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3 May 2019

**The Board of Directors  
New Sports Group Limited**

Unit 2602, 26/F,  
Tower 1,  
Lippo Centre,  
No. 89 Queensway,  
Hong Kong

Dear Sirs/Madams,

**1. INSTRUCTIONS**

In accordance with the instructions of New Sports Group Limited (the “NSG”) to value the property interests (the “Properties”) located in the People’s Republic of China (the “PRC”), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for providing the market values of the Properties as at 31 January 2019 (the “Valuation Date”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

**2. BASIS OF VALUATION**

The valuation is our opinion of the market value (“Market Value”) which we would define as intended to mean 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 wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

### **3. VALUATION METHODOLOGY**

For completed properties or land which under preliminary development stage, direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

For properties under development, we have valued them on the basis that they will be developed and completed in accordance with the latest development proposals provided by NSG & the legal advisor of NSG. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In arriving at our valuations, we have adopted the direct comparison method by making reference to comparable sales evidence as available in the property market and have also taken into account the expended construction costs as well as the costs that will be expended to complete the developments.

### **VALUATION CONSIDERATIONS**

In valuing the properties, we have complied with the requirements set out in Chapter 5, Practice Note 12 to the Rules Governing the Listing of Securities published by The Stock Exchange of Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers published by the Securities and Futures Commission, and the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors.

#### **4. VALUATION ASSUMPTIONS**

In our valuation, unless otherwise stated, we have assumed that:

- a. transferable land use rights in respect of the Properties for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- b. the owner of the Properties has enforceable title to the Properties and has free and uninterrupted right to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted;
- c. no deleterious or hazardous materials or techniques have been used in the construction of the Properties; and
- d. the Properties is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown.

#### **5. TITLE INVESTIGATION**

We have been shown copies of various documents relating to the Properties. However, we have not examined the original documents to verify the existing titles to the Properties or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by NSG's PRC legal adviser, Allbright Law Offices, concerning the validity of the titles to the Properties.

#### **6. POTENTIAL TAX LIABILITIES**

As advised by NSG, the potential tax liabilities which will arise on direct disposal of the property interests held by NSG at the amounts valued mainly comprise the following:

- Value added tax ("VAT") at 5%/10% on the transaction amount
- Enterprise income tax at 25% on gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value
- Stamp duty at 0.05% on the transaction amount
- Other surcharge at approximately 11% of VAT paid

The likelihood of the potential tax liability being crystalized is remote as NSG has no intention to dispose its property interests in a short period of time.

## 7. LIMITING CONDITIONS

We have conducted on-site inspections to the Properties in January 2019 by Mr Lai Jianbao (賴建寶先生), Mr Yi Zhijian (易志堅先生) and Mr. Fan Chuanpeng (范傳鵬先生). All inspectors have over 5 year experience in property valuation in the PRC.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Properties. Our valuation is prepared on the assumptions that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Properties or on adjoining or neighboring land or that the Properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied very considerable extent on the information provided by NSG and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Properties. 5.06(1)(o)

We have had no reason to doubt the truth and accuracy of the information provided to us by NSG. We have also been advised by NSG that no material fact has 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.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of NSG. Neither have we verified the correctness of any information supplied to us concerning the Properties.

## 8. REMARKS

We have valued the property interests in Renminbi (RMB).

We enclose herewith the summary of values and the “valuation particulars”.

Yours faithfully,

For and on behalf of

**Valtech Valuation Advisory Ltd**



**Peggy Y. Y. Lai**

*MHKIS, MRICS, RPS(GP), BSc*

*Director*

*Ms. Peggy Y.Y. Lai is a Registered Professional Surveyor (GP) with over 18 years' experience in valuation of properties in HKSAR, Macau SAR, United Kingdom, Canada, mainland China and the Asia Pacific Region. Ms. Lai is a Professional Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors as well as a Member of China Institute of Real Estate Appraisers and Agents in the PRC.*

## SUMMARY OF VALUES

| No. | Property  | Market Value<br>as at<br>31 January 2019<br>RMB |
|-----|---|---|
| 1.  | Two parcels of land east to Fengshun Street, west to library of Jilin University, south to Jiefang Avenue and north to Mudan Garden, Zhaoyang District, Changchun City, Jilin Province, the PRC                                       | 574,000,000                                     |
| 2.  | A parcel of land located at cross southeast of Shuangwang Avenue and Weiqing Road, Weinan City, Shann'xi Province, the PRC  | 244,000,000                                     |
| 3.  | A proposed development located at Lot No.131, Foshan (Yunfu) Industrial Transfer Park, Duyang Town, Yun'an District, Yunfu City, Guangdong Province, the PRC  | 359,900,000                                     |
| 4.  | Portion of a composite development located at the southeast corner of Chaohui Road and Jiayu Road, Yuhua District, Changsha, Hunan Province, the PRC  | 1,199,800,000                                   |
| 5.  | Residential units of Block No.1 at Street No. 307 and Block No. 4 at Street No. 305-1 Xijiang North Street, Shui An Kang Cheng, Yuhong District, Shenyang City, Liaoning Province, the PRC  | 39,900,000                                      |
| 6.  | Retail units of Block Nos. 16,17,18,19 and 20 at Street Nos.301-3, 301,299,299-1 and 299-2 Xijiang North Street, Yuhong District, Shenyang City, Liaoning Province, the PRC   | 186,600,000                                     |
| 7.  | 16 commercial units located at basement car park commercial area, Shiguang Yuanzhu Garden, No.82 Baxia Road, Economic Development Zone, Hefei City, Anhui Province, the PRC   | 27,100,000                                      |
| 8.  | 33 commercial units located at car park and commercial area, Lingxiang Garden, No.449 Huangshan Road, Shushan District, Hefei City, Anhui Province, the PRC   | 81,200,000                                      |
| 9.  | A proposed development known as Chan Shang Centre (潮商中心) located at southwest side of the junction of Zhongshan East Road and Hengshan Road, Economic Park of Zhugang Xincheng Headquarter, Shantou City, Guangdong Province, the PRC | 1,194,000,000                                   |

| <b>No.</b> | <b>Property</b>   | <b>Market Value<br/>as at<br/>31 January 2019<br/>RMB</b> |
|------------|---|---|
| 10.        | A proposed development known as Bao Neng City Garden located at Chengnan Jie Dao Dong Nei Ju Wei, and the north-east side of Xinhua Dong Lu, Chaoyang District, Shantou City, Guangdong Province, the PRC | 1,816,000,000   |
| 11.        | Three parcels of adjacent land known as Lots F01–11, F02–08 & F02–10 located in Xinjin Area of East Coast New Town, Longhu District, Shantou City, Guangdong Province, the PRC                            | 2,377,000,000   |
| 12.        | Units A and H on Level 20, Block 5, Area A, Phase III, Haishang Shijie Shuangxi Garden, Nanshan District, Shenzhen City, Guangdong Province, the PRC  | 23,200,000  |
| 13.        | Unit 16A, Block J, Building No.4, Bao Neng Cheng Garden, Liuxian Avenue, Nanshan District, Shenzhen, the PRC  | 5,380,000   |
|            | <b>Total</b>  | <b><u>8,128,080,000</u></b>                               |

## VALUATION PARTICULARS

| No. | Property  | Description and tenure   | Particulars of occupancy                                    | Market Value as at<br>31 January 2019<br>RMB                |
|-----|---|--|---|---|
| 1.  | Two parcels of land east to Fengshun Street, west to library of Jilin University, south to Jiefang Avenue and north to Mudan Garden, Zhaoyang District, Changchun City, Jilin Province, the PRC | <p>The property comprises two continual land parcels with a total site area of 12,003.00 square meter.</p> <p>Pursuant to the construction work planning permit, the planned total gross floor area of the property is approximately 31,286.72 square metre. The development is expected to be completed in 2022.</p> <p>The land use rights of the property are held for a term expiring on 27 December 2057 for financial and commercial uses.</p> | The property is under the preliminary stage of development. | 574,000,000<br>(Renminbi Five Hundred Seventy Four Million) |

*Notes:*

- i. According to a Land Use Right Grant Contract, the land use right with a site area of about 12,003.00 square metres has been granted to 长春市寶新房地產開發有限公司 (“Changchun Baoxin”), an indirect 70.42% owned subsidiary of NSG, for a term expiring on 27 December 2057 for financial and commercial uses.
- ii. Phase I of the property is under preliminary development stage and has been grant with construction work planning permit and construction work commencement permit in November 2018.
- iii. Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB2,400,000,000. The outstanding development cost as at the Valuation Date is approximately RMB1,000,000,000.
- iv. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Changchun Baoxin;
  - ii) Changchun Baoxin is entitled to transfer, lease, mortgage or dispose of the property freely in the market;
  - iii) All land premium has been fully settled and There is no legal impediment for Changchun Baoxin to obtain the Land Use Right Certificate; and
  - iv) the property is free from any mortgage or third parties’ encumbrance



## VALUATION PARTICULARS

| No. | Property   | Description and tenure   | Particulars of occupancy                                    | Market Value as at<br>31 January 2019<br>RMB             |
|-----|--|--|---|--|
| 2.  | A parcel of land located at cross southeast of Shuangwang Avenue and Weiqing Road, Weinan city, Shann'xi Province, the PRC | The property comprises a parcel of land with a site area of 86,790.98 square meter.<br><br>Pursuant to the construction work planning permit, the planned total gross floor area of the property is approximately 260,000 square meter. The development is expected to be completed in 2022.<br><br>The land use rights of the property are held for a term expiring on 19 April 2088 for residential use. | The property is under the preliminary stage of development. | 244,000,000<br>(Renminbi Two Hundred Forty Four Million) |

*Notes:*

- i. According to a Stated-owned land use right certificate No.0001344, the land use right with a site area of about 86,790.98 square metres has been granted to 渭南市寶能置業有限公司 (“Weinan Baoneng”), an indirect 60% owned subsidiary of NSG, for a term expiring on 19 April 2088 for residential use.
- ii. Pursuant to construction work planning permit, the property is permitted to be developed into various high-rise residential buildings with a planned gross floor area of approximately 260,000 sq.m..
- iii. Pursuant to a construction work commencement permit, the construction of phase I with total planned gross floor area of approximately 194,704.2 sq.m. was approved.
- iv. Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB1,570,000,000. The outstanding development cost as at the Valuation Date is approximately RMB1,100,000,000.
- v. We have been provided with a legal opinion by NSG's PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Weinan Baoneng;
  - ii) Weinan Baoneng is entitled to transfer, lease, mortgage or dispose of the property freely in the market;
  - iii) All land premium has been fully settled and There is no legal impediment for Weinan Baoneng to obtain the Land Use Right Certificate; and
  - iv) the property is free from any mortgage or third parties' encumbrance.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure   | Particulars of occupancy                                | Market Value as at<br>31 January 2019<br>RMB   |
|-----|--|--|---|--|
| 3.  | A proposed development located at Lot No.131, Foshan (Yunfu) Industrial Transfer Park, Duyang Town, Yun'an District, Yunfu City, Guangdong Province, the PRC | <p>The property comprises a parcel of land with a site area of 139,325.92 square meter.</p> <p>Pursuant to land grant contract, the permitted maximum gross floor area of the property is approximately 278,651.84 square meter. Currently phase I with planned gross floor area of approximately 45,336.31 sq.m. is under construction. The development is expected to be completed at 2023.</p> <p>The land use rights of the property are held for a term expiring on 5 March 2084 for residential use.</p> | The property is under preliminary stage of development. | 359,900,000<br>(Renminbi Three Hundred and Fifty Nine Million and Nine Hundred Thousand) |

*Notes:*

- i. According to a Stated-owned land use right certificate — Yue (2017) Yun Fu Yun An Real Estate No.004422, the land use right with a site area of about 139,325.92 square metres has been granted to 雲浮寶能置業有限公司 (“Yunfu Baoneng”), an indirect 100% owned subsidiary of NSG, for a term expiring on 5 March 2084 for residential use.
- ii. Pursuant to the land grant contract –No.445301–2014–00010, the development restriction of the property is listed as below:
  - Plot Ratio: 2
  - Maximum Gross Floor Area: 278,651.84 sq.m.
  - Building Height: <=100 meters
  - Site Coverage: <=35%
- iii. The property is under development. Construction work planning permit and construction work commencement permit have been respectively granted in July 2018 and November 2019 for phase I of the property. The planned gross floor area of approximately 45,336.31 sq.m. will be developed into 21 blocks of low-rise residential building with commercial podium and car parking space.
- iv. Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB1,600,000,000. The outstanding development cost as at the Valuation Date is approximately RMB500,000,000.
- v. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Yunfu Baoneng;
  - ii) the construction work planning permit and construction work commencement permit is valid and enforceable; and
  - iii) the property is subject to a mortgage and free from any other third parties’ encumbrance.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure  | Particulars of occupancy   | Market Value as at<br>31 January 2019<br>RMB   |
|-----|--|---|--|--|
| 4.  | Portion of a composite development located at the southeast corner of Chaohui Road and Jiayu Road, Yuhua District, Changsha, Hunan Province, the PRC | <p>The property comprises of unsold portion of Phase III-IV of a composite development and vacant sites of Phase V &amp; VI with a total site area of 110,740.65 sq.m.</p> <p>The total gross floor area of unsold portion of Phase III-IV is 67,169.27 square meter. And the planned gross floor area of Phase V is 161,564.83 sq.m.. Other portion (portion of phase IV &amp; phase VI) is still vacant and pending for development. The whole development is expected to be completed in 2023.</p> | Portion of the development (Phase I-IV) is completed and ready for sale while the remaining vacant site is under preliminary development stage or pending for further development. | 1,199,800,000<br>(Renminbi One Billion One Hundred and Ninety Nine Million and Eight Hundred Thousand) |

The land use rights of the property are held for a term expiring on 28 April 2053 for composite use.

*Notes:*

- i. According to three Stated-owned land use right certificates, three parcels of land with a site area of about 190,449.27 square metres has been granted to 湖南美聯置業有限公司 (“Hunan Meilian”), an indirect 51% owned subsidiary of NSG, for a term expiring on 28 April 2053 for composite use.

| Reference No.                    | Portion  | Site Area (sq.m.) |
|----------------------------------|----------|-------------------|
| Chang Guo Yong (2011) No. 095654 | Phase IV | 87,449.62         |
| Chang Guo Yong (2011) No. 095653 | Phase V  | 93,543.34         |
| Chang Guo Yong (2013) No. 075461 | Phase VI | 9,456.31          |

Major portion of Phase IV is completed except for a vacant site with site area of approximately 7,741 sq.m and currently no any development plan has been applied. Other vacant site with a total site area of 102,999.65 sq.m. is planned to be developed as phase V and VI.

As Phase I-III has been completed and granted with respective real estate title certificates and replace the land use rights certificate of such portion.

- ii. Phase V is under preliminary development stage. Construction work planning permit issued in November 2018 and construction work commencement permit has been granted with planned gross floor area of approximately 161,564.83 sq.m. which will be developed into various residential buildings. Phase VI is still vacant and no any development progress is incurred.
- iii. Based on current development plan provided by NSG, the gross development value of phase V upon completion is estimated to be approximately RMB1,880,000,000. The outstanding development cost as at the Valuation Date is approximately RMB750,000,000.
- iv. We have been provided with a legal opinion by NSG's PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Hunan Meilian;
  - ii) the construction work planning permit and construction work commencement permit is valid and enforceable;
  - iii) the property is subject to a mortgage and free from any other third parties' encumbrance.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure  | Particulars of occupancy                             | Market Value as at<br>31 January 2019<br><i>RMB</i>                    |
|-----|--|---|--|--|
| 5.  | Residential units of Block No.1 at Street No. 307 and Block No. 4 at Street No. 305-1 Xijiang North Street, Shui An Kang Cheng, Yuhong District, Shenyang City, Liaoning Province, the PRC | <p>The property comprises 48 residential units of two 6-storey residential buildings, which was completed in about 2017.</p> <p>The total gross floor area of the property is approximately 6,517.72 square metres.</p> <p>The land use rights of the property are held for a term expiring on 6 December 2082 for residential use.</p> | As advised by NSG, the property is currently vacant. | 39,900,000<br>(Renminbi Thirty Nine Million and Nine Hundred Thousand) |

*Notes:*

- i. According to 48 Real Estate Title Certificates, known as Liao {2017} Shen Yang Shi Bu Dong Chan Quan Nos. 0184530, 0184534, 0184537, 0184538, 0184541-0184543, 0184546-0184549, 0184551-0184566, 0184568, 0184572, 0184582-0184586, 0184589, 0184592, 0184938, 0184942, 0184943, 0184946, 0184950, 0184952, 0184956, 0184959, 0184969, 0184970, 0184974, 0187339, issued by the Planning and Land Resources Bureau dated 6 June 2017 to 8 June 2017, the real properties with a total gross floor area of approximately 6,517.72 square metres are held by Shenzhen Qianhai Virdom Education Investment Company Limited (深圳前海唯致教育投资有限公司) (“Shenzhen Qianhai Virdom”), an indirect 100% owned subsidiary of NSG, for residential use and the land use rights are granted for a term expiring on 6 December 2082.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Qianhai Virdom;
  - ii) Shenzhen Qianhai Virdom is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is subject to a mortgage and free from any other third party’s encumbrances.

## VALUATION PARTICULARS

| No. | Property  | Description and tenure  | Particulars of occupancy   | Market Value<br>as at<br>31 January 2019<br>RMB                                  |
|-----|---|---|--|--|
| 6.  | Retail units of Block Nos. 16,17,18,19 and 20 at Street Nos.301–3, 301,299,299–1 and 299–2 Xijiang North Street, Yuhong District, Shenyang City, Liaoning Province, the PRC | <p>The property comprises five blocks of 2-storey commercial buildings, which was completed in about 2017.</p> <p>The total gross floor area of the property is approximately 12,304.62 square metres.</p> <p>The land use rights of the property are held for a term expiring on 6 December 2052 for commercial use.</p> | <p>According to information provided by NSG, portion of the property with a total gross floor area of approximately 5,820.26 square metres is subject to a tenancy for a term expiring on 19 October 2023 at a current monthly rent of approximately RMB87,673. As advised by NSG, other portions of the real property are currently vacant.</p> | <p>186,600,000<br/>(One Hundred Eighty Six Million and Six Hundred Thousand)</p> |

*Notes:*

- i. According to 29 Real Estate Title Certificates, known as Liao (2017) Shen Yang Shi Bu Dong Chan Quan Nos.0218975, 0218976, 0218978, 0218981, 0218984, 0218986, 0219064–0219066, 0219069, 0219070, 0219075, 0219077, 0219079, 0219106, 0219109, 0219127, 0219141, 0219204, 0219214, 0219225, 0219232, 0219241, 0219248, 0219264, 0219273, 0219289, 0219315, 0219320, issued by the Planning and Land Resources Bureau dated 28 June 2017, the real property with a total gross floor area of approximately 12,304.62 square metres is held by Shenzhen Ruiteng Enterprise Management Company Limited (深圳瑞騰企業管理有限公司)(“Shenzhen Ruiteng”), an indirect 100% owned subsidiary of NSG, for commercial use and the land use rights are granted for a term expiring on 6 December 2052.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Ruiteng;
  - ii) Shenzhen Ruiteng is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is subject to a mortgage and free from any other third party’s encumbrances.

## VALUATION PARTICULARS

| No. | Property  | Description and tenure   | Particulars of occupancy  | Market Value<br>as at<br>31 January 2019<br>RMB                                    |
|-----|---|--|---|--|
| 7.  | 16 commercial units located at basement car park commercial area, Shiguang Yuanzhu Garden, No.82 Baxia Road, Economoc Development Zone, Hefei City, Anhui Province, the PRC | <p>The property comprises 16 commercial units in three blocks of 2-storey commercial buildings, which was completed in about 2013.</p> <p>The total gross floor area of the property is approximately 1,943.36 square metres.</p> <p>The land use rights of the real property are held for a term expiring on 30 July 2081 for commercial use.</p> | According to the information provided by the NSG, the property is subject to a tenancy for a term expiring in 5 March 2027 at a current monthly gross rent of approximately RMB68, 018. | 27,100,000<br>(Renminbi<br>Twenty Seven<br>Million and One<br>Hundred<br>Thousand) |

*Notes:*

- i. According to 16 Real Estate Title Certificates, known as Wan (2017) He Bu Dong Chan Quan Nos. 0073495, 0073498, 0073499, 0073501, 0073502, 0073504, 0073505, 0073508, 0073513–0073518, 0073520, 0073521, issued by the Land Resources Bureau of Hefei City dated 17 April 2017, the real property with a total gross floor area of approximately 1,943.36 square metres is held by 深圳寶新體育產業有限公司 (translated as “Shenzhen Baoxin Sports Industry Company Limited”) (“Shenzhen Baoxin”), an indirect 100% owned subsidiary of NSG, for commercial use and the land use rights are granted for commercial use for a term expiring on 30 July 2081.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Baoxin;
  - ii) Shenzhen Baoxin is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is subject to a mortgage and free from any other third party’s encumbrances.

## VALUATION PARTICULARS

| No. | Property  | Description and tenure   | Particulars of occupancy   | Market Value<br>as at<br>31 January 2019<br>RMB  |
|-----|---|--|--|--|
| 8.  | 33 commercial units located at car park and commercial area, Lingxiang Garden, No.449 Huangshan Road, Shushan District, Hefei City, Anhui Province, the PRC | <p>The property comprises 33 commercial units at three blocks of 2 to 4-storey commercial buildings, which was completed in about 2013.</p> <p>The total gross floor area of the property is approximately 6,062.52 square metres.</p> <p>The land use rights of the property are held for a term expiring on 18 June 2049 for commercial services and finance uses.</p> | <p>According to the information provided by the NSG, portion of the property with total gross floor area of approximately 5,700 sq.m. is subject to various tenancies with the latest expiring on 21 May 2027 at a current total monthly rent of approximately RMB297,440. The remaining portion with gross floor area of approximately 383 sq.m. is vacant.</p> | <p>81,200,000<br/>(Renminbi<br/>Eighty One<br/>Million and Two<br/>Hundred<br/>Thousand)</p> |

*Notes:*

- i. According to 33 Real Estate Title Certificates, known as Wan (2017) He Bu Dong Chan Quan No. 0075994, 0075996, 0075998, 0080502, 0080510, 0080511, 0080514, 0080516, 0080519, 0080521, 0080525, 0080526, 0080528, 0080532, 0080534, 0080537, 0080539, 0080542, 0080544, 0080551, 0080554, 0080556, 0080562, 0080686, 0080695, 0080699, 0080704, 0080711, 0080713, 0080727, 0080729, 0080735, 0131360, issued by the Land Resources Bureau of Hefei City dated 20 April 2017, 25 April 2017 and 19 June 2017 respectively, the real property with a total gross floor area of approximately 6,062.52 square metres is held by 深圳寶新體育產業有限公司 (translated as “Shenzhen Baoxin Sports Industry Company Limited”) (“Shenzhen Baoxin Sports”), an indirect 100% owned subsidiary of NSG, for commercial services uses and the land use rights are granted for commercial services and finance uses for a term expiring on 18 June 2049.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Baoxin Sports;
  - ii) Shenzhen Baoxin Sports is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is subject to a mortgage and free from any other third party’s encumbrances.



## VALUATION PARTICULARS

| No. | Property  | Description and tenure  | Particulars of occupancy                                 | Market Value<br>as at<br>31 January 2019<br>RMB                          |
|-----|---|---|--|--|
| 9.  | A proposed development known as Chan Shang Centre (潮商中心) located at southwest side of the junction of Zhongshan East Road and Hengshan Road, Economic Park of Zhugang Xincheng Headquarter, Shantou City, Guangdong Province, the PRC | Chan Shang Centre (the “Development”) is a proposed development comprises office, apartment, club house, retail and other facilities erected on a site with site area of approximately 40,410.00 sq.m..<br><br>The planned gross floor area of the property is 222,112.02 sq.m. and is expected to be completed in December 2020.<br><br>The land use rights of the property are held for commerce and finance uses for a term of 40 years expiring on 28 January 2057. | Upon our inspection, the property is under construction. | 1,194,000,000 (Renminbi One Billion One Hundred And Ninety Four Million) |

*Notes:*

- i. According to a State-owned Construction Land Use Rights Grant Contract (the “Chaoshang Centre Land Contract”) entered into between 汕頭市國土資源局 (translated as “Shantou City Land Resources Bureau ”) and Chaoshang Group (Shantou) Investment Company Limited (“Chaoshang Group (Shantou)”) an indirect 56.80% owned subsidiary of NSG, dated 30 December 2016, the land use rights of a land parcel (known as Lot A-03-01) with a site area of approximately 40,410 square metres were contracted to be granted to Chaoshang Group (Shantou) at a consideration of RMB580,000,000 for commerce and finance uses for a term of 40 years commencing from the date of the delivering of the land. The Chaoshang Centre Land Contract contains, inter alia, the following salient conditions:

|                                    |                                     |
|------------------------------------|-------------------------------------|
| <b>Plot Ratio:</b>                 | <= 5.5                              |
| <b>Permitted Gross Floor Area:</b> | Approximately 222,255 square meters |
| <b>Height Restriction:</b>         | Not more than 150 metres            |

- ii. Pursuant to a State-owned Land Use Right Certificate, the land use right of the property with a site area of 40,410.00 sq.m. has been granted to Chaoshang Group (Shantou) for a term expiring on 28 January 2057 for financial and commercial uses.

- iii. Pursuant to a construction work commencement permit, the construction of the property mainly including two blocks of office with retail podium, two blocks of service apartment, one exhibition center and basement have been approved.

Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB2,351,000,000. The outstanding development cost as at the Valuation Date is approximately RMB1,020,000,000.

- iv. We have been provided with a legal opinion by NSG's PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Chaoshang Group (Shantou);
  - ii) the construction work planning permit and construction work commencement permit is valid and enforceable; and
  - iii) the property is subject to a mortgage and free from any other third parties' encumbrance.

## VALUATION PARTICULARS

| No. | Property  | Description and tenure  | Particulars of occupancy                                 | Market Value<br>as at<br>31 January 2019<br>RMB                           |
|-----|---|---|--|---|
| 10. | A proposed development known as Bao Neng City Garden located at Chengnan Jie Dao Dong Nei Ju Wei, and the north-east side of Xinhua Dong Lu, Chaoyang District, Shantou City, Guangdong Province, the PRC | Bao Neng City Garden (the “Development”) is a proposed development comprised of residential, apartment, hotel, clubhouse, kindergarten and other facilities.<br><br>Phase I & II with a planned gross floor area of 265,163 sq.m. mainly comprising of high-rise residential buildings, retail units is under construction while others are still pending for future development. The development is expected to be completed in March 2021.<br><br>The land use rights of the real property are held for science education use for a term of 50 years, for residential use for a term of 70 years and for commerce and finance uses for a term of 40 years commencing from 26 December 2014. | Upon our inspection, the property is under construction. | 1,816,000,000<br>(Renminbi One Billion Eight Hundred and Sixteen Million) |

*Notes:*

- i. According to a State-owned Construction Land Use Rights Grant Contract (the “Chaoyang Project Land Contract”) entered into between 汕頭市潮陽區國土資源局 (translated as “Shantou City Chaoyang District Land Resources Bureau”) and Shantou Chaoshang Chengzhen Comprehensive Management Company Limited (“Chaoshang Chengzhen ”), an indirect 54.67% owned subsidiary of NSG, dated 26 December 2014, the land use rights of a land parcel (known as Lot G2014–8–1) with an aggregate site area of approximately 94,020.8 square metres (of which the granted site area is approximately 71,702.4 square metres) were contracted to be granted to Chaoshang Chengzhen at a consideration of RMB333,800,000 for science education use for a term of 50 years, for residential use for a term of 70 years and for commerce and finance uses for a term of 40 years commencing from the date of delivery of the land. The Chaoyang Project Land Contract contains, inter alia, the following salient condition.

|                                    |  |
|------------------------------------|--|
| <b>Plot Ratio:</b>                 | ≤ 4.5                                  |
| <b>Permitted Gross Floor Area:</b> | Approximately 322,241.05 square meters |
| <b>Height Restriction:</b>         | Not more than 100 metres               |

- ii. According to a Real Estate Title Certificate, known as Yue (2017) Chaoyang Qu Bu Dong Chan Quan No. 0003181, dated 25 July 2017 issued by the State-own Land Resources Bureau of Shantou City, the land use rights of the real property with a site area of approximately 167.90 square metres have been granted to Chaoshang Chengzhen with a term expiring on 25 December 2064 for Science and Education uses.
- iii. According to three Real Estate Title Certificates, known as Yue (2017) Chaoyang Qu Bu Dong Chan Quan Nos. 0003178, 0003180, 0003183, dated 25 July 2017 issued by the State-own Land Resources Bureau of Shantou City, the land use rights of the real property with a total site area of approximately 21,644.50 square metres have been granted to Chaoshang Chengzhen with a term expiring on 25 December 2084 for township residential uses.
- iv. According to a Real Estate Title Certificate, known as Yue (2017) Chaoyang Qu Bu Dong Chan Quan No. 0003179, dated 25 July 2017 issued by the State-own Land Resources Bureau of Shantou City, the land use rights of the real property with a site area of approximately 49,890 square metres have been granted to Chaoshang Chengzhen with a term expiring on 25 December 2084 for town ship residential use and expiring on 25 December 2054 for commerce and finance uses.
- v. Pursuant to two construction work commencement permits issued in December 2017 and April 2018, construction of phase I and phase II of the property with total planned gross floor area of 265,163 sq.m have been approved.
- vi. Five set of pre-sold permits have been granted to residential units of block No.2, No.3, No.6, No.8 and retail units of block No.2 & 3 with total gross floor area of approximately 88,499.28 sq.m..

Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB4,106,000,000. The outstanding development cost as at the Valuation Date is approximately RMB1,393,000,000.

- vii. We have been provided with a legal opinion by NSG's PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Chaoshang Chengzhen;
  - ii) the construction work commencement permit and pre-sold permit is valid and enforceable; and
  - iii) the property is subject to a mortgage and free from any other third parties' encumbrance.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure   | Particulars of occupancy                                  | Market Value<br>as at<br>31 January 2019<br><i>RMB</i>                      |
|-----|--|--|---|---|
| 11. | Three parcels of adjacent land known as Lots F01-11, F02-08 & F02-10 located in Xinjin Area of East Coast New Town, Longhu District, Shantou City, Guangdong Province, the PRC | <p>The property comprises 3 parcels of commercial adjacent land with a total site area of approximately 167,299.50 sq.m. (1,800,795 sq.ft.).</p> <p>As advised by NSG, the property will be developed into a composited development, including a convention centre, a hotel, various high- and low-rise offices and apartments, commercial facilities and car parking spaces. The whole development will be developed by phases and is scheduled to be completed by end of 2021.</p> <p>The Property has a maximum permitted gross floor area of approximately 682,282.50 sq.m. (7,344,021 sq.ft.).</p> <p>The land use rights of the property were granted for a term of 40 years expiring on 17 January 2057 for commercial use.</p> | The property is under a preliminary stage of development. | 2,377,000,000<br>(Renminbi Two Billion Three Hundred Seventy Seven Million) |

*Notes:*

- i. Pursuant to a Stated-owned Land Use Right Grant Contract — No. 440501–2016–000017 dated 30 December 2016, the land use rights of the property with a total site area of approximately 167,299.50 sq.m. were granted to 汕頭市泰盛科技有限公司 (“泰盛科技”), an indirect 100% owned subsidiary of NSG, for a term of 40 years for commercial use.
- ii. Pursuant to three Real Estate Title Certificates dated 2 March 2017, the land use rights of the property with a site area of approximately 167,299.50 sq.m. were granted to 泰盛科技 for a term commencing on 18 January 2017 and expiring on 17 January 2057 for commercial use. Details of such certificates are listed as follows:

| Certificate No. — Yue (2017) Shantou<br>Shi Bu Dong Chan Quan | Lot No.       | Approx. Site<br>Area (sq.m.) | Plot Ratio |
|---|---------------|------------------------------|------------|
| No. 0004853   | F02–10        | 50,897.90                    | ≤3.5       |
| No. 0004865   | F02–08        | 39,474.80                    | ≤4.0       |
| No. 0004866   | F01–11        | <u>76,926.80</u>             | ≤4.5       |
|   | <b>Total:</b> | <b><u>167,299.50</u></b>     |            |

- iii. Pursuant to a Construction Land Planning Permit — 2017 Shan Hua Gui Jian Di Zi No.001 and its attachments dated 13 January 2017, the plan for construction with a total gross floor area of approximately 682,212.45 sq.m. has been approved. Details of such plan is as follows:

|                                      | Lot F02–10  | Lot F02–08  | Lot F01–11  | Total       |
|--------------------------------------|-------------|-------------|-------------|-------------|
| Total Site Area (sq.m.)              | —           | —           | —           | 192,613.80  |
| Road Area (sq.m.)                    | —           | —           | —           | 25,314.30   |
| Usable Site Area (sq.m.)             | 50,897.90   | 39,474.80   | 76,926.80   | 167,299.50  |
| Plot Ratio                           | ≤3.5        | ≤4.0        | ≤4.5        |             |
| Accountable Gross Floor Area (sq.m.) | ≤178,142.70 | ≤157,899.20 | ≤346,170.60 | ≤682,282.50 |
| Site Coverage                        | ≤50%        | ≤50%        | ≤50%        |             |
| Green Ratio                          | ≥20%        | ≥20%        | ≥20%        |             |
| Car Park Ratio                       | ≥20%        | ≥20%        | ≥20%        |             |
| Building Height                      | ≤155m       | ≤155m       | ≤155m       |             |

Based on current development plan provided by NSG, the gross development value of the property upon completion is estimated to be approximately RMB6,291,000,000. The outstanding development cost as at the Valuation Date is approximately RMB3,097,000,000.

- iv. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i. the property is legally held by 泰盛科技;
  - ii. 泰盛科技 is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii. the property is subject to a mortgage and free from any other third party’s encumbrances.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure   | Particulars of occupancy                     | Market Value<br>as at<br>31 January 2019<br>RMB                                    |
|-----|--|--|--|--|
| 12. | Units A and H on Level 20, Block 5, Area A, Phase III, Haishang Shijie Shuangxi Garden, Nanshan District, Shenzhen City, Guangdong Province, the PRC | <p>The property comprises 2 residential units at a 31-storey composite, which was completed in about 2017.</p> <p>The total gross floor area of the property is approximately 176.56 square metres.</p> <p>The land use rights of the property are held for a term expiring on 30 August 2074 for residential use.</p> | Upon our inspection, the property is vacant. | 23,200,000<br>(Renminbi<br>Twenty Three<br>Million and Two<br>Hundred<br>Thousand) |

*Notes:*

- i. According to two Real Estate Title Certificates, known as Yue (2018) Shenzhen Shi Bu Dong Chan Quan Di 0041588 and 0041580 Hao dated 9 March 2018, the property with a total gross floor area of approximately 176.56 square metres is held by 深圳寶新體育產業有限公司 (“Shenzhen Baoxin Sports”), an indirect 100% owned subsidiary of NSG, for residential uses and the land use rights are granted for residential uses for a term expiring on 30 August 2074.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Baoxin Sports;
  - ii) Shenzhen Baoxin Sports is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is free from any mortgage or third parties’ encumbrance.

## VALUATION PARTICULARS

| No. | Property   | Description and tenure  | Particulars of occupancy | Market Value<br>as at<br>31 January 2019<br>RMB                                |
|-----|--|---|--------------------------|--|
| 13. | Unit 16A, Block J, Building No.4, Bao Neng Cheng Garden, Liuxian Avenue, Nanshan District, Shenzhen, the PRC | <p>The property comprises a residential unit of a composite development which was completed in about 2017.</p> <p>The gross floor area of the property is approximately 87.3 square metres.</p> <p>The land use rights of the property are held for a term expiring on 22 October 2082 for residential use.</p> | The property is vacant.  | <p>5,380,000<br/>(Renminbi Five Million Three Hundred and Eighty Thousand)</p> |

*Notes:*

- i. According to a Real Estate Title Certificate — Yue (2018) Shen Zhen Real Estate Title No.0150758, the property with a gross floor area of approximately 87.3 square metres is held by 深圳寶新實業集團有限公司 (“Shenzhen Baoxin”), an indirect 100% owned subsidiary of NSG, for residential use and the land use rights are granted for residential uses for a term expiring on 22 October 2082.
- ii. We have been provided with a legal opinion by NSG’s PRC legal adviser, Allbright Law Offices, regarding the legal title of the property, which contains, inter alia, the followings:
  - i) the property is legally held by Shenzhen Baoxin;
  - ii) Shenzhen Baoxin is entitled to transfer, lease, mortgage or dispose of the property freely in the market; and
  - iii) the property is free from any mortgage or third parties’ encumbrance.