



CONSULTING & APPRAISAL  
亞太評估

Asia-Pacific Consulting and Appraisal Limited  
Flat/Rm A 12/F Kiu Fu Commercial Building,  
300 Lockhart Road, Wan Chai,  
Hong Kong

23 January 2024

The Board of Directors  
**Weiqiao Textile Company Limited**  
No. 1, Wei Fang Road  
Zouping Economic Development Zone  
Zouping City, Shandong Province  
The PRC

Dear Sirs,

#### **Instructions, Purpose and Valuation Date**

Asia-Pacific Consulting and Appraisal Limited (“**APA**” or “**we**”) is instructed by Weiqiao Textile Company Limited (the “**Company**”) to provide valuation service on the properties held by the Company and its subsidiaries (hereinafter together referred to as the “**Group**”) for disclosure purpose. 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 our opinion on the market value of the property interests as at 30 November 2023 (the “**Valuation Date**”).

#### **Basis of Valuation**

Our valuation of the property interests represents the market value which we would define as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

## **Methods of Valuation**

Due to the nature of the buildings and structures of the properties and the particular location in which they are situated, it is unlikely to find relevant market comparable sales readily available, and thus the buildings and structures of the property have been valued by the cost approach with reference to their depreciated replacement costs.

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 optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of the land portion, reference has been made to the sales evidence available in the locality. The depreciated replacement cost of the property interests 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.

## **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 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 its value.

In the course of our valuation of the property in the PRC, we have relied on the advice given by the Group and its legal adviser, being Zong Heng Law Firm (縱橫律師事務所) (the “**PRC Legal Adviser**”), regarding the title to the Property. We have been provided with a legal opinion dated on 16 January 2024 (the “**Legal Opinion**”).

## **Valuation Standards**

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Listing Rules, Rule 11 of the Takeovers Code, 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.

The property-related potential tax liability which might arise on disposal of the property interests (as property transfer) in the PRC includes value-added tax (at 5% or 9% on the transaction amount), land appreciation tax (at progressive rates from 30% to 60% on the appreciation amount) and corporate income tax (at 15% in case of preferential enterprise income tax rate or 25% of the gain). As confirmed by the Group, the properties are held for owner-occupation. Therefore, the likelihood of such tax liability being crystallised to the Group is slim and thus such tax liability is excluded from our valuation.

### **Source of Information**

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 and all other relevant matters.

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 reach an informed view, and we have no reason to suspect that any material information has been withheld.

### **Document and Title Investigation**

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates and other title documents relating to the property interests and have made relevant enquiries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment. 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 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 at an informed view, and we have no reason to suspect that any material information has been withheld.

### **Area Measurement and Inspection**

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 documents and official site plans handed to us are correct. All documents 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 unless we have been otherwise instructed. 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. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The site inspection was carried out in December 2023 by Mr. David Cheng who is a member of the Royal Institution of Chartered Surveyors and has more than 22 years' experience in property valuation in the PRC; Mr. Might Zhai who is a Certified Public Valuer and has more than 10 years' experience in property valuation in the PRC; Ms. Ivy Liu, Ms. Tracy Zhang and Mr. Lester Li who have 5 years', 4 years' and 2 years' experience respectively in property valuation in the PRC.

### **Currency**

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is enclosed hereby for your attention.

Yours faithfully,

for and on behalf of

**Asia-Pacific Consulting and Appraisal Limited**



**David G.D. Cheng**

*MRICS*

*Executive Director*

*Note: David G.D. Cheng is a Chartered Surveyor who has 22 years' experience in the valuation of assets in the Greater China Region, the Asia-Pacific region, the United States and Canada.*

## SUMMARY OF VALUES

### Property interests held by the Group in the PRC

No.	Property	Market value in existing state as at the Valuation Date
		<i>RMB</i>
1.	A parcel of land, located at south of Huixian 4th Road and east of Dongcheng 3rd Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, the PRC	27,679,000
2.	First production Area located at north side of Gongye 6th Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, the PRC	500,581,000
3.	Second production Area located at north side of Gongye 1st Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, the PRC	749,861,000
4.	Third production Area located at south side of Huixian 1st Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, the PRC	221,496,000
5.	Third production Area located at west side of West Outer Ring Road, Weiqiao Town, Zouping Economic Development Zone, Binzhou City, Shandong Province, the PRC	90,473,000
6.	A parcel of land, various buildings and ancillary structures located at west of Changyuan Road Zouping County, Binzhou City, Shandong Province, the PRC	2,771,087,000
7.	5 parcels of land, various buildings and ancillary structures located at west side of Bohai 22nd Road, Binzhou Industrial Park Economic Development Zone, Binzhou City, Shandong Province, the PRC	747,772,000
8.	A parcel of land, various buildings and ancillary structures located at east side of Huancui Road, Zhangcun Town, Huancui District, Weihai City, Shandong Province, the PRC	30,836,000
9.	4 parcels of land, various buildings and ancillary structures located at south of Qianshuangdao Village, Zhangcun Town, Huancui District, Weihai City, Shandong Province, the PRC	378,242,000
10.	Various buildings and ancillary structures located at west side of the Pearl River Street, Huancui Road, Zhangcun Town, Weihai City, Shandong Province, the PRC	71,864,000
	<b>Sub-total:</b>	<b>5,589,891,000</b>

## VALUATION CERTIFICATE

### Property interests held by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
1.	A parcel of land, located at south of Huixian 4th Road and east of Dongcheng 3rd Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, The PRC	The property comprises a parcel of land with a site area of approximately 89,288.30 sq.m.  The land use rights of the property have been granted for a term expiring on 18 September 2053 for industry use.	The property is currently vacant.	27,679,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Lu (2022) Zou Ping Shi Bu Dong Chang Quan Di No. 0012887, the land use rights of a parcel of land with a site area of approximately 89,288.30 sq.m. have been granted to the Company for a term expiring on 18 September 2053 for industry use.
2. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the land use rights of the property and has the right to legally transfer, lease, mortgage or otherwise dispose of the land.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
2.	First production Area located at north side of Gongye 6th Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, The PRC	<p>The property comprises 76 buildings and various ancillary structures erected on 3 parcels of land with a total site area of approximately 1,013,335.00 sq.m. completed in various stages from 2004 to 2023.</p> <p>The 76 buildings have a total gross floor area of approximately 1,332,261.59 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include roads, pools, sheds and boundary walls.</p> <p>The land use rights of the property are rented for terms earliest commencing from 1 May 2006 and latest expiring on 16 October 2026.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	500,581,000

*Notes:*

- Pursuant to 3 Land Use Right Certificates – Zou Guo Yong (2002) Zi Di No. 0104112, Zou Guo Yong (2002) Zi Di No. 0104115 and Zou Guo Yong (2002) Di No. 0104116, the land use rights of 3 parcels of land with a total site area of approximately 1,013,335.00 sq.m. have been granted to Shandong Weiqiao Chuangye Group Company Limited, the controlling shareholder of the Company, (the “**Holding Company**”) for terms expiring on 17 April 2052 and 6 August 2052 for industry use.
- Pursuant to 3 lease agreements entered into between the Holding Company and the Company, the Holding Company agreed to lease the land with a total site area of approximately 1,013,335.00 sq.m. to the Company at an annual rental of approximately RMB6,571,000 including tax for the land use right terms earliest commencing from 1 May 2006 and latest expiring on 16 October 2026.

3. Pursuant to 4 Building Ownership Certificates – Bin Zhou Shi Fang Quan Zheng Zou Ping Xian Zi Di No. Wei Qiao Gong 4-8, and Zou Ping Xian Fang Quan Zheng Cheng Qu Gong Zi Di Nos. CQG00047, CQG00080 and CQG00106, 30 buildings with a total gross floor area of approximately 1,140,425.28 sq.m. are vested in the Company.
4. For the remaining 46 buildings with a total gross floor area of approximately 191,836.31 sq.m., we have not been provided with any title certificates.
5. As instructed by the Company, our valuation is carried out on the buildings and structures only. Moreover, our valuation is based on the assumption that the leasehold interests of the rented land portions can be freely transferred, occupied, sublet and handled by the Company during the term of the Land Leasing Agreement.
6. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the ownership of the buildings mentioned in note 3 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
7. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 46 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 46 buildings (excluding land element) as at the Valuation Date would be RMB44,374,000 assuming all relevant title certificates have been obtained and that they could be freely transferred.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
3.	Second production Area located at north side of Gongye 1st Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, The PRC	<p>The property comprises 79 buildings and various ancillary structures erected on 2 parcels of land with a total site area of approximately 669,718.50 sq.m. completed in various stages from 2005 to 2019.</p> <p>The 79 buildings have a total gross floor area of approximately 1,590,693.77 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include roads, sheds, wells, cement poles and boundary walls.</p> <p>The land use rights of the property are rented for terms earliest commencing from 1 May 2006 and latest expiring on 16 October 2026.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	749,861,000

*Notes:*

1. Pursuant to 2 Land Use Right Certificates – Zou Guo Yong (2002) Zi Di Nos. 0104111 and Zou Guo Yong (2005) Zi Di No. 0104163, the land use rights of 2 parcels of land with a total site area of approximately 669,718.50 sq.m. have been granted to the Holding Company for terms expiring on 1 April 2052 and 1 March 2055 for industry use.
2. Pursuant to 2 lease agreements entered into between the Holding Company and the Company, the Holding Company agreed to lease the land with a total site area of approximately 669,718.50 sq.m. to the Company at an annual rental of approximately RMB4,008,000 including tax for the land use right terms earliest commencing from 1 May 2006 and latest expiring on 16 October 2026.
3. Pursuant to 3 Building Ownership Certificates – Zou Ping Xian Fang Quan Zheng Cheng Qu Gong Zi Di Nos. CQG00033, CQG00044 and CQG00210, 16 buildings with a total gross floor area of approximately 1,186,841.74 sq.m. are vested in the Company.
4. For the remaining 63 buildings with a total gross floor area of approximately 403,852.03 sq.m., we have not been provided with any title certificates.

5. As instructed by the Company, our valuation is carried out on the buildings and structures only. Moreover, our valuation is based on the assumption that the leasehold interests of the rented land portions can be freely transferred, occupied, sublet and handled by the Company during the term of the Land Leasing Agreement.
6. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the ownership of the buildings mentioned in note 3 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
7. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 63 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 63 buildings (excluding land element) as at the Valuation Date would be RMB252,793,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <b>RMB</b>
4.	Third production Area located at south side of Huixian 1st Road, Zouping Economic Development Zone, Binzhou City, Shandong Province, The PRC	<p>The property comprises 38 buildings and various ancillary structures erected on 2 parcels of land with a total site area of approximately 688,960.00 sq.m. completed in various stages from 2006 to 2012.</p> <p>The 38 buildings have a total gross floor area of approximately 318,696.88 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include roads, sheds, wells, cement poles and boundary walls.</p> <p>The land use rights of the property are rented for terms earliest commencing from 1 May 2006 and latest expiring on 24 April 2027.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	221,496,000

*Notes:*

1. Pursuant to 2 Land Use Right Certificates – Zou Guo Yong (2005) Zi Di No. 0104166 and Zou Guo Yong (2005) Zi Di No.0104162, the land use rights of 2 parcels of land with a total site area of approximately 688,960.00 sq.m. have been granted to the Holding Company for terms expiring on 10 March 2055 and 1 March 2055 for industry use.
2. Pursuant to 2 lease agreements entered into between the Holding Company and the Company, the Holding Company agreed to lease the land with a total site area of approximately 688,960.00 sq.m. to the Company at an annual rental of approximately RMB4,134,000 including tax for the land use right terms earliest commencing from 1 May 2006 and latest expiring on 24 April 2027.

3. Pursuant to 31 Building Ownership Certificates –Bin Zhou Shi Fang Quan Zheng Zou Ping Xian Zi Di Nos. 015562, 015563, 015564, 015565, 015566, 015567, 010692, 010693, 010695, 010696, 010697, 010698, 010699, 010700, 010701, 010702, 010703, 010704, 010705, 010706, 010707, 010708, 010709, 010710, 010711, 010712, 010713, 010714, 010715 and 010716, and Zou Ping Xian Fang Zheng Cheng Qu Gong Zi Di No.CQG00629, 22 buildings with a total gross floor area of approximately 318,696.88 sq.m. are vested in the Company.
4. As instructed by the Company, our valuation is carried out on the buildings and structures only. Moreover, our valuation is based on the assumption that the leasehold interests of the rented land portions can be freely transferred, occupied, sublet and handled by the Company during the term of the Land Leasing Agreement.
5. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the ownership of the buildings mentioned in note 3 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
5.	Third production Area located at west side of West Outer Ring Road, Weiqiao Town, Zouping Economic Development Zone, Binzhou City, Shandong Province, The PRC	<p>The property comprises 21 buildings and various ancillary structures erected on a parcel of land with a total site area of approximately 250,510.11 sq.m. completed in various stages from 2003 to 2023.</p> <p>The 21 buildings have a total gross floor area of approximately 316,929.55 sq.m., mainly including industrial buildings.</p> <p>The structures mainly include roads, sheds and boundary walls.</p> <p>The land use rights of the property are rented for a term commencing from 11 August 2023 and expiring on 10 August 2026.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	90,473,000

*Notes:*

1. Pursuant to a Land Use Right Certificate – Zou Guo Yong (2003) Di No. (03) 0131, the land use rights of a parcel of land with a site area of approximately 250,510.11 sq.m. have been granted to the Holding Company for a term expiring on 6 June 2053 for industry use.
2. Pursuant to a lease agreement entered into between the Holding Company and the Company, the Holding Company agreed to lease the land with a site area of approximately 250,510.11 sq.m. to the Company at an annual rental of approximately RMB1,798,000 including tax for the land use right term commencing from 11 August 2023 and expiring on 10 August 2026.
3. Pursuant to a Building Ownership Certificate –Bin Zhou Shi Fang Quan Zheng Zou Ping Xian Zi Di Wei Qiao Gong 46, 19 buildings with a total gross floor area of approximately 316,541.65 sq.m. are vested in the Company.
4. For the remaining 2 buildings with a total gross floor area of approximately 387.90 sq.m., we have not been provided with any title certificates.

5. As instructed by the Company, our valuation is carried out on the buildings and structures only. Moreover, our valuation is based on the assumption that the leasehold interests of the rented land portions can be freely transferred, occupied, sublet and handled by the Company during the term of the Land Leasing Agreement.
6. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the ownership of the buildings mentioned in note 3 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
7. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 2 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 2 buildings (excluding land element) as at the Valuation Date would be RMB133,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
6.	A parcel of land, various buildings and ancillary structures located at west of Changyuan Road Zouping County, Binzhou City, Shandong Province, The PRC	<p>The property comprises a parcel of land with a site area of approximately 593,859.00 sq.m. and 96 buildings and various ancillary structures erected thereon which were completed in various stages from 2012 to 2019.</p> <p>The 96 buildings have a total gross floor area of approximately 152,136.93 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include coal-conveyer-gallery, chimney, cooling tower, pools, roads and boundary walls.</p> <p>The land use rights of the property have been granted for a term expiring on 15 June 2058 for industry use.</p>	The property is currently occupied by the Group as a power plant and other ancillary facilities.	2,771,087,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Lu (2022) Zou Ping Shi Bu Dong Chan Quan Zi No. 0013580, the land use rights of a parcel of land with a site area of approximately 593,859.00 sq.m. have been granted to the Company for a term expiring on 15 June 2058 for industry use.
2. Pursuant to a Building Ownership Certificate – Bin Zhou Shi Fang Quan Zheng Zou Ping Xian Zi Di No. 022500, 73 buildings with a total gross floor area of approximately 141,116.40 sq.m. are owned by the Company.
3. For the remaining 20 buildings with a total gross floor area of approximately 11,020.53 sq.m., we have not been provided with any title certificates.

4. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. The Company legally held the land use rights of the property and has the right to legally transfer, lease, mortgage or otherwise dispose of the land.
  - b. The Company legally held the ownership of the buildings mentioned in note 2 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
5. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 20 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 20 buildings (excluding land element) as at the Valuation Date would be RMB32,603,000 assuming all relevant title certificates have been obtained and they could be freely transferred.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <b>RMB</b>
7.	5 parcels of land, various buildings and ancillary structures located at west side of Bohai 22nd Road, Binzhou Industrial Park Economic Development Zone, Binzhou City, Shandong Province, The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 1,162,250.30 sq.m. and 79 buildings and various ancillary structures erected thereon which were completed in various stages from 2003 to 2017.</p> <p>The 79 buildings have a total gross floor area of approximately 1,159,181.59 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include electrical system, wells, sheds, pools, roads and boundary walls.</p> <p>The land use rights of the property have been granted for terms expiring on 28 April 2051, 22 September 2052, 27 April 2054 and 18 July 2056, respectively, for industry use and 9 March 2043 for commercial use.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	747,772,000

*Notes:*

- Pursuant to 5 Land Use Right Certificates – Bin Guo Yong (2003) Zi Di Nos. 5227 and 5258, Bin Guo Yong (2003) Zi Di Nos. K0040, Bin Guo Yong (2004) Zi Di No. K0065 and Bin Guo Yong (2010) Zi Di No. K0275, the land use rights of 5 parcels of land with a total site area of approximately 1,162,250.30 sq.m. have been granted to Binzhou Weiqiao Technology Industrial Park Co., Ltd (“**Binzhou Weiqiao**”), a 98.5% owned subsidiary of the Company, for terms expiring on 28 April 2051, 22 September 2052, 27 April 2054 and 18 July 2056, respectively, for industry use and 9 March 2043 for commercial use.

2. Pursuant to 11 Building Ownership Certificates – Bin Zhou Shi Fang Quan Zheng Shi Shu Zi Di Nos. M-00046a, M-00046b, M-00046c, M-00046d, M-00046e, M-00046f, M-00046g, M-00060a, M-00060b, M-00060c and M-00060d, 32 buildings with a total gross floor area of approximately 865,737.63 sq.m. are owned by Binzhou Weiqiao.
3. For the remaining 47 buildings with a total gross floor area of approximately 293,443.96 sq.m., we have not been provided with any title certificates.
4. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. Binzhou Weiqiao legally held the land use rights of the property and has the right to legally transfer, lease, mortgage or otherwise dispose of the land.
  - b. Binzhou Weiqiao legally held the ownership of the buildings mentioned in note 2 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
5. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 47 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 47 buildings (excluding land element) as at the Valuation Date would be RMB155,262,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <b>RMB</b>
8.	A parcel of land, various buildings and ancillary structures located at east side of Huancui Road, Zhangcun Town, Huancui District, Weihai City, Shandong Province, The PRC	<p>The property comprises a parcel of land with a site area of approximately 41,808.00 sq.m. and 12 buildings and various ancillary structures erected thereon which were completed in various stages from 2002 to 2015.</p> <p>The 12 buildings have a total gross floor area of approximately 45,798.42 sq.m., mainly including industrial buildings and ancillary management buildings.</p> <p>The structures mainly include sheds, roads and boundary walls.</p> <p>The land use rights of the property have been granted for a term expiring on 9 January 2047 for industry use.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	30,836,000

*Notes:*

1. Pursuant to a Land Use Right Certificate – Wei Huan Guo Yong (2006 Chu) Di No. 183, the land use rights of a parcel of land with a site area of approximately 41,808.00 sq.m. have been granted to the Weihai Weiqiao Textile Co., Ltd (“**Weihai Weiqiao**”), a wholly owned subsidiary of the Company, for a term expiring on 9 January 2047 for industry use.
2. Pursuant to 9 Building Ownership Certificates – Wei Fang Quan Zheng Zi Di Nos. 2003017649, 2003017652, 2003017651, 2003017653, 2003017654, 2003017659, 2003017661, 2006024667 and 2006024675, 6 buildings with a total gross floor area of approximately 42,024.42 sq.m. are owned by Weihai Weiqiao.
3. For the remaining 6 buildings with a total gross floor area of approximately 3,774.00 sq.m., we have not been provided with any title certificates.

4. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. Weihai Weiqiao legally held the land use rights of the property and has the right to legally transfer, lease, mortgage or otherwise dispose of the land.
  - b. Weihai Weiqiao legally held the ownership of the buildings mentioned in note 2 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
5. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 6 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 6 buildings (excluding land element) as at the Valuation Date would be RMB1,884,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date RMB
9.	4 parcels of land, various buildings and ancillary structures located at south of Qianshuangdao Village, Zhangcun Town, Huancui District, Weihai City, Shandong Province, The PRC	<p>The property comprises 4 parcels of land with a total site area of approximately 530,628.00 sq.m. and 63 buildings and various ancillary structures erected thereon which were completed in various stages from 2004 to 2023.</p> <p>The 63 buildings have a total gross floor area of approximately 799,642.93 sq.m., mainly including industrial buildings, dormitory buildings and ancillary management buildings.</p> <p>The structures mainly include electric system, pools, sheds, roads and boundary walls.</p> <p>The land use rights of the property have been granted for terms expiring on 9 January 2047, 26 May 2052, 28 November 2054 and 1 March 2056, respectively, for industry use.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	378,242,000

*Notes:*

- Pursuant to 3 Land Use Right Certificates – Wei Huan Guo Yong (2006 Chu) Di Nos. 181, 182 and 492, and 2 Real Estate Title Certificates – Lu (2020) Wei Hai Shi Bu Dong Chan Quan Di Nos. 0010292 and 0010298, the land use rights of 4 parcels of land with a total site area of approximately 530,628.00 sq.m. have been granted to the Weihai Weiqiao Technology Industrial Park Co., Ltd (“**Weihai Weiqiao Technology**”), a wholly owned subsidiary of the Company, for terms expiring on 26 May 2052, 9 January 2047, 28 November 2054 and 1 March 2056, respectively, for industry use.
- Pursuant to 15 Building Ownership Certificates – Wei Fang Quan Zheng Zi Di Nos. 2006024728, 2006024757, 2006024761, 2006024783, 2006024788, 2006024798, 2006024799, 2006024800, 2006024801, 2006024802, 2006024806, 2006024807, 2006024809, 2006024814 and 2006024819, 15 buildings with a total gross floor area of approximately 236,019.05 sq.m. are owned by Weihai Weiqiao Technology.

3. For the remaining 48 buildings with a total gross floor area of approximately 563,623.88 sq.m., we have not been provided with any title certificates.
4. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. Weihai Weiqiao Technology legally held the land use rights of the property and has the right to legally transfer, lease, mortgage or otherwise dispose of the land.
  - b. Weihai Weiqiao Technology legally held the ownership of the buildings mentioned in note 2 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
5. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 48 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 48 buildings (excluding land element) as at the Valuation Date would be RMB117,363,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
10.	Various buildings and ancillary structures located at west side of south the Pearl River Street, Huancui Road, Zhangcun Town, Weihai City, Shandong Province, The PRC	<p>The property comprises 14 buildings and various ancillary structures erected on 2 parcels of land with a total site area of approximately 123,414.00 sq.m. completed in various stages from 2008 to 2022.</p> <p>The 14 buildings have a total gross floor area of approximately 39,086.68 sq.m., mainly including industrial buildings, dormitory building and ancillary management buildings.</p> <p>The structures mainly include roads, sheds, chimney and boundary walls.</p> <p>The land use rights of the property are rented for a term commencing from 18 March 2008 and expiring on 18 March 2028.</p>	The property is currently occupied by the Group as production workshop and other ancillary facilities.	71,864,000

*Notes:*

1. Pursuant to 2 Land Use Right Certificates – Wei Huan Guo Yong (2002 Chu) Zi Di No. 105 and Wei Huan Guo Yong (2006 Chu) Zi Di No. 048, the land use rights of 2 parcels of land with a total site area of approximately 123,414.00 sq.m. have been granted to the Weihai Xijiao Thermal Power Co., Ltd (“**Weihai Xijiao Thermal Power**”), a wholly owned subsidiary of the Holding Company, for terms expiring on 26 May 2052 and 4 January 2056 for industry use.
2. Pursuant to a lease agreement entered into between Weihai Xijiao Thermal Power and the Company, Weihai Xijiao Thermal Power agreed to lease the land with a site area of approximately 123,414.00 sq.m. to the Company at an annual rental of approximately RMB740,500 excluding tax for the land use right term commencing from 18 March 2008 and expiring on 18 March 2028.
3. Pursuant to 7 Building Ownership Certificates – Wei Fang Quan Zheng Zi Di Nos. 2009011372, 2009011377, 2009011380, 2009011433, 2009011440, 2009011444 and 2009011449, 7 buildings with a total gross floor area of approximately 22,810.20 sq.m. are vested in Weihai Weiqiao Technology.

4. For the remaining 7 buildings with a total gross floor area of approximately 16,276.48 sq.m., we have not been provided with any title certificates.
5. As instructed by the Company, our valuation is carried out on the buildings and structures only. Moreover, our valuation is based on the assumption that the leasehold interests of the rented land portions can be freely transferred, occupied, sublet and handled by the Company during the term of the Land Leasing Agreement.
6. We have been provided with the Legal Opinion, which contains, *inter alia*, the following:
  - a. Weihai Weiqiao Technology legally held the ownership of the buildings mentioned in note 3 and has the right to legally transfer, lease, mortgage or otherwise dispose of the buildings.
7. In the valuation of this property, we have relied on the Legal Opinion and attributed no commercial value to the 7 buildings of the property mentioned in note 4 whose proper title certificates have not been obtained. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 7 buildings (excluding land element) as at the Valuation Date would be RMB12,846,000 assuming all relevant title certificates have been obtained and they could be freely transferred.