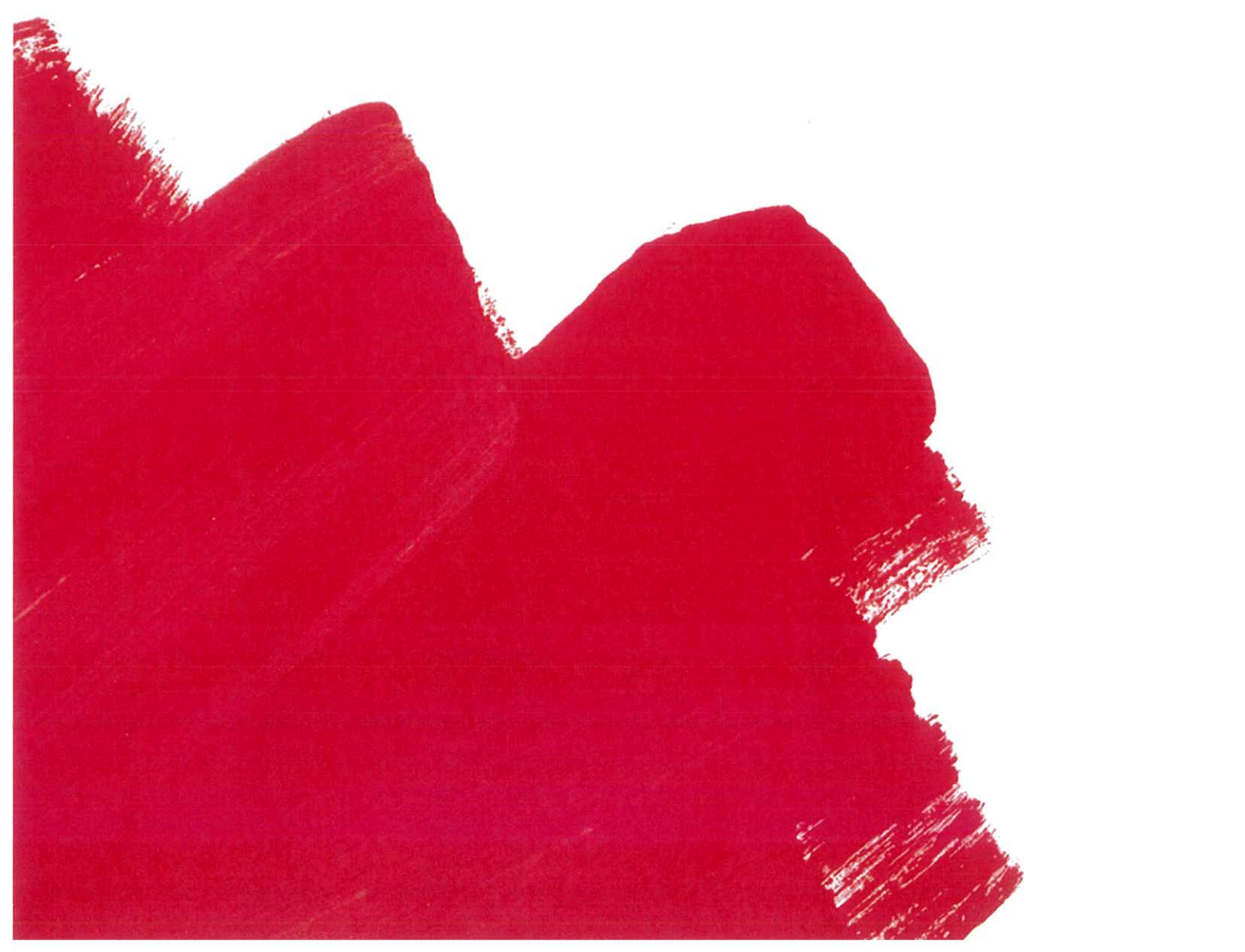


# Valuation Advisory

Client: Shandong Xinhua Pharmaceutical Company Limited

Property: 29 properties held by Shandong Xinhua Pharmaceutical Company Limited  
and its subsidiaries in the People's Republic of China

May 2021





仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
7th Floor, One Taikoo Place  
979 King's Road, Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Company Licence No.: C-030171

仲量聯行企業評估及諮詢有限公司  
香港英皇道979號太古坊一座7樓  
電話 +852 2846 5000 傳真 +852 2169 6001  
公司牌照號碼：C-030171

31 May 2021

The Board of Directors

**Shandong Xinhua Pharmaceutical Company Limited**

No. 1 Lutai Ave.

Hi-tech Industry Development Zone

Zibo City, Shandong Province

The PRC

Dear Sirs,

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**” or “**we**”) is instructed by Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) to provide valuation service on the properties in which the Company and its subsidiaries (hereinafter together referred to as the “**Group**”) have interests in the People’s Republic of China (the “**PRC**”) 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 you with our opinion on the market values of the property interests as at 30 April 2021 (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”.

Due to the nature of the completed buildings and structures of the property nos. 1 to 5 and 8 to 11 in Group I and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have been valued by the cost approach with reference to their depreciated replacement cost.

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 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 the construction in progress (the “CIP”) of property nos. 1, 3 and 8, we have assumed that they will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of values, we have taken into account the construction cost and professional fees relevant to the stage of construction as at the date of valuation.

We have valued the property nos. 6, 7 and 12 to 25 and Part B of property no. 4 in Group I and the property nos. 26 and 29 in Group II by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

For the property nos. 27 and 28, we have adopted the income approach in our valuation by taking into account the net rental income of the property derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which has been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to comparable sale transactions as available in the relevant market.

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

No 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 and Share Buy-Backs issued by Securities and Futures Commission; the RICS Valuation — Global 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.

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 title documents including State-owned Land Use Rights Certificates, Real Estate Title 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 legal opinion dated 25 May 2021 given by the Company's PRC Legal Advisors – Jingtian & Gongcheng, concerning the validity of the property interests in the PRC.

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.

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 May 2021 by 5 technical staffs including Mr. Owen Zhang, Mr. Larry Li, Mr. Elvin Zhang, Mr. Shuo Yang and Ms. Blair Xiong. They have more than 2 years' experience in the valuation of properties in the PRC. Among them, Mr. Owen Zhang is a China Certified Real Estate Appraiser.



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

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy has recovered and most business activities have been back to normal. We also note that market activity and market sentiment in these particular market sectors remains stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of the properties under frequent review.

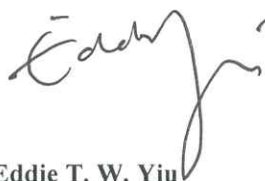
Our summary of values and valuation certificates are attached below for your attention.

Pursuant to the relevant rules and regulations of tax laws in the PRC, the potential tax liabilities which would arise if the property interests of the Group specified in this report were to be sold mainly include value added tax (5% of the capital gains for properties purchased before 30 April 2016; 9% of the transaction amount for properties purchased after 30 April 2016), land appreciation tax (30% to 60% of appreciated amount), income tax (25% of the capital gains after deducting the potential tax fee in effecting the sales), and stamp duty (0.05% of the transaction amount). As advised by the Company, they have no intention to sell the properties as those properties are mainly occupied for production. Therefore, the possibility of incurrence of such tax liabilities 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)*

*Senior Director*

*Note: Eddie T.W. Yiu is a Chartered Surveyor who has 27 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 the valuation date <i>RMB</i>
1.	Xinhua Pharmaceutical Headquarters Park No. 1 Lutai Road High-tech Zone Zhangdian District Zibo City Shandong Province The PRC	383,320,000 (note 1)
2.	Xinhua Pharmaceutical General Factory No. 14 Dongyi Road Zhangdian District Zibo City Shandong Province The PRC	122,410,000 (note 1)
3.	Xinhua Pharmaceutical 1st Branch Factory No. 13 Huagong Road Zhangdian District Zibo City Shandong Province The PRC	247,500,000 (note 1)
4.	Xinhua Pharmaceutical 2nd Branch Factory No. 229 Changguo East Road Zhangdian District Zibo City Shandong Province The PRC	204,390,000 (note 1)



No.	Property	Market value in existing state as at the valuation date RMB
5.	Nanding Pharmaceutical Factory located at the middle section of Zhangnan Road Nanding Town Zhangdian District Zibo City Shandong Province The PRC	No commercial value (note 1)
6.	A parcel of land located at Nanjiaosong Village Hutian Town Zhangdian District Zibo City Shandong Province The PRC	1,730,000
7.	An apartment building No. 15 Honggou Road Zhangdian District Zibo City Shandong Province The PRC	18,590,000
8.	Gaomi Pharmaceutical Factory No. 6 Gaoxin 2nd Road Xiazhuang Town Gaomi City Shandong Province The PRC	77,860,000 (note 1)



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No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
9.	Shouguang Pharmaceutical Factory located at the southern side of Chayan Road and the western side of Dadi Road Hou Town Shouguang County Weifang City Shandong Province The PRC	335,070,000 (note 1)
10.	A dormitory building located at the northern side of Chayan Road and the eastern side of Dajiu Road Hou Town Shouguang County Weifang City Shandong Province The PRC	No commercial value (note 1)
11.	3 dormitory buildings, a canteen and a guard room located at the western side of Fengdong Road and the southern side of Jinyuan Road Hou Town Shouguang County Weifang City Shandong Province The PRC	No commercial value (note 1)





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No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
12.	12 residential units of Bincheng Oasis Community No. 99 Haichuan Road Hanting District Weifang City Shandong Province The PRC	4,570,000
13.	A retail unit No. 182 Gongqingtuan West Road Zhangdian District Zibo City Shandong Province The PRC	1,980,000
14.	A retail unit No. 151 A3 Huaguang Road Zhangdian District Zibo City Shandong Province The PRC	2,380,000
15.	Unit 102, Entrance 1 Building No. 45 of Lijingyuan Community No. 40 Beixiwu Road Zhangdian District Zibo City Shandong Province The PRC	1,100,000



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No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
16.	A commercial building No. 31 Xinhua Road Zhangdian District Zibo City Shandong Province The PRC	27,350,000
17.	A retail unit No. 58 Xingxue Street Zhangdian District Zibo City Shandong Province The PRC	1,150,000
18.	A commercial building No. 16 Zhongxin Road Zhangdian District Zibo City Shandong Province The PRC	22,650,000
19.	A retail unit No. 2634 Zhangbei Road Suozhen Town Huantai County Zibo City Shandong Province The PRC	1,940,000





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No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
20.	A retail unit No. 597 Zicheng Road Zichuan District Zibo City Shandong Province The PRC	1,890,000
21.	6 apartment units in Building No. 20 of Anhuali Fifth Community located at Waiguanxie Street Chaoyang District Beijing The PRC	52,420,000
22.	6 office units in Zhonglian Building No. 540 Caoyang Road Putuo District Shanghai The PRC	21,090,000
23.	A residential unit in Building No. 7 of No. 88 Zhiquan Section East Street Jinjiang District Chengdu City Sichuan Province The PRC	5,620,000



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No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
24.	A residential unit in Beiyuan Building No. 12 of Tongjian Dajiangyuan Community No. 20 Jiangda Road Jiang'an District Wuhan City Hubei Province The PRC	3,440,000
25.	A residential unit No. 2 Jingyue Street Xingang West Road Haizhu District Guangzhou City Guangdong Province The PRC	8,520,000
<b>Sub-total:</b>		<b>1,546,970,000</b> (note 2)



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**GROUP II – PROPERTY INTERESTS HELD FOR INVESTMENT BY THE GROUP IN THE PRC**

<b>No.</b>	<b>Property</b>	<b>Market value in existing state as at the valuation date RMB</b>
26.	An office building No. 138 Aomen Road Shinan District Qingdao City Shandong Province The PRC	54,470,000
27.	2 parcels of land and 5 buildings No. 19 Dongyi Road Zhangdian District Zibo City Shandong Province The PRC	22,550,000
28.	A parcel of land and 4 buildings No. 4 Honggou Road Zhangdian District Zibo City Shandong Province The PRC	9,680,000

No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
29.	8 retail units Nos. 142, 144, 146, 148, 150, 152, 154 and 156 Xinhua Road Zichuan District Zibo City Shandong Province The PRC	No commercial value (note 3)
<b>Sub-total:</b>		<u>86,700,000</u> (note 4)
<b>Grand total:</b>		<u><u>1,633,670,000</u></u>

*Notes:*

1. In our valuation, we have attributed no commercial value to portions of buildings, the CIP and the land parcel in property nos. 1 to 5 and 8 to 11 due to the lack of proper title certificates or construction permits, details of which are set out in the footnotes of each valuation certificate. However, for reference purpose, we are of the opinion that the total depreciated replacement cost of these buildings and CIP (excluding the land element) and the market value of the land parcel as at the valuation date would be RMB739,310,000 and RMB39,500,000 respectively.
2. The amount does not contain the depreciated replacement cost of RMB739,310,000 and the market value for reference of RMB39,500,000 mentioned in note 1.
3. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the market value of the property in its existing state as at the valuation date would be RMB2,060,000 assuming all relevant title certificate has been obtained and the property could be freely transferred.
4. The amount does not contain the valuation figure of RMB2,060,000 mentioned in note 3.





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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 the valuation date RMB
1.	Xinhua Pharmaceutical Headquarters Park No. 1 Lutai Road High-tech Zone Zhangdian District Zibo City Shandong Province The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 252,425 sq.m., and 24 buildings and various structures erected thereon which were completed in various stages between 2005 and 2020.</p> <p>The buildings have a total gross floor area (“GFA”) of approximately 169,388.93 sq.m., including 8 workshops, 5 warehouses, 3 office buildings and 8 ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and ancillary facility rooms.</p> <p>The property also comprises a building which was under construction as at the valuation date (the “CIP”). The CIP will be developed into a workshop with a planned GFA of approximately 29,174 sq.m. and it is scheduled to be completed in June 2021.</p> <p>As advised by the Company, the construction cost of the CIP is estimated to be approximately RMB108,990,000, of which approximately RMB63,520,000 had been paid up to the valuation date.</p> <p>The land use rights of 4 parcels of land of the property with a total site area of approximately 210,373 sq.m. have been granted for terms expiring on 20 June 2036, 14 May 2037, 11 December 2064 and 16 October 2069 for industrial use. The land use rights certificate for the remaining parcel of land of the property with a site area of approximately 42,052 sq.m. has not been obtained.</p>	<p>As at the valuation date, the property was mainly occupied by the Group for production and ancillary purposes, except that the CIP was under construction and various office units were rented to a tenant for office purpose.</p>	383,320,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Lu (2019) Zi Bo Gao Xin Qu Bu Dong Chan Quan Di No. 0004874, 2 buildings of the property with a total GFA of approximately 46,079.30 sq.m. are owned by the Company. The relevant land use rights of a parcel of land with a site area of approximately 51,087 sq.m. have been granted to the Company for a term expiring on 11 December 2064 for industrial use.
2. Pursuant to a Real Estate Title Certificate – Lu (2019) Zi Bo Gao Xin Qu Bu Dong Chan Quan Di No. 0000771, 5 buildings of the property with a total GFA of approximately 22,683.43 sq.m. are owned by Shandong Zibo XinCat Pharmaceutical Co., Ltd. (“**XinCat Pharmaceutical**”, a wholly-owned subsidiary of the Company). The relevant land use rights of a parcel of land with a site area of approximately 38,780 sq.m. have been granted to XinCat Pharmaceutical for a term expiring on 20 June 2036 for industrial use.
3. Pursuant to a State-owned Land Use Rights Certificate and a Real Estate Title Certificate (for land) – Zi Guo Yong (2009) Di No. F01439 and Lu (2019) Zi Bo Gao Xin Qu Bu Dong Chan Quan Di No. 0008059 respectively, 2 parcels of land of the property with a total site area of approximately 120,506 sq.m. have been granted to the Company for terms expiring on 14 May 2037 and 16 October 2069 for industrial use.
4. For the remaining one parcel of land of the property with a site area of approximately 42,052 sq.m. and the remaining 17 buildings of the property with a total GFA of approximately 100,626.20 sq.m., we have not been provided with any title certificate.
5. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 370302-2020-02 in favour of the Company, the CIP of the property with a planned GFA of approximately 29,174 sq.m. has been approved for construction.
6. Pursuant to a Construction Work Commencement Permit – No. 370301202002280101 in favour of the Company, permission by the relevant local authority was given to commence the construction of the CIP of the property with a planned GFA of approximately 29,174 sq.m.
7. Pursuant to a Tenancy Agreement, various office units of the property with a total GFA of approximately 16,644 sq.m. were rented to a tenant for a term of 1 year expiring on 31 May 2020 for office use. The annual rental was RMB4,793,470, inclusive of VAT.  
  
As advised by the Company, although the term of the above Tenancy Agreement has expired and has not been renewed, as at the valuation date, the tenant still rented the property and paid the rent on a semiannual basis according to the above agreement.
8. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 4 parcels of land mentioned in notes 1 to 3 and is entitled to occupy and use the land parcels;
  - b. as advised by the Company, the Company is in the process of applying for relevant state-owned land use certificate for the parcel of land mentioned in note 4;
  - c. the Group has legally obtained the building ownership rights of the buildings mentioned in notes 1 and 2 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings;
  - d. there is no material legal impediment for the Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and the Company could continue to occupy and use the buildings; and
  - e. the Company has obtained the requisite approvals for the CIP in respect of the actual development stage.
9. In the valuation of this property, we have attributed no commercial value to the 17 buildings and the parcel of land which have not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 17 buildings (excluding the land element) as at the valuation date would be RMB260,050,000.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
2.	Xinhua Pharmaceutical General Factory No. 14 Dongyi Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises 4 parcels of land with a total site area of approximately 145,193.28 sq.m., and 34 buildings and various structures erected thereon which were completed in various stages between 1989 and 2017.	As at the valuation date, the property was occupied by the Group for production and ancillary purposes.	122,410,000

The buildings have a total gross floor area ("GFA") of approximately 58,760.01 sq.m., including 3 workshops, 6 warehouses, 3 office buildings, a dormitory building and 21 ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and ancillary facility rooms.

The land use rights of the property have been held through state-capital-injection or granted for terms expiring on 20 October 2032, 31 December 2045 and 10 August 2055 for industrial use, expiring on 25 October 2050 for commercial use and expiring on 25 October 2080 for residential use.



*Notes:*

1. Pursuant to 3 State-owned Land Use Rights Certificates – Zi Guo Yong (2001) Zi Di No. A00607, Zi Guo Yong (2005) Zi Di No. A11385 and Zi Guo Yong (2009) Zi Di No. 22941, the land use rights of 3 parcels of land of the property with a total site area of approximately 141,636.98 sq.m. have been held by the Company through state-capital-injection or granted to the Company for terms expiring on 20 October 2032, 31 December 2045 and 10 August 2055 for industrial use.
2. Pursuant to 9 Building Ownership Certificates – Zheng Zhang Dian Qu Zi Di Nos. 01-0010004, 01-0010005, 01-0010007, 01-0010008, 01-0003747, 01-0003748, 01-0062520, 01-0009998 and 01-1152963, 16 buildings of the property with a total GFA of approximately 38,140.25 sq.m. are owned by the Company.
3. Pursuant to 23 Real Estate Title Certificates – Lu (2018) Zi Bo Shi Bu Dong Chan Quan Di Nos. 0001738 to 0001760, the whole units of the dormitory building of the property with a total GFA of approximately 9,328.58 sq.m. is owned by the Company. The relevant land use rights of a parcel of land with a site area of approximately 3,556.30 sq.m. have been granted to the Company for terms expiring on 25 October 2050 for commercial use and 25 October 2080 for residential use.
4. For the remaining 17 buildings of the property with a total GFA of approximately 11,291.18 sq.m., we have not been provided with any title certificate.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 4 parcels of land mentioned in notes 1 and 3 and is entitled to occupy and use the land parcels;
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in notes 2 and 3 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings; and
  - c. there is no material legal impediment for the Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and the Company could continue to occupy and use the buildings.
6. In the valuation of this property, we have attributed no commercial value to the 17 buildings of the property which have not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 17 buildings (excluding the land element) as at the valuation date would be RMB12,080,000.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
3.	Xinhua Pharmaceutical 1st Branch Factory No. 13 Huagong Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises 13 parcels of land with a total site area of approximately 311,892.66 sq.m., and 126 buildings and various structures erected thereon which were completed in various stages between 1990 and 2020.	As at the valuation date, the property was occupied by the Group for production and ancillary purposes, except for the CIP which was under construction.	247,500,000

The buildings have a total gross floor area (“GFA”) of approximately 110,099.21 sq.m., mainly including workshops, warehouses, office buildings and ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and ancillary facility rooms.

The property also comprises a building which was under construction as at the valuation date (the “CIP”). The CIP will be developed into a workshop with a planned GFA of approximately 1,630 sq.m. and it is scheduled to be completed in September 2022.

As advised by the Company, the total construction cost of the CIP is estimated to be approximately RMB55,010,000, of which approximately RMB13,370,000 had been paid up to the valuation date.

The land use rights of the property have been held through state-capital-injection or granted for terms with the expiry dates between 7 May 2026 and 17 September 2065 for industrial use.

Notes:

1. Pursuant to 11 State-owned Land Use Rights Certificates, the land use rights of 11 parcels of land of the property with a total site area of approximately 295,976.74 sq.m. have been held by the Company through state-capital-injection or granted to the Company, Shandong Xinhua Wanbo Chemical Industry Co., Ltd. (“**Wanbo Chemical**”, a wholly-owned subsidiary of the Company) or Zibo Xinhua–Perrigo Pharmaceutical Co., Ltd. (“**Xinhua–Perrigo**”, a 50.1% owned subsidiary of the Company) for industrial use, details of which are as follows:

Certificate No.	Land Use Rights held by	Expiry Date	Site Area (sq.m.)
Zi Guo Yong (2001) Zi Di No. F00051	the Company	30 December 2045	14,820.90
Zi Guo Yong (2001) Zi Di No. F00052	the Company	30 December 2045	118,392.24
Zi Guo Yong (2001) Zi Di No. F00063	the Company	27 December 2030	35,885.10
Zi Guo Yong (2008) Di No. F00886	the Company	27 December 2030	8,582.50
Zi Guo Yong (2009) Di No. F01420	the Company	29 June 2057	13,701.00
Zi Guo Yong (2009) Di No. F01421	the Company	30 December 2036	13,047.00
Zi Guo Yong (2009) Di No. F00790	the Company	14 July 2058	21,116.00
Zi Guo Yong (2009) Di No. F00791	Xinhua–Perrigo	3 June 2037	15,851.00
Zi Guo Yong (2011) Di No. F02735	Wanbo Chemical	7 May 2026	32,000.00
Zi Guo Yong (2013) Di No. F01502	the Company	10 January 2063	10,933.00
Zi Guo Yong (2015) Di No. F01238	the Company	6 April 2065	11,648.00
<b>Total:</b>			<b>295,976.74</b>

2. Pursuant to 24 Building Ownership Certificates – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di Nos. 01-0010027, 01-0010028, 01-0009983 to 01-0009990, 01-0009993, 01-0009994 and Zi Bo Shi Fang Quan Zheng Zi Bo Gao Xin Qu Zi Di Nos. 03-1011546, 03-1011547, 01-1171222 to 01-1171231, 62 buildings of the property with a total GFA of approximately 48,926.66 sq.m. are owned by the Company, Wanbo Chemical or Xinhua-Perrigo.
3. Pursuant to 4 Real Estate Title Certificates – Lu (2018) Zi Bo Shi Bu Dong Chan Quan Nos. 0001591 to 0001594, 4 buildings of the property with a total GFA of approximately 1,355.79 sq.m. are owned by Wanbo Chemical. The relevant land use rights of a parcel of land with a site area of approximately 4,565.50 sq.m. have been granted to Wanbo Chemical for a term expiring on 17 September 2065 for industrial use.
4. Pursuant to a Real Estate Title Certificate – Lu (2019) Zi Bo Gao Xin Qu Bu Dong Chan Quan Di No. 0004475, a building of the property with a GFA of approximately 2,193.10 sq.m. is owned by Shandong Zibo XinCat Pharmaceutical Co., Ltd. (“XinCat Pharmaceutical”, a wholly-owned subsidiary of the Company). The relevant land use rights of a parcel of land with a site area of approximately 11,350.42 sq.m. have been granted to XinCat Pharmaceutical for a term expiring on 3 December 2063 for industrial use.
5. For the remaining 59 buildings with a total GFA of approximately 57,623.66 sq.m. and the CIP of the property, we have not been provided with any title certificate or construction permits.
6. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 13 parcels of land mentioned in notes 1, 3 and 4 and is entitled to occupy and use the land parcels;
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in notes 2 to 4 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings;
  - c. there is no material legal impediment for the Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and the Company could continue to occupy and use the buildings; and
  - d. the construction permits for the CIP of the property are in the process of application.
7. In the valuation of this property, we have attributed no commercial value to the 59 buildings and the CIP of the property which have not obtained any proper title certificates or construction permits. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 59 buildings and the CIP (excluding the land element) as at the valuation date would be RMB112,040,000.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
4.	Xinhua Pharmaceutical 2nd Branch Factory No. 229 Changguo East Road Zhangdian District Zibo City Shandong Province The PRC	<p>The property can be divided into two parts (“Part A” and “Part B”).</p> <p>Part A comprises 3 parcels of land with a total site area of approximately 235,821 sq.m., and 32 buildings and various structures erected thereon which were completed in various stages between 2012 and 2020.</p> <p>The buildings of Part A have a total gross floor area (“GFA”) of approximately 110,406.12 sq.m., including 21 workshops, 2 warehouses, an office building and 8 ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and ancillary facility rooms.</p> <p>The land use rights of Part A have been granted for terms expiring on 23 April 2059, 30 May 2059 and 30 May 2061 for industrial use.</p> <p>Part B comprises a parcel of land with a site area of approximately 92,898.74 sq.m. which was bare land for future development as at the valuation date.</p> <p>The relevant land use rights certificate of Part B has not been obtained.</p>	As at the valuation date, Part A of the property was occupied by the Group for production and ancillary purposes, whilst Part B was bare land for future development.	204,390,000



*Notes:*

1. Pursuant to 2 State-owned Land Use Rights Certificates – Zi Guo Yong (2012) Di No. A13014 and Zi Guo Yong (2009) Di No. A15408, the land use rights of 2 parcels of land of Part A of the property with a total site area of approximately 62,901 sq.m. have been granted to the Company for terms expiring on 30 May 2059 and 30 May 2061 for industrial use.
2. Pursuant to 4 Real Estate Title Certificates – Lu (2018) Zi Bo Shi Bu Dong Chan Quan Di No. 0013072 and Lu (2020) Zi Bo Shi Bu Dong Chan Quan Di Nos. 0012811 to 0012813, 3 buildings of Part A of the property with a total GFA of approximately 16,708.47 sq.m. are owned by the Company. The relevant land use rights of a parcel of land with a site area of approximately 172,920 sq.m. have been granted to the Company for a term expiring on 23 April 2059 for industrial use.

For the remaining 29 buildings of Part A of the property with a total GFA of approximately 93,697.65 sq.m., we have not been provided with any title certificate.

3. Pursuant to a State-owned Land Use Rights Grant Contract, the land use rights of Part B of the property with a site area of approximately 92,898.74 sq.m. were contracted to be granted to the Company for a term of 50 years from the land delivery date for industrial use. The total land consideration was RMB39,490,000. As advised by the Group, the land consideration has been fully paid. As advised by the Company, the land use rights certificate of Part B of the property is under application.
4. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as Part B of the property. The unit price of these comparable land sites ranges from RMB400 to RMB430 per sq.m. for industrial use. 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.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 3 parcels of land mentioned in notes 1 and 2 and is entitled to occupy and use the land parcels;
  - b. as advised by the Company, the Company is in the process of applying for relevant state-owned land use rights certificate for the parcel of land that is without title certificate;
  - c. the Group has legally obtained the building ownership rights of the buildings mentioned in note 2 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings; and
  - d. there is no material legal impediment for the Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and the Company could continue to occupy and use the buildings.
6. In the valuation of this property, we have attributed no commercial value to the 29 buildings of Part A and the land use rights of Part B of the property which have not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 29 buildings of Part A (excluding the land element) as at the valuation date would be RMB273,430,000, and the market value of Part B would be RMB39,500,000 assuming all relevant title certificate has been obtained and Part B 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
5.	Nanding Pharmaceutical Factory located at the middle section of Zhangnan Road Nanding Town Zhangdian District Zibo City Shandong Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 16,254.19 sq.m., and 9 buildings and various structures erected thereon which were completed in 2004.</p> <p>The buildings have a total gross floor area ("GFA") of approximately 4,040.84 sq.m., including an office building, a workshop, a warehouse, a dormitory building, a canteen and 4 ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and bicycle shed.</p> <p>The land use rights term of the property had expired as at the valuation date.</p>	As at the valuation date, the property was occupied by the Group for production and ancillary purposes.	No commercial value

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2007) Zi Di No. A03406, the land use rights of the property with a site area of approximately 16,254.19 sq.m. have been granted to the Company for a term expiring on 8 August 2017 for industrial use. As advised by the Company, the land use rights of the property have expired and are in the process of renewal.
2. Pursuant to 2 Building Ownership Certificates – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di Nos. 01-1025095 and 01-1025096, 9 buildings of the property with a total GFA of approximately 4,040.84 sq.m. are owned by the Company.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the expiration and renewal of the land use rights certificate of the property will not have a significant adverse impact on the Company's operations; and
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in note 2 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings.
4. In the valuation of this property, we have attributed no commercial value to the property due to expiration of the term of the land use rights. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 9 buildings and structures of the property (excluding the land element) as at the valuation date would be RMB8,170,000.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
6.	A parcel of land located at Nanjiaosong Village Hutian Town Zhangdian District Zibo City Shandong Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 5,134.64 sq.m. The buildings and structures erected thereon have been scrapped.</p> <p>The land use rights of the property have been held through state-capital-injection for a term expiring on 6 March 2046 for industrial use.</p>	As at the valuation date, the property was vacant for future development.	1,730,000

### Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2001) Zi Di No. A00668, the land use rights of the property with a site area of approximately 5,134.64 sq.m. have been held by the Company through state-capital-injection for a term expiring on 6 March 2046 for industrial use.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable land sites ranges from RMB330 to RMB420 per sq.m. for industrial use. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Company has legally obtained the land use rights of the property and is entitled to occupy and use the land parcel.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
7.	An apartment building No. 15 Honggou Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises an 11-storey apartment building which was completed in 2009.  The building has a gross floor area ("GFA") of approximately 4,446.42 sq.m.	As at the valuation date, the property was occupied by the Group for apartment purpose.	18,590,000

The land use rights of the property have  
been granted for a term expiring on 5  
January 2051 for commercial use.

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2011) Zi Di No. A03239, the land use rights of the property with a site area of approximately 3,791.40 sq.m. have been granted to the Company for a term expiring on 5 January 2051 for commercial use.
2. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 01-1137228, the property with a GFA of approximately 4,446.42 sq.m. is owned by the Company.
3. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB5,000 per sq.m. for apartment units. 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.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the parcel of land mentioned in note 1 and is entitled to occupy and use the land parcel; and
  - b. the Group has legally obtained the building ownership rights of the property mentioned in note 2 and has the legal rights to occupy, use, lease, transfer and dispose of the building.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
8.	Gaomi Pharmaceutical Factory No. 6 Gaoxin 2nd Road Xiazhuang Town Gaomi City Shandong Province The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 54,396 sq.m., and 7 buildings and various structures erected thereon which were completed in 2016.</p> <p>The buildings have a total gross floor area (“GFA”) of approximately 9,789.42 sq.m., including a workshop, a warehouse, a canteen, 2 guard rooms and 2 ancillary rooms. The structures mainly include boundary walls, roads, landscape greening and ancillary facility rooms.</p> <p>The property also comprises 2 buildings which were under construction as at the valuation date (the “CIP”). The CIP will be developed into a workshop and a warehouse with a total planned GFA of approximately 10,455 sq.m. and they are scheduled to be completed in June 2021.</p> <p>As advised by the Company, the total construction cost of the CIP is estimated to be approximately RMB31,560,000, of which approximately RMB23,690,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 15 May 2064 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for production and ancillary purposes, except for the CIP which was under construction.	77,860,000

*Notes:*

1. Pursuant to 3 State-owned Land Use Rights Grant Contracts, the land use rights of 3 parcels of land with a total site area of approximately 54,396 sq.m. were contracted to be granted to Xinhua Pharmaceutical (Gaomi) Co., Ltd. (“**Gaomi Company**”, a wholly-owned subsidiary of the Company) for a term expiring on 15 May 2064 for industrial use. The total land consideration was RMB18,870,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 2 Real Estate Title Certificates (for land) – Lu (2019) Gao Mi Shi Bu Dong Chan Quan Di Nos. 0000574 and 0000575, the land use rights of 2 parcels of land with a total site area of approximately 34,396 sq.m. have been granted to Gaomi Company for a term expiring on 15 May 2064 for industrial use.
3. Pursuant to a Real Estate Title Certificate – Lu (2020) Gao Mi Shi Bu Dong Chan Quan Di No. 0019625, 2 buildings of the property with a total GFA of approximately 9,278.99 sq.m. are owned by Gaomi Company. The relevant land use rights of a parcel of land with a site area of approximately 20,000 sq.m. have been granted to Gaomi Company for a term expiring on 15 May 2064 for industrial use.

For the remaining 5 buildings of the property with a total GFA of approximately 510.43 sq.m., we have not been provided with any title certificate.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 370785201900274 in favour of Gaomi Company, the CIP of the property with a total planned GFA of approximately 10,455 sq.m. has been approved for construction.
5. Pursuant to a Construction Work Commencement Permit – No. 370785201909250101, in favour of Gaomi Company, permission by the relevant local authority was given to commence the construction of the CIP of the property with a total planned GFA of approximately 10,455 sq.m.
6. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 3 parcels of land mentioned in notes 2 and 3 and is entitled to occupy and use the land parcels;
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in note 3 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings;
  - c. there is no material legal impediment for Gaomi Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and Gaomi Company could continue to occupy and use the buildings; and
  - d. Gaomi Company has obtained the requisite approvals for the CIP in respect of the actual development stage.
7. In the valuation of this property, we have attributed no commercial value to the 5 buildings of the property which have not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 5 buildings (excluding the land element) as at the valuation date would be RMB670,000.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
9.	Shouguang Pharmaceutical Factory located at the southern side of Chayan Road and the western side of Dadi Road Hou Town Shouguang County Weifang City Shandong Province The PRC	<p>The property comprises 4 parcels of land with a total site area of approximately 775,702 sq.m., and 38 buildings and various structures erected thereon which were completed in various stages between 2009 and 2021.</p> <p>The buildings have a total gross floor area ("GFA") of approximately 58,026.98 sq.m., including 24 workshops, 5 warehouses, 3 office rooms, a canteen and 5 ancillary rooms. The structures mainly include boundary walls, roads, sewage tanks and ancillary facility rooms.</p> <p>The land use rights of the property have been granted for terms expiring on 14 March 2060, 31 January 2063, 23 May 2067 and 1 April 2069 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for production and ancillary purposes.	335,070,000

Notes:

1. Pursuant to 4 State-owned Land Use Rights Grant Contracts, the land use rights of 4 parcels of land with a total site area of approximately 775,702 sq.m. were contracted to be granted to Xinhua Pharmaceutical (Shouguang) Co., Ltd. (“**Shouguang Company**”, a wholly-owned subsidiary of the Company) for a term of 50 years for industrial use. The total land consideration was RMB166,180,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 2 State-owned Land Use Rights Certificates and 2 Real Estate Title Certificates (for land) – Shou Guo Yong (2010) Di No. 0077, Shou Guo Yong (2013) Di No. 00202, Lu (2017) Shou Guang Shi Bu Dong Chan Quan Di No. 0027535 and Lu (2019) Shou Guang Shi Bu Dong Chan Quan Di No. 0025934, the land use rights of the property with a total site area of approximately 775,702 sq.m. have been granted to Shouguang Company for terms expiring on 14 March 2060, 31 January 2063, 23 May 2067 and 1 April 2069 for industrial use.
3. Pursuant to 7 Building Ownership Certificates – Shou Fang Quan Zheng Hou Zhen Zi Di Nos. 2016244459, 2016244461, 2016244463, 2016244465, 2016244467, 2016244472 and 2016244474, 5 buildings of the property with a total GFA of approximately 9,250.24 sq.m. are owned by Shouguang Company.

For the remaining 33 buildings of the property with a total GFA of approximately 48,776.74 sq.m., we have not been provided with any title certificate.

4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 4 parcels of land mentioned in note 2 and is entitled to occupy and use the land parcels;
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in note 3 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings;
  - c. there is no material legal impediment for Shouguang Company to apply for relevant procedures or title certificates for the buildings that are without title certificate, and Shouguang Company could continue to occupy and use the buildings.
5. In the valuation of this property, we have attributed no commercial value to the 33 buildings of the property which have not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 33 buildings (excluding the land element) as at the valuation date would be RMB60,500,000.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
10.	A dormitory building located at the northern side of Chayan Road and the eastern side of Dajiu Road Hou Town Shouguang County Weifang City Shandong Province The PRC	<p>The property comprises a 4-storey dormitory building erected on a parcel of land which is not owned by the Group. The property was completed in 2009.</p> <p>As advised by the Group, the property has a gross floor area (“GFA”) of approximately 4,096 sq.m.</p>	As at the valuation date, the property was under renovation.	No commercial value
		<p>The property was under renovation as at the valuation date, and it is scheduled to be completed in June 2021.</p> <p>As advised by the Company, the total renovation cost is estimated to be approximately RMB4,000,000, of which RMB200,000 has been paid up to the valuation date.</p>		

*Notes:*

- For the property, we have not been provided with any title certificate.
- Pursuant to a Construction Agreement, the property (for building only) with a GFA of approximately 4,096 sq.m. is owned by the Group and the relevant land use rights of a parcel of land of which the property is erected thereon are owned by a third party. In the course of our valuation, the land parcel of which the building is erected thereon is excluded from the scope of our valuation.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors that the Group has no major illegal activities in housing construction and had not been punished for violating relevant laws and regulations.
- In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the property (excluding the land element) at the valuation date would be RMB3,180,000.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
11.3	3 dormitory buildings, a canteen and a guard room located at the western side of Fengdong Road and the southern side of Jinyuan Road Hou Town Shouguang County Weifang City Shandong Province The PRC	The property comprises two 4-storey dormitory buildings, a 5-storey dormitory building, a canteen and a guard room erected on a parcel of land which is not owned by the Group. The property was completed in 2011 and 2021.  As advised by the Group, the property has a total gross floor area ("GFA") of approximately 10,513.17 sq.m.	As at the valuation date, the property was occupied by the Group for dormitory and ancillary purposes.	No commercial value

*Notes:*

1. For the property, we have not been provided with any title certificate.
2. Pursuant to 2 Construction Agreements, portion of the property (for 2 buildings only) with a total GFA of approximately 6,299.69 sq.m. is owned by Shouguang Company and the relevant land use rights of a parcel of land of which the property is erected thereon are owned by a third party. In the course of our valuation, the land parcel of which the 5 buildings are erected thereon is excluded from the scope of our valuation.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has no major illegal activities in housing construction and had not been punished for violating relevant laws and regulations.
4. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the property (excluding the land element) at the valuation date would be RMB9,190,000.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
12.	12 residential units of Bincheng Oasis Community No. 99 Haichuan Road Hanting District Weifang City Shandong Province The PRC	<p>The property comprises 12 residential units in a residential building of Bincheng Oasis Community, which was completed in 2014.</p> <p>The units have a total gross floor area ("GFA") of approximately 1,143.37 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 2 November 2080 for residential use.</p>	As at the valuation date, the property was occupied by the Group for residential purpose.	4,570,000

### Notes:

1. Pursuant to 12 Real Estate Title Certificates – Wei Fang Quan Zheng Bin Hai Zi Di Nos. 00298907, 00298911, 00298918, 00298920, 00298921, 00298927, 00299685, 00299686 and 00299688 to 00299691, 12 units of the property (Unit nos. 21-2-501, 21-3-201, 27-2-101, 27-2-201, 27-2-301, 27-2-401, 27-3-101, 27-3-102, 27-3-201, 27-3-202, 27-3-401 and 27-3-501) with a total GFA of approximately 1,143.37 sq.m. are owned by Xinhua Pharmaceutical (Shouguang) Co., Ltd. ("**Shouguang Company**", a wholly-owned subsidiary of the Company). The relevant land use rights of the property have been granted to Shouguang Company for a term expiring on 2 November 2080 for residential use.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB3,800 to RMB4,200 per sq.m. for residential units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
13.	A retail unit No. 182 Gongqingtuan West Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a retail unit on the first and second floor of a 12-storey building, which was completed in 2010.  The property has a gross floor area ("GFA") of approximately 208.55 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	1,980,000

### Notes:

1. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 02-1100582, the property with a GFA of approximately 208.55 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB12,000 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.





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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
14.	A retail unit No. 151 A3 Huaguang Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a retail unit on the first and second floor of a 15-storey building, which was completed in 2008.  The property has a gross floor area ("GFA") of approximately 250.40 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	2,380,000

*Notes:*

1. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 02-1034369, the property with a GFA of approximately 250.40 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB12,000 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
15.	Unit 102, Entrance 1 Building No. 45 of Lijingyuan Community No. 40 Beixiwu Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a residential unit on the first floor of a 6-storey residential building, which was completed in 2002.  The property has a gross floor area ("GFA") of approximately 155.63 sq.m.	As at the valuation date, the property was occupied by the Group for residential purpose.	1,100,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 01- 1057971, the property with a GFA of approximately 155.63 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,000 to RMB8,000 per sq.m. for residential units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



仲量聯行

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
16.	A commercial building No. 31 Xinhua Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a 5-storey commercial building, which was completed in 2008.  The property has a gross floor area ("GFA") of approximately 3,598.07 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	27,350,000

*Notes:*

1. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 08-1303892, the property with a GFA of approximately 3,598.07 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB17,000 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



仲量聯行

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
17.	A retail unit No. 58 Xingxue Street Zhangdian District Zibo City Shandong Province The PRC	The property comprises a retail unit on the first floor of a 5-storey building, which was completed in 2009.  The property has a gross floor area ("GFA") of approximately 120.84 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	1,150,000

### Notes:

1. Pursuant to Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 01-1108262, the property with a GFA of approximately 120.84 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB8,800 to RMB10,000 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.





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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
18.	A commercial building No. 16 Zhongxin Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a 5-storey commercial building, which was completed in 1997.  The property has a gross floor area ("GFA") of approximately 2,979.84 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	22,650,000

### Notes:

1. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 01-0009992, the property with a GFA of approximately 2,979.84 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB12,000 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
19.	A retail unit No.2634 Zhangbei Road Suozhen Town Huantai County Zibo City Shandong Province The PRC	The property comprises a retail unit on the first and second floor of a 7-storey building, which was completed in 2008.  The property has a gross floor area ("GFA") of approximately 245.41 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	1,940,000

*Notes:*

1. Pursuant to a Building Ownership Certificate – Huan Tai Xian Fang Quan Zheng Suo Zhen Zhen Zi Di No. 08-1800936, the property with a GFA of approximately 245.41 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB8,500 to RMB9,500 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
20.	A retail unit No. 597 Zicheng Road Zichuan District Zibo City Shandong Province The PRC	The property comprises a retail unit on the first and second floor of a 3-storey building, which was completed in 2008.  The property has a gross floor area ("GFA") of approximately 233.78 sq.m.	As at the valuation date, the property was occupied by the Group for retail purpose.	1,890,000

### Notes:

1. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zi Chuan Qu Zi Di No. 04-1012028, the property with a GFA of approximately 233.78 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB8,500 to RMB9,600 per sq.m. for retail units on the first floor. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
21.	6 apartment units in Building No. 20 of Anhuali Fifth Community located at Waiguanxie Street Chaoyang District Beijing The PRC	<p>The property comprises 6 apartment units on the eleventh floor of a 15-storey apartment building, which was completed in 1998.</p> <p>The property has a total gross floor area (“GFA”) of approximately 703 sq.m.</p>	As at the valuation date, the property was occupied by the Group for office purpose.	52,420,000

### Notes:

1. Pursuant to 6 Real Estate Title Certificates – Jing (2017) Chao Bu Dong Chan Quan Di Nos. 0046838, 0046840, 0046847, 0046851, 0046858 and 0046862, 6 apartment units of the property (Unit nos. 1101 to 1106) with a total GFA of approximately 703 sq.m. is owned by the Company.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB74,000 to RMB84,000 per sq.m. for apartment units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
22.	6 office units in Zhonglian Building No. 540 Caoyang Road Putuo District Shanghai The PRC	The property comprises 6 office units on the ninth floor of a 30-storey office building, which was completed in 1992.  The property has a total gross floor area ("GFA") of approximately 849.59 sq.m.	As at the valuation date, the property was occupied by the Group for office purpose.	21,090,000

*Notes:*

1. Pursuant to 4 Real Estate Title Certificates – Hu Fang Di Pu Zi (1997) Di No. 000857 and Hu Fang Di Pu Zi (2002) Di Nos. 021844, 021211 and 023073, 6 office units of the property (Unit nos. 902 to 904 and 907 to 909) with a total GFA of approximately 849.59 sq.m. are owned by the Company or Shandong Zibo XinCat Pharmaceutical Co., Ltd. ("**XinCat Pharmaceutical**", a wholly-owned subsidiary of the Company).
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB24,000 to RMB29,000 per sq.m. for office units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
23.	A residential unit in Building 7 No. of No. 88 Zhiquan Section East Street Jinjiang District Chengdu City Sichuan Province The PRC	The property comprises a residential unit on the sixteenth floor of a 37-storey residential building, which was completed in 2011.  The property has a gross floor area ("GFA") of approximately 158.44 sq.m.  The land use rights of the property have been granted for a term expiring on 9 August 2075 for residential use.	As at the valuation date, the property was occupied by the Group for office purpose.	5,620,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Chuan (2019) Cheng Du Shi Bu Dong Chan Quan Di No. 0502051, the property (Unit 7-1-1601) with a GFA of approximately 158.44 sq.m. is owned by Shandong Zibo XinCat Pharmaceutical Co., Ltd. ("**XinCat Pharmaceutical**", a wholly-owned subsidiary of the Company). The relevant land use rights of the property have been granted for a term expiring on 9 August 2075 for residential use.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB33,000 to RMB39,000 per sq.m. for residential units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
24.	A residential unit in Beiyuan Building No. 12 of Tongjian Dajiangyuan Community No. 20 Jiangda Road Jiang'an District Wuhan City Hubei Province The PRC	The property comprises a residential unit on the fifth floor of an 18-storey residential building, which was completed in 2005.  The property has a gross floor area ("GFA") of approximately 152.98 sq.m.  The land use rights of the property have been granted for a term expiring on 16 May 2072 for residential use.	As at the valuation date, the property was occupied by the Group for office purpose.	3,440,000

*Notes:*

1. Pursuant to a Building Ownership Certificate – Wu Fang Quan Zheng Shi Zi Di No. 200527121, the property (Unit 12-504) with a GFA of approximately 152.98 sq.m. is owned by Shandong Zibo XinCat Pharmaceutical Co., Ltd. ("**XinCat Pharmaceutical**", a wholly-owned subsidiary of the Company).
2. Pursuant to a State-owned Land Use Rights Certificate – An Guo Yong Shang (2006) Di No. 3865, the land use rights of the property with an apportioned site area of approximately 14.64 sq.m. have been granted to XinCat Pharmaceutical for a term expiring on 16 May 2072 for residential use.
3. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB20,000 to RMB27,000 per sq.m. for residential units. 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.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the property mentioned in note 2; and
  - b. the Group has legally obtained the building ownership rights of the property mentioned in note 1 and has the legal rights to occupy, use, lease, transfer and dispose of the property.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
25.	A residential unit No. 2 Jingyue Street Xingang West Road Haizhu District Guangzhou City Guangdong Province The PRC	<p>The property comprises a residential unit on the thirteenth floor of a 19-storey residential building, which was completed in 2003.</p> <p>The property has a gross floor area ("GFA") of approximately 134.1738 sq.m.</p>	As at the valuation date, the property was occupied by the Group for office purpose.	8,520,000
		<p>The land use rights of the property have been granted for a term expiring on 22 January 2072 for composite use.</p>		

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Yue Fang Di Zheng Zi Di No. C3608640, the property (Unit 1305) with a GFA of approximately 134.1738 sq.m. is owned by Shandong Zibo XinCat Pharmaceutical Co., Ltd. ("**XinCat Pharmaceutical**", a wholly-owned subsidiary of the Company). The relevant land use rights of the property have been granted for a term expiring on 22 January 2072 for composite use.
2. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB63,000 to RMB67,000 per sq.m. for residential units. 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.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.



## VALUATION CERTIFICATE

### GROUP II – PROPERTY INTERESTS HELD FOR INVESTMENT BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
26.	An office building No. 138 Aomen Road Shinan District Qingdao City Shandong Province The PRC	The property comprises a 4-storey office building, which was completed in 2002.  The property has a gross floor area (“GFA”) of approximately 1,806.19 sq.m.	As at the valuation date, the property was rented to a tenant for hotel and ancillary purposes.	54,470,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Qing Fang Di Quan Shi Zi Di No. 90219, the property with a GFA of approximately 1,806.19 sq.m. is owned by the Company.
2. Pursuant to a Tenancy Agreement, the property was rented to a tenant for a term of 7 years expiring on 30 September 2026 for hotel and ancillary uses. The annual rental was RMB1,450,000 for the first three years, RMB1,550,000 for the second three years and RMB1,650,000 for the seventh year, inclusive of VAT.
3. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB29,000 to RMB34,000 per sq.m. for office units. 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.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors that the Group has legally obtained the building ownership rights of the property and has the legal rights to occupy, use, lease, transfer and dispose of the property.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
27.	2 parcels of land and 5 buildings No. 19 Dongyi Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 9,131.57 sq.m., and 5 buildings erected thereon which were completed in various stages between 1990 and 2008.  The buildings have a total gross floor area ("GFA") of approximately 11,160.33 sq.m., including 2 office buildings, a garage and 2 ancillary rooms.  The land use rights of the property have been granted for terms expiring on 6 March 2046 and 25 October 2060 for industrial use.	As at the valuation date, the property was rented to a tenant for hospital purpose.	22,550,000

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (1999) Zi Di No. A00086, the land use rights of a parcel of land with a site area of approximately 6,215.60 sq.m. have been granted to the Company for a term expiring on 6 March 2046 for industrial use.
2. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di No. 01-0003723, 4 buildings of the property with a total GFA of approximately 6,451.62 sq.m. are owned by the Company.

3. Pursuant to a Real Estate Title Certificate - Lu (2018) Zi Bo Shi Bu Dong Chan Quan Di No. 0008140, a building of the property with a GFA of approximately 4,708.71 sq.m. is owned by the Company. The relevant land use rights of a parcel of land with a site area of approximately 2,915.97 sq.m. have been granted to the Company for a term expiring on 25 October 2060 for industrial use.
4. Pursuant to a Tenancy Agreement, the property was rented to a tenant for a term of 16 years expiring on 31 December 2032 for hospital use. The annual rental was RMB1,610,000, inclusive of VAT.
5. Our valuation has been made on the following basis and analysis:
  - a. we have considered the actual rents in the existing tenancy agreement and also compared with similar properties located in the same business circle and/or nearby within reasonable walking distance. We adopted market rent when calculating the reversionary rental income after the expiry of the existing lease for occupied area;
  - b. the monthly unit rents of the comparable properties are in the range of RMB12 to RMB15 per sq.m. for office units, exclusive of VAT and management fees. Appropriate adjustments and analysis are considered to the differences in location, decoration and other characters between the comparable properties and the properties to arrive at the average market rent; and
  - c. based on our research, the stabilized market yield of similar properties is in the range of 6% to 7% as at the valuation date. Considering the location and characteristics of the property, we have applied a market yield of 7% in our valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
  - a. the Group has legally obtained the land use rights of the 2 parcels of land mentioned in notes 1 and 3 and is entitled to occupy and use the land parcels; and
  - b. the Group has legally obtained the building ownership rights of the buildings mentioned in notes 2 and 3 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
28.	A parcel of land and 4 buildings No. 4 Honggou Road Zhangdian District Zibo City Shandong Province The PRC	The property comprises a parcel of land with a site area of approximately 4,425.32 sq.m., and two 4-storey medical buildings, a single-storey medical building and a 3-storey ancillary building erected thereon which were completed in 2000.	As at the valuation date, the ancillary building of the property was rented to a tenant for dormitory purpose, whilst the remaining portion of the property was vacant.	9,680,000

The buildings have a total gross floor area ("GFA") of approximately 5,727.06 sq.m.

The land use rights of the property have been granted for a term expiring on 10 August 2035 for medical use.

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2015) Di No. A19872, the land use rights of a parcel of land with a site area of approximately 4,425.32 sq.m. have been granted to the Company for a term expiring on 10 August 2035 for medical use.
2. Pursuant to 4 Building Ownership Certificates – Zi Bo Shi Fang Quan Zheng Zhang Dian Qu Zi Di Nos. 01-1298607, 01-1298608, 01-1298609 and 01-1298611, 4 buildings of the property with a total GFA of approximately 5,727.06 sq.m. are owned by the Company. The permitted uses of these buildings are medical, hospital, office and other uses.
3. Pursuant to a Tenancy Agreement, the ancillary building of the property with a GFA of approximately 870.21 sq.m. was rented to a tenant for a term of 1 year expiring on 31 December 2021 for dormitory use. The annual rental was RMB200,000, inclusive of VAT.
4. Our valuation has been made on the following basis and analysis:
  - a. we have considered the actual rents in the existing tenancy agreement and also compared with similar properties located in the same business circle and/or nearby within reasonable walking distance. We adopted market rent when calculating (i) the reversionary rental income after the expiry of the existing lease for occupied area, and (ii) the rental income of vacant area;
  - b. the monthly unit rents of the comparable properties are in the range of RMB17 to RMB21 per sq.m. for office units, exclusive of VAT and management fees. Appropriate adjustments and analysis are considered to the differences in location, decoration and other characters between the comparable properties and the properties to arrive at the average market rent; and



- c. based on our research, the stabilized market yield of similar properties is in the range of 6% to 7% as at the valuation date. Considering the location and characteristics of the property, we have applied a market yield of 7% in our valuation.
  - 5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
    - a. the Group has legally obtained the land use rights of the parcel of land mentioned in note 1 and is entitled to occupy and use the land parcel; and
    - b. the Group has legally obtained the building ownership rights of the buildings mentioned in note 2 and has the legal rights to occupy, use, lease, transfer and dispose of the buildings.
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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
29.	8 retail units Nos. 142, 144, 146, 148, 150, 152, 154 and 156 Xinhua Road Zichuan District Zibo City Shandong Province The PRC	The property comprises 8 single-storey retail units, which were completed in 2003.  As advised by the Group, the property has a total gross floor area (“GFA”) of approximately 218.32 sq.m.	As at the valuation date, the property was rented to various tenants for retail purpose.	No commercial value

### Notes:

1. For this property, we have not been provided with any title certificate.
2. Pursuant to 5 Tenancy Agreements, the property with a total lettable area of approximately 218.32 sq.m. was rented to various tenants with the expiry dates between 9 October 2021 and 15 January 2022 for retail use. As at the valuation date, the the total annual rent was RMB63,100, inclusive of VAT.
3. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB11,800 per sq.m. for retail units. 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.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors that there is no material legal impediment for the Company to apply for relevant procedures or title certificates for the buildings of the property, and the Company could continue to occupy and use the buildings.
5. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificates. However, for reference purpose, we are of the opinion that the market value of the property in its existing state as at the valuation date would be RMB2,060,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.



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### Beijing

Room 801, 8/F, Jinghui Building  
No.118 Jianguo Road Yi, Chaoyang District, Beijing 100022, China

T +86 10 5922 1300  
F +86 10 5922 3608

### Shanghai

22/F HKRI Centre One  
HKRI Taikoo Hui  
288 Shimen Road No.1, Shanghai 200040, China

T +86 21 6393 3333  
F +86 21 6393 3080

### Shenzhen

Room 1901,1903-04, 19/F Tower Three, Kerry Plaza  
1 Zhongxinsi Road, Futian District, Shenzhen 518048, China

T +86 755 8826 6608  
F +86 755 2263 8966

### Guangzhou

Room 2801-03, 2807-08, 28/F  
Guangzhou CTF Finance Centre,  
No.6 Zhujiang East Road, Zhujiang New Town, Guangzhou 510623, China

T +86 20 2338 8088  
F +86 20 2338 8118

### Chengdu

29/F, Tower 1, Chengdu International Finance Square  
1 Hongxing Road Section 3, Chengdu 610021, China

T +86 28 6680 5091  
F +86 28 6680 5096

### Hong Kong

7/F, One Taikoo Place  
979 King's Road, Quarry Bay, Hong Kong SAR

T +852 2846 5000  
F +852 2169 6001

### Macau

Unit H, 16/F, Finance and IT Center of Macau Nam Van Lake, Quarteirao 5 Lote A, Macau SAR

T +853 2871 8822  
F +853 2871 8800

### Singapore

1 Paya Lebar Link,  
#10-08 Paya Lebar Quarter Tower 2, Singapore 408533

T +65 6220 3888

For other office locations, please visit JLL website.