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Company Licence No : C-030171

仲量聯行企業評估及諮詢有限公司
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公司牌照號碼 : C-030171

24 April 2017

The Board of Directors
Xingfa Aluminium Holdings Limited
Unit 605, 6/F, Wing On Plaza,
62 Mody Road, Tsim Sha Tsui East, Kowloon,
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests held by Xingfa Aluminium Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 28 February 2017 (the "valuation date").

Our valuation is carried out on a market value basis. 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".

In valuing property nos. 1, 2 and Part A of property no. 3 in Group I which are held and occupied by the Group, due to the nature of the buildings and structures of the properties and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have therefore been valued by cost approach with reference to their depreciated replacement cost.



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Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it 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 valuing property nos. 4 and 5 in Group II and Part B of property no. 3 in Group I which were held under development as at the valuation date, we have assumed that they would be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparables as available in the relevant market for property no. 5 and cost approach for property no.4 and Part B of property no. 3, and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development.

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 value of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation-Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.



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We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates, Building Ownership Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Group's PRC legal adviser – Jun He LLP, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in the period between October 2016 and March 2017 by 6 professional staff including Mr. Legend Zhan, Mr. Larry Li, Mr. Jake Zhong, Ms. Bella He, Ms. Tinnie Zhu and Ms. Anna Liang. They have 1 to 8 years' experience in the valuation of properties in the PRC and possess bachelor or master degree in real estate valuation, construction project budget and real estate financing.



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We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificates are attached below for your attention.

As advised by the Group, the potential tax liabilities which would arise if the property nos. 1 to 5 of the Group specified in this report were to be sold at the amount of the valuation is estimated to be approximately RMB177,900,000, of which the potential tax liabilities for property no.5 is estimated to be approximately RMB41,000,000. The taxes mainly include value added tax (5% of the transaction amount), land appreciation tax (30% to 60% of appreciated amount), deed tax (3% of the transaction amount) and stamp duty (0.05% of the transaction amount). As confirmed by the Group, property no.5 is intended to be sold to various third parties. For property nos. 1 to 4, the Group have no intention to sell those properties as they are mainly occupied for production. Therefore, the possibility of incurrence of such tax liabilities for property nos. 1 to 4 is very remote.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

A handwritten signature in black ink, appearing to read "Eddie T.W. Yiu", written in a cursive style.

Eddie T.W. Yiu

MRICS MHKIS RPS (GP)

Director

Notes: Eddie T.W. Yiu is a Chartered Surveyor who has 23 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.



SUMMARY OF VALUES

Group I – Property interests held and occupied by the Group in the PRC

No.	Property	Market value in existing state as at 28 February 2017 RMB
1.	A parcel of land, 22 buildings and various structures located at No. 5 of Zone D of Science and Technology Industrial Park Leping Town Sanshui District Foshan City Guangdong Province The PRC	523,100,000
2.	11 parcels of land, 10 buildings and various structures located at No.100 Jingfa Avenue Economic and Technological Development District Yichun City Jiangxi Province The PRC	272,100,000
3.	A parcel of land, 5 completed buildings and 2 buildings under construction located at the northern side of Jiaoke Road and the western side of Yizhuang Sanjie Farmland Qinyang City Henan Province The PRC	186,500,000
	Sub-total:	<hr/> 981,700,000 <hr/>



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Group II – Property interest held under development by the Group in the PRC

No.	Property	Market value in existing state as at 28 February 2017 RMB
4.	2 parcels of land, 14 buildings and various structures under development located at No. 1589 Kong Gang Forth Road Xi Hang Gang Industrial Zone Shuangliu District Chengdu City Sichuan Province The PRC	328,700,000
5.	Project Xingfa Plaza located at the northern side of Jihua Road and the western side of Changang Road Chancheng District Foshan City Guangdong Province The PRC	392,600,000
	Sub-total:	<u>721,300,000</u>
	Grand-total:	<u><u>1,703,000,000</u></u>



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VALUATION CERTIFICATE

Group I – Property interests held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017 RMB															
1.	A parcel of land, 22 buildings and various structures located at No. 5 of Zone D of Science and Technology Industrial Park Leping Town Sanshui District Foshan City Guangdong Province The PRC	The property comprises a parcel of land with a site area of approximately 497,955.70 sq.m and 22 buildings and various structures erected thereon which were completed in various stages between 2008 and 2016. The buildings have a total gross floor area of approximately 273,275.13 sq.m. and the details are set out as follows:	As at the valuation date, the property was occupied by the Group for production, office and dormitory purposes.	523,100,000															
			<table border="1"> <thead> <tr> <th>Use</th> <th>No. of Item</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: center;">13</td> <td style="text-align: right;">227,496.90</td> </tr> <tr> <td>Office</td> <td style="text-align: center;">1</td> <td style="text-align: right;">17,199.00</td> </tr> <tr> <td>Dormitory</td> <td style="text-align: center;">8</td> <td style="text-align: right;">28,579.23</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">22</td> <td style="text-align: right;">273,275.13</td> </tr> </tbody> </table>	Use	No. of Item	Gross Floor Area (sq.m.)	Production	13	227,496.90	Office	1	17,199.00	Dormitory	8	28,579.23	Total	22	273,275.13	
Use	No. of Item	Gross Floor Area (sq.m.)																	
Production	13	227,496.90																	
Office	1	17,199.00																	
Dormitory	8	28,579.23																	
Total	22	273,275.13																	

The structures mainly include plant area, roads, walls, sport yard and landscaped facilities.

The land use rights of the property have been granted for a term of 50 years expiring on 4 September 2056 for industrial use.

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Fo San Guo Yong (2009) Di No. 20093100307, the land use rights of a parcel of land with a site area of approximately 497,955.70 sq.m. have been granted to Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”, a 100%-owned subsidiary of the Company), for a term of 50 years expiring on 4 September 2056 for industrial use.



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2. Pursuant to 21 Real Estate Title Certificates, 21 buildings of the property with a total gross floor area of approximately 256,076.13 sq.m. are owned by Guangdong Xingfa. The relevant land use rights of the property have been granted to Guangdong Xingfa for a term of 50 years expiring on 4 September 2056 for industrial use. The details are set out as follows:

No.	Certificate No.	Gross Floor Area (sq.m.)	Usage
(1)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062650	13,355.80	Industrial
(2)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062651	3,527.32	Dormitory
(3)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062652	12,096.00	Industrial
(4)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062653	15,984.00	Industrial
(5)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062654	15,911.35	Industrial
(6)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062655	16,650.00	Industrial
(7)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062656	3,434.99	Dormitory
(8)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062657	12,096.00	Industrial
(9)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062660	3,443.60	Dormitory
(10)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062661	3,358.40	Dormitory
(11)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410062662	3,527.32	Dormitory
(12)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102941	7,043.74	Dormitory
(13)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102942	4,835.22	Dormitory
(14)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102943	4,243.86	Dormitory
(15)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102944	15,984.00	Industrial
(16)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102945	44,986.00	Industrial
(17)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102946	12,501.30	Industrial
(18)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102947	18,576.00	Industrial
(19)	Yue Fang Di Quan Zheng Fo Zi Di No. 0410102948	14,299.23	Industrial
(20)	Yue Fang Di Quan Zheng Fo Zi Di No. 0430003199	17,982.00	Industrial
(21)	Yue Fang Di Quan Zheng Fo Zi Di No. 0430003200	<u>12,240.00</u>	Industrial
	Total:	<u>256,076.13</u>	

3. As advised by the Group, the Real Estate Title Certificate of the office building of the property with a gross floor area of approximately 17,199.00 sq.m. is under application.

4. In the valuation of the property, we have attributed no commercial value to the office building (excluding the land portion) of the property mentioned in note 3 of which the Real Estate Title Certificate have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of this building (excluding the land portion) as at the valuation date would be RMB26,600,000 assuming all relevant title certificates have been obtained and they could be freely transferred.



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5. Pursuant to 3 Mortgage Contracts of Maximum Amount – GDY476630120092165, GDY476630120152127 and GDY476630120132155, the land use rights of the property and the ownership of 21 buildings of the property (under the State-owned Land Use Rights Certificate – Fo San Guo Yong (2009) Di No. 20093100307 and the Real Estate Title Certificates – Yue Fang Di Quan Zheng Fo Zi Di Nos. 0430003199 to 0430003200, Yue Fang Di Quan Zheng Fo Zi Di Nos. 0410062650 to 0410062657, 0410062660 to 0410062662, and 0410102941 to 0410102948) are subject to the mortgages in favour of Bank of China Limited Foshan Sub-Branch.
6. We have been provided with a legal opinion regarding the property interest by the Group's PRC legal adviser dated 31 March 2017, which contains, *inter alia*, the following:
 - a. Guangdong Xingfa is legally and validly in possession of the land use rights of the land parcel mentioned in note 1 and the ownership of the buildings mentioned in note 2, and is entitled to occupy, use, lease or otherwise dispose of these land parcel and buildings during the term of the land use rights except for being subject to the aforesaid mortgages; and
 - b. As advised by the Group, the property is free from any restrictions arising from any real rights for security except for the aforesaid mortgages.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017 RMB																		
2.	11 parcels of land, 10 buildings and various structures located at No. 100 Jingfa Avenue Economic and Technological Development District Yichun City Jiangxi Province The PRC	<p>The property comprises 11 parcels of land with a total site area of approximately 375,813.55 sq.m. and 10 buildings and various structures erected thereon which were completed in various stages between 2011 and 2014.</p> <p>The buildings have a total gross floor area of approximately 126,401.28 sq.m. and the details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>No. of Item</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>5</td> <td>71,037.28</td> </tr> <tr> <td>Office</td> <td>1</td> <td>6,442.28</td> </tr> <tr> <td>Warehouse</td> <td>1</td> <td>37,596.06</td> </tr> <tr> <td>Dormitory</td> <td>3</td> <td>11,325.66</td> </tr> <tr> <td>Total</td> <td>10</td> <td>126,401.28</td> </tr> </tbody> </table>	Use	No. of Item	Gross Floor Area (sq.m.)	Production	5	71,037.28	Office	1	6,442.28	Warehouse	1	37,596.06	Dormitory	3	11,325.66	Total	10	126,401.28	As at the valuation date, a portion of the property was rented to an associate of the Company, while the remaining portion of the property was occupied by the Group for production, office, warehouse and dormitory purposes.	272,100,000
Use	No. of Item	Gross Floor Area (sq.m.)																				
Production	5	71,037.28																				
Office	1	6,442.28																				
Warehouse	1	37,596.06																				
Dormitory	3	11,325.66																				
Total	10	126,401.28																				

The structures mainly include plant area, roads and landscaped facilities.

The land use rights of the property have been granted for a term of 50 years expiring on 8 September 2059 for industrial use.



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Notes:

1. Pursuant to 11 State-owned Land Use Rights Certificates, the land use rights of 11 parcels of land with a total site area of approximately 375,813.55 sq.m. have been granted to Guangdong Xingfa Aluminum (Jiangxi) Co., Ltd. ("Xingfa Jiangxi", a 100%-owned subsidiary of the Company), for a term of 50 years expiring on 8 September 2059 for industrial use. The details are set out as follows:

No.	Certificate No.	Site Area (sq.m.)	Expiry Date
(1)	Yi Jing Guo Yong (2015) No. 02015023	35,104.63	8 September 2059
(2)	Yi Jing Guo Yong (2015) No. 02015024	7,516.10	8 September 2059
(3)	Yi Jing Guo Yong (2015) No. 02015025	4,003.41	8 September 2059
(4)	Yi Jing Guo Yong (2015) No. 02015026	4,095.45	8 September 2059
(5)	Yi Jing Guo Yong (2015) No. 02015027	63,851.23	8 September 2059
(6)	Yi Jing Guo Yong (2015) No. 02015028	35,173.92	8 September 2059
(7)	Yi Jing Guo Yong (2015) No. 02015029	22,085.75	8 September 2059
(8)	Yi Jing Guo Yong (2015) No. 02015030	27,293.74	8 September 2059
(9)	Yi Jing Guo Yong (2015) No. 02015031	35,486.03	8 September 2059
(10)	Yi Jing Guo Yong (2015) No. 02015032	36,103.59	8 September 2059
(11)	Yi Jing Guo Yong (2015) No. 02015033	105,099.70	8 September 2059
Total:		375,813.55	

2. Pursuant to 10 Building Ownership Certificates, 10 buildings of the property with a total gross floor area of approximately 126,401.28 sq.m. are owned by Xingfa Jiangxi. The details are set out as follows:

No.	Certificate No.	Gross Floor Area (sq.m.)	Usage
(1)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120263	3,775.22	Industrial
(2)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120264	14,443.47	Industrial
(3)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120265	37,596.06	Industrial
(4)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120266	7,200.00	Industrial
(5)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120267	3,775.22	Industrial
(6)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120268	25,059.03	Industrial
(7)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120269	11,209.78	Industrial
(8)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120270	3,775.22	Industrial
(9)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-2014000239	13,125.00	Industrial
(10)	Yi Fang Quan Zheng Yi Chun Zi Di No. 2-2014000240	6,442.28	Industrial
Total:		126,401.28	



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3. Pursuant to a Tenancy Agreement entered into between Xingfa Jiangxi and Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd (江西省景興鋁模板製造有限公司) (the “Lessee”), an associate of the Company, a portion of the property with a total gross floor area of approximately 9,542.00 sq.m. and open area of the property with a total site area of approximately 8,475.00 sq.m. are leased to the Lessee on monthly basis at a monthly rent of RMB105,469, exclusive of management fees, water, electricity charges and other outgoings.
4. Pursuant to 2 Mortgage Contracts of Maximum Amount – (2016) Hui Fo Di Zi Di Nos. CN11009056201/160729 and 36100620160001831, the land use rights of 11 parcels of land and 10 buildings of the property (under the State-owned Land Use Right Certificates – Yi Jing Guo Yong (2015) Di No. 02015023 to 02015033 and Building Ownership Certificates – Yi Fang Quan Zheng Yi Chun Zi Di No. 2-20120263 to 2-20120270, 2-2014000239 and 2-2014000240) are subject to the mortgages in favour of Agricultural Bank of China Co., Ltd. Yichun Sub-Branch.
5. We have been provided with a legal opinion regarding the property interest by the Group’s PRC legal adviser dated 31 March 2017, which contains, *inter alia*, the following:
 - a. Xingfa Jiangxi is legally and validly in possession of the land use rights of the land parcels mentioned in note 1 and the ownership of the buildings mentioned in note 2, and is entitled to occupy, use, lease or otherwise dispose of these land parcels and buildings during the terms of the land use rights except for being subject to the aforesaid mortgages; and
 - b. As advised by the Group, the property is free from any restrictions arising from any real rights for security except for the aforesaid mortgages.



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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017 RMB												
3.	A parcel of land, 5 completed buildings and 2 buildings under construction located at the northern side of Jiaoke Road and the western side of Yizhuang Sanjie Farmland Qinyang City Henan Province The PRC	The property comprises a parcel of land with a site area of approximately 268,160.82 sq.m., 5 buildings and various structures erected thereon which were completed in various stages between 2010 and 2015 ("Part A"), and 2 buildings which were being constructed thereon as at the valuation date ("Part B"). The buildings of Part A have a total gross floor area of approximately 71,826.76 sq.m. and the details are set out as follows:	As at the valuation date, Part A of the property was occupied by the Group for production, office, dormitory and ancillary purposes, and Part B of the property was under construction.	186,500,000												
			<table border="1"> <thead> <tr> <th>Use</th> <th>No. of Item</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: center;">4</td> <td style="text-align: right;">71,040.76</td> </tr> <tr> <td>Office</td> <td style="text-align: center;"><u>1</u></td> <td style="text-align: right;"><u>786.00</u></td> </tr> <tr> <td>Total</td> <td style="text-align: center;"><u>5</u></td> <td style="text-align: right;"><u>71,826.76</u></td> </tr> </tbody> </table>	Use	No. of Item	Gross Floor Area (sq.m.)	Production	4	71,040.76	Office	<u>1</u>	<u>786.00</u>	Total	<u>5</u>	<u>71,826.76</u>	
Use	No. of Item	Gross Floor Area (sq.m.)														
Production	4	71,040.76														
Office	<u>1</u>	<u>786.00</u>														
Total	<u>5</u>	<u>71,826.76</u>														

The structures mainly include plant area, roads, walls and landscaped facilities.

Part B comprises an office building and a dormitory which were under construction as at the valuation date.

As advised by the Group, the development of Part B is scheduled to be completed in May 2017.

Upon completion, Part B will have a gross floor area of approximately 9,496.99 sq.m.

The construction cost of the development of Part B is estimated to be approximately RMB17,300,000, of which approximately RMB16,700,000 has been paid as at the valuation date.

The land use rights of the property have been granted for a term of 50 years expiring on 28 June 2060 for industrial use.



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Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Qin Guo Yong (2010) Di No. 11300018, the land use rights of a parcel of land with a site area of approximately 268,160.82 sq.m. have been granted to Guangdong Xingfa Aluminium (Henan) Co., Ltd. (“Xingfa Henan”, a 100%-owned subsidiary of the Company), for a term of 50 years expiring on 28 June 2060 for industrial use.
2. Pursuant to 7 Building Ownership Certificates, Part A of the property with a total gross floor area of approximately 71,826.76 sq.m. is owned by Xingfa Henan. The details are set out as follows:

No.	Certificate No.	Gross Floor Area (sq.m.)	Usage
(1)	Qin Fang Quan Zheng Zi Di No. 1050121228	786.00	Office
(2)	Qin Fang Quan Zheng Zi Di No. 1450100174	10,633.06	Industrial
(3)	Qin Fang Quan Zheng Zi Di No. 1450100175	29,305.01	Industrial
(4)	Qin Fang Quan Zheng Zi Di No. 1450100176	8,933.00	Industrial
(5)	Qin Fang Quan Zheng Zi Di No. 1450100177	12,663.48	Industrial
(6)	Qin Fang Quan Zheng Zi Di No. 1450100178	9,305.52	Industrial
(7)	Qin Fang Quan Zheng Zi Di No. 1450100179	<u>200.69</u>	Industrial
Total:		<u>71,826.76</u>	

3. Pursuant to a Construction Work Planning Permit – Qin Jian Zi (2010) No. 028 in favour of Xingfa Henan, the property with a total gross floor area of approximately 218,000.00 sq.m. has been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits – No. 410882201608240101 and 410882201010010106 in favour of Xingfa Henan, permission by the relevant local authority was given to commence the construction of Part B of the property with a gross floor area of approximately 9,496.99 sq.m.
5. The market value of Part B of the property as if completed as the valuation date, according to the development proposal as described above and assuming which can be freely transferred in the market, would be RMB23,500,000.
6. Pursuant to 2 Mortgage Contracts of Maximum Amount – Nos. 41100220110006054 and 41100620140001603, the land use rights of a parcel of land and the ownership of 6 buildings of the property (under the State-owned Land Use Rights Certificate – Qin Guo Yong (2010) Di No. 11300018 and Qin Fang Quan Zheng Zi Di Nos. 1450100174 to 1450100179) are subject to the mortgages in favour of Agricultural Bank of China Co., Ltd Qinyang Sub-Branch.



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7. We have been provided with a legal opinion regarding the property interest by the Group's PRC legal adviser dated 31 March 2017, which contains, *inter alia*, the following:
 - a. Xingfa Henan is legally and validly in possession of the land use rights of the land parcel mentioned in note 1 and the ownership of the buildings mentioned in note 2, and is entitled to occupy, use, lease or otherwise dispose of these land parcel and buildings during the term of the land use rights except for being subject to the aforesaid mortgages;
 - b. As advised by the Group, the property is free from any restrictions arising from any real rights for security except for the aforesaid mortgages; and
 - c. Xingfa Henan has obtained all requisite approvals in respect of the development and construction of the property from the relevant government authorities, and the development and construction of the property conforms to the relevant provisions of the relevant laws and regulations of the PRC.

VALUATION CERTIFICATE

Group II – Property interest held under development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017 RMB																		
4.	2 parcels of land, 14 buildings and various structures under development located at No. 1589 Kong Gang Forth Road Xi Hang Gang Industrial Zone Shuangliu District Chengdu City Sichuan Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 378,869.23 sq.m. and 14 buildings and various structures which were being developed thereon as at the valuation date. The development of the property is scheduled to be completed in June 2017. Upon completion, the development will have a planned gross floor area of approximately 174,827.81 sq.m. The details are set out as follows:	As at the valuation date, the property was under development.	328,700,000																		
			<table border="1"> <thead> <tr> <th>Usage</th> <th>No. of Item</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>9</td> <td>151,598.57</td> </tr> <tr> <td>Office</td> <td>1</td> <td>4,915.92</td> </tr> <tr> <td>Canteen</td> <td>1</td> <td>3,573.63</td> </tr> <tr> <td>Dormitory</td> <td>3</td> <td>14,739.69</td> </tr> <tr> <td>Total</td> <td>14</td> <td>174,827.81</td> </tr> </tbody> </table>	Usage	No. of Item	Gross Floor Area (sq.m.)	Production	9	151,598.57	Office	1	4,915.92	Canteen	1	3,573.63	Dormitory	3	14,739.69	Total	14	174,827.81	
Usage	No. of Item	Gross Floor Area (sq.m.)																				
Production	9	151,598.57																				
Office	1	4,915.92																				
Canteen	1	3,573.63																				
Dormitory	3	14,739.69																				
Total	14	174,827.81																				

The structures mainly include plant area, roads, walls, sport yard and landscaped facilities.

The total construction cost of the development of the property is estimated to be approximately RMB 239,800,000, all of which had been paid as at the valuation date.

The land use rights of the property have been granted for terms of 50 years expiring on 25 October 2059 and 7 December 2060 for industrial use.



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Notes:

1. Pursuant to 2 State-owned Land Use Rights Certificates, the land use rights of 2 parcels of land with a total site area of approximately 378,869.23 sq.m. have been granted to Xingfa Aluminium Chengdu Co., Ltd. ("Xingfa Chengdu", a 100%-owned subsidiary of the Company), for the terms of 50 years expiring on 25 October 2059 and 7 July 2060 for industrial use. The details are set out as follows:

No.	Certificate No.	Site Area (sq.m.)	Expiry Date
(1)	Shuang Guo Yong (2015) No. 8315	333,370.81	25 October 2059
(2)	Shuang Guo Yong (2015) No. 7606	<u>45,498.42</u>	7 December 2060
Total:		<u>378,869.23</u>	

2. Pursuant to 2 Construction Land Planning Permits, permissions towards the planning of the aforesaid land parcels with a total site area of approximately 378,869.23 sq.m. have been granted to Xingfa Chengdu. The details are set out as follows:

No.	Permit No.	Site Area (sq.m.)	Issuance date
(1)	Di Zi Di No. 510122201121084	45,498.42	13 September 2011
(2)	Di Zi Di No. 510122200921092	<u>333,370.81</u>	25 November 2009
Total:		<u>378,869.23</u>	

3. Pursuant to 3 Construction Work Planning Permits in favour of Xingfa Chengdu, the property with a total gross floor area of approximately 174,715.65 sq.m has been approved for construction. The details are set out as follows:

No.	Permit No.	Gross Floor Area (sq.m.)	Issuance date
(1)	Jian Zi Di No. 510122200931100	84,735.18	21 December 2009
(2)	Jian Zi Di No. 510122201231103	62,345.90	6 December 2012
(3)	Jian Zi Di No. 510122201331057 Bu	<u>27,634.57</u>	8 May 2013
Total:		<u>174,715.65</u>	



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4. Pursuant to 5 Construction Work Commencement Permits in favour of Xingfa Chengdu, permissions by the relevant local authority were given to commence the construction of the property with a total gross floor area of approximately 176,594.75 sq.m. The details are set out as follows:

No.	Permit No.	Gross Floor Area (sq.m.)	Issuance date
(1)	Shuang Shi (2010) No. 46	84,735.18	25 March 2010
(2)	Shuang Shi (2012) No. 162	29,732.05	27 December 2012
(3)	Shuang Shi (2012) No. 163	32,613.85	27 December 2012
(4)	Shuang Shi (2015) No. 075	25,108.34	11 November 2015
(5)	Shuang Shi (2015) No. 076	<u>4,405.33</u>	11 November 2015
	Total:	<u>176,594.75</u>	

5. The market value of the property as if completed as the valuation date, according to the development proposal as described above and assuming which can be freely transferred in the market, would be RMB329,000,000.
6. Pursuant to a Tenancy Agreement entered into between Xingfa Chengdu and Shanghai Jihua Logistics Co., Ltd. Chengdu Branch (上海際華物流有限公司成都分公司) (the "Lessee"), an independent third party, 3 industrial buildings of the property with a total lettable area of approximately 62,345.90 sq.m. are leased to the Lessee for a term of 5 years commencing from 11 June 2013 and expiring on 10 June 2018 at an monthly rent of RMB1,031,045, exclusive of management fees, water and electricity charges and other outgoings.
7. Pursuant to 2 Mortgage Contracts of Maximum Amount – Cheng Nong Shang Tian Ying Gong Gao Di Bu No. 20150044 and Cheng Nong Shang Tian Ying Gong Gao Di No. 20160003, the land use rights of the property (under the State-owned Land Use Rights Certificates – Shuang Guo Yong (2015) No. 8315 and Shung Guo Yong (2011) No. 7606) are subject to the mortgages in favour of Chengdu Rural Commercial Bank Co., Ltd. Tianfu New District Sub-Branch.
8. We have been provided with a legal opinion regarding the property interest by the Group's PRC legal adviser dated 31 March 2017, which contains, *inter alia*, the following:
- Xingfa Chengdu is legally and validly in possession of the land use rights of the land parcels mentioned in note 1, and is entitled to occupy, use, lease or otherwise dispose of these land parcels during the terms of the land use rights except for being subject to the aforesaid mortgage;
 - Xingfa Chengdu has obtained all requisite approvals in respect of the development and construction of the property from the relevant government authorities, and the development and construction of the property conforms to the relevant provisions of the relevant laws and regulations of the PRC; and
 - As advised by the Group, the property is free from any restrictions arising from any real rights for security except for the aforesaid mortgage.



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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017 RMB												
5.	Project Xingfa Plaza located at the northern side of Jihua Road and the western side of Changang Road Chancheng District Foshan City Guangdong Province The PRC	The property comprises a parcel of land with a site area of approximately 16,961.36 sq.m. and 2 buildings which were being constructed thereon as at the valuation date. The development of the property is scheduled to be completed in August 2017. Upon completion, the development will have a planned gross floor area of approximately 123,716.39 sq.m. The details are set out as follows:	As at the valuation date, the property was under construction.	392,600,000												
		<table border="1"> <thead> <tr> <th>Use</th> <th>Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>17,700.37</td> </tr> <tr> <td>Office</td> <td>72,738.38</td> </tr> <tr> <td>Ancillary</td> <td>4,594.60</td> </tr> <tr> <td>Basement (inclusive of 750 car parking lots)</td> <td><u>28,683.04</u></td> </tr> <tr> <td>Total</td> <td><u>123,716.39</u></td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq.m.)	Commercial	17,700.37	Office	72,738.38	Ancillary	4,594.60	Basement (inclusive of 750 car parking lots)	<u>28,683.04</u>	Total	<u>123,716.39</u>		
Use	Planned Gross Floor Area (sq.m.)															
Commercial	17,700.37															
Office	72,738.38															
Ancillary	4,594.60															
Basement (inclusive of 750 car parking lots)	<u>28,683.04</u>															
Total	<u>123,716.39</u>															

The total construction cost of the development of the property is estimated to be approximately RMB497,500,000, of which approximately RMB186,600,000 had been paid as at the valuation date.

The land use rights of the property have been granted for a term of 40 years expiring on 19 May 2050 for commercial service, office, culture and entertainment uses.



仲量聯行

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Fo Chan Guo Yong (2014) Di No. 0000933, the land use rights of a parcel of land with a site area of approximately 16,961.36 sq.m. have been granted to Foshan Xingfa Real Estate Co., Ltd. (“Xingfa Real Estate”, a 100%-owned subsidiary of the Company), for a term of 40 years expiring on 19 May 2050 for commercial service, office, culture and entertainment uses.
2. Pursuant to a construction Land Planning Permit – Di Zi Di No. 440604201300064, permission towards the planning of the aforesaid land parcel with a site area of approximately 16,961.36 sq.m. has been granted to Xingfa Real Estate.
3. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 440604201400133 in favour of Xingfa Real Estate, the property with a gross floor area of approximately 123,527.29 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit – No. 4406012014121001 in favour of Xingfa Real Estate, permission by the relevant local authority was given to commence the construction of the property with a gross floor area of approximately 123,527.29 sq.m.
5. Pursuant to a Pre-sale Permit – Chan Fang Yu Zi Di No. 2016012901 in favour of Xingfa Real Estate, the Group is entitled to sell portions of Xingfa Plaza (representing a total gross floor area of approximately 33,814.68 sq.m.) to purchasers.
6. As advised by the Group, 132 office units with a total gross floor area of approximately 7,100.29 sq.m. of Xingfa Plaza have been pre-sold to various third parties at a total consideration of RMB58,102,971. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
7. The market value of the property as if completed as at the valuation date, according to the development proposal as described above and assuming which can be freely transferred in the market, would be RMB871,000,000.
8. Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,600 to RMB8,800 for office units, RMB5,000 to 15,000 for retail units and RMB110,000 to RMB150,000 per lot for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
9. We have been provided with a legal opinion regarding the property interest by the Group’s PRC legal adviser dated 31 March 2017, which contains, *inter alia*, the following:
 - a. Xingfa Real Estate is legally and validly in possession of the land use rights of the land parcel mentioned in note 1, and is entitled to occupy, use, lease or otherwise dispose of this land parcel during the term of the land use rights except for being subject to the aforesaid mortgage; and
 - b. Xingfa Real Estate has obtained all requisite approvals in respect of the development and construction of the property from the relevant government authorities, and the development and construction of the property conforms to the relevant provisions of the relevant laws and regulations of the PRC.