09</b>

- Pursuant to four Building Title Certificates, dated 29 April 2019 and issued by New Taipei City Xizhi Land Office, the registered owner of the property with a total GFA of 1,738.36 sq.m. is 英屬維京群島商凱普松科技股份有限公司.

The details of the Building Title Certificates are summarized below:

Certificate No.	Portion	GFA (sq.m.)
108 Xi Jian Dian Zi Di No. 006469	5th Floor, No. 155 Da Tong Road 2nd Section (including Car Parking Space No. 8)	352.73

<b>Certificate No.</b>	<b>Portion</b>	<b>GFA (sq.m.)</b>
108 Xi Jian Dian Zi Di No. 006470	5th Floor, No. 157 Da Tong Road 2nd Section (including Car Parking Space No. 9)	356.84
108 Xi Jian Dian Zi Di No. 006471	5th Floor, No. 165 Da Tong Road 2nd Section (including Car Parking Space Nos. 6, 7, 10, 11, 19, 21, 38, 39 & 40)	554.92
108 Xi Jian Dian Zi Di No. 006472	5th Floor, No. 167 Da Tong Road 2nd Section (including Car Parking Space No. 20)	473.88
<b>Total</b>		<b>1,738.36</b>

5. 英屬維京群島商凱普松科技股份有限公司 is an indirect wholly-owned subsidiary of the Group.
6. Pursuant to Mortgage Agreement, dated 30 May 2019 and entered into between 華南商業銀行股份有限公司 as the lender and 英屬維京群島商凱普松科技股份有限公司台灣分公司 as the borrower, the property was subject to a mortgage with a maximum loan amount of TWD63,000,000.
7. The general description and market information of the property are summarized below:
 

Location	: The property is located at Nos. 155-157 & 165-167 Da Tong Road 2nd Section, Xizhi District, New Taipei City, Taiwan.
Transportation	: Taipei Songshan Airport and Xike Railway Station are located approximately 12 kilometres and 1 kilometre away from the property respectively.
Nature of Surrounding Area	: The area is predominately an industrial and commercial area in Xizhi District.
8. We have been provided with a legal opinion regarding the property by Chien Yeh Law Offices, which contains, inter alia, the following:
  - (a) 英屬維京群島商凱普松科技股份有限公司 has legally obtained the ownership rights of the land and buildings of the property;
  - (b) 英屬維京群島商凱普松科技股份有限公司 can use, let, transfer, mortgage and handle the property; and
  - (c) The land and buildings of the property are subject to a mortgage. The mortgagee is 華南商業銀行股份有限公司.