

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 30 September 2013 of the properties located in the PRC.*

## **BMI APPRAISALS**

BMI Appraisals Limited 中和邦盟評估有限公司

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31 December 2013

The Directors

**Nanjing Sinolife United Company Limited**

Level 30, Deji Building

No. 188 Chang Jiang Road

Xuanwu District, Nanjing City

Jiangsu Province

The PRC

Dear Sirs,

### **INSTRUCTIONS**

We refer to the instructions from Nanjing Sinolife United Company Limited (the “Company”) for us to value the properties held and occupied by the Company and/or its subsidiaries (together referred to as the “Group”) located in the People’s Republic of China (the “PRC”). We confirm that we have conducted inspections, made relevant enquiries and obtained such further information, as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 September 2013 (the “valuation date”).

### **BASIS OF VALUATION**

Our valuations of the concerned properties have been based on the Market Value, which 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”.

**VALUATION METHODOLOGY**

For Property No. 1, we have adopted the Depreciated Replacement Cost Approach. Depreciated replacement cost is defined as “the aggregate amount of the value of the land for the existing use or a notional replacement site in the same locality and the new replacement cost of the buildings and other site works, from which appropriate deductions may then be made to allow for the age, condition, economic or functional obsolescence and environmental factors, etc.; all of these might result in the existing property being worth less to the undertaking in occupation than would a new replacement”. This basis has been used due to the lack of an established market upon which to base comparable transactions, which generally furnishes the most reliable indication of values for assets without a known used market. This opinion of value is subject to adequate profitability of the business compared to the value of the total assets employed.

In valuing Property Nos. 2 to 5, we have valued them on market basis by the Comparison Approach assuming sale in their existing state with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the properties and the comparables in terms of all relevant factors.

**TITLE INVESTIGATION**

We have been provided with copies of title documents/tenancy agreements and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice and information given by the Group’s PRC legal adviser – Yongheng Partners (江蘇永衡昭輝律師事務所) regarding the title of the properties located in the PRC. All documents have been used for reference only.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumptions that the properties are sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the values of the properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no forced sale situation in any manner is assumed in our valuations.

**VALUATION CONSIDERATIONS**

The site inspections were conducted by Ms. Joannau Chan (MHKIS) and Mr. Man Lam (MHKIS) in July 2013. We have inspected the properties externally and where possible, the interior of the properties. In the course of our inspections, we did not note any serious defects. However, no structural surveys have been made. We are, therefore, unable to report whether the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of their services.

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, completion dates of buildings, particulars of occupancy, site/floor areas, identifications of the properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the properties but have assumed that the site/floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses 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 outgoing of an onerous nature, which could affect their values.

Our valuations have been prepared in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**REMARKS**

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB) and no allowances have been made for any exchange transfer.

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,

For and on behalf of

**BMI APPRAISALS LIMITED**

**Dr. Tony C.H. Cheng**

*BSc., MUD, MBA(Finance), MSc.(Eng), PhD(Econ),  
SIFM, FCIM, CPA UK, MHKIS, MCI Arb  
MASCE, MIET, MIEEE, MASME, MIIE*

**Managing Director**

**Joannau W.F. Chan**

*BSc., MSc., MRICS, MHKIS, RPS(GP)*  
**Senior Director**

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*Notes:* Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 20 years' experience in valuations of properties in Hong Kong and the People's Republic of China.

Ms. Joannau W.F. Chan is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 20 years' experience in valuations of properties in Hong Kong and over 14 years' experience in valuations of properties in the People's Republic of China.

## SUMMARY OF VALUES

No. Property	Market Value in existing state as at 30 September 2013 RMB
<i>Properties held and occupied by the Group in the PRC</i>	
1. A land parcel, various buildings and structures located at No. 3 Qing Ma Road, Qixia District, Nanjing City, Jiangsu Province, the PRC  位於中國江蘇省 南京市棲霞區 青馬路3號 之一塊土地、若干房屋及構築物	17,200,000
2. Level 30, Deji Building, No. 188 Chang Jiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC  中國江蘇省 南京市玄武區 長江路188號 德基大廈30層	19,500,000
3. Car Parking Space Nos. 130, 230 261, 266 and 272, Deji Building, No. 188 Chang Jiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC  中國江蘇省 南京市玄武區 長江路188號 德基大廈 130、230、261、266及272號停車位	1,400,000

<b>No. Property</b>	<b>Market Value in existing state as at 30 September 2013</b> <i>RMB</i>
4. Suite 435, Level 4, Harmony Plaza, No. 666 Gan Jiang Road East, Pingjiang District, Suzhou City, Jiangsu Province, the PRC  中國江蘇省 蘇州市平江區 幹將東路666號 和基廣場4樓435室	3,500,000
5. Suite 1002, Level 10, Injoy International Building, Block 6, Injoy International Plaza, No. 123 Yan Ling Road West, Zhonglou District, Changzhou City, Jiangsu Province, the PRC  中國江蘇省 常州市鐘樓區 延陵西路123號 吾悅國際廣場6座 吾悅國際大廈 10樓1002室	4,500,000
<b>Grand-total:</b>	<hr/> <b>46,100,000</b> <hr/> <hr/>

## VALUATION CERTIFICATE

## Properties held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2013 RMB
1.	A land parcel, various buildings and structures located at No. 3 Qing Ma Road, Qixia District, Nanjing City, Jiangsu Province, the PRC  位於中國江蘇省南京市棲霞區青馬路3號之一塊土地、若干房屋及構築物	The property comprises a land parcel with a site area of approximately 28,337 sq.m. together with 4 buildings and various ancillary structures completed in 2004 erected thereon.  The total gross floor area ("GFA") of the buildings of the property is approximately 3,237.44 sq.m.  The buildings mainly include an office building and a factory.  The land use rights of the property have been granted for a term expiring on 7 April 2054 for industrial use.	The property is occupied by the Group for industrial and other ancillary purposes.	17,200,000

*Notes:*

1. Pursuant to a State-owned Land Use Rights Grant Contract (國有土地使用權出讓合同), Ning Guo Tu Zi Rang He (2004) No. 262 (寧國土資讓合(2004)第262號), dated 17 September 2004, the land use rights of the property were contracted to be granted to Nanjing Xian Sheng Dong Yuan Health Food Co., Limited (南京先聲東元保健品有限公司) (now known as Nanjing Zhongsheng Bio-Tech Co. Limited (南京中生生物科技有限公司)) ("Nanjing Zhongsheng") for a term of 50 years commencing on 8 April 2004 for industrial use and the plot ratio of the land parcel is less than 1.
2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Ning Qi Guo Yong (2007) No. 11319 (寧棲國用(2007)第11319號), the land use rights of the property with a site area of 28,337 sq.m. have been granted to Nanjing Zhongsheng for a term expiring on 7 April 2054 for industrial use.
3. Pursuant to 4 Building Ownership Certificates (房屋所有權證), Ning Fang Quan Zheng Qi Chu Zi Nos. 381160, 381186, 381187 and 381190 (寧房權證棲初字第381160, 381186, 381187及381190號), the building ownership rights of 4 buildings of the property with a total GFA of 3,237.44 sq.m. are legally owned by Nanjing Zhongsheng.
4. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - a. Nanjing Zhongsheng has obtained the land use rights and building ownership rights of the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium payable to the government;
  - b. The land premium of the property have been settled in full;
  - c. The property is not subject to mortgage or any other material encumbrances;

- d. Planning, design, construction and existing use of the property are in compliance with relevant planning regulations and have been approved by the relevant government authorities; and
  - e. Nanjing Zhongsheng has the rights to legally use, lease, mortgage and dispose of the property freely in the market with its residual term of land use rights.
5. Nanjing Zhongsheng is a wholly-owned subsidiary of the Company.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2013 <i>RMB</i>
2.	Level 30, Deji Building, No. 188 Chang Jiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC  中國江蘇省 南京市玄武區 長江路188號 德基大廈30層	The property comprises the whole of Level 30 of a 35-storey office building erected on a 2-storey commercial podium (plus a 3-storey basement) completed in 2003.  The gross floor area (“GFA”) of the property is approximately 1,087.49 sq.m.  The land use rights of the property have been granted for a term expiring on 28 April 2043 for commercial use.	The property is occupied by the Group for office purpose.	19,500,000

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Ning Xuan Guo Yong (2013) No. 03709 (寧玄國用(2013)第03709號), the land use rights of the property with an apportioned site area of 43.4 sq.m. have been granted to Nanjing Sinolife United Bio-Tech Corporation (南京中生聯合生物科技股份有限公司) (now known as Nanjing Sinolife United Company Limited (南京中生聯合股份有限公司)) (the “Company”) for a term expiring on 28 April 2043 for commercial use.
2. Pursuant to a Building Ownership Certificate (房屋所有權證), Ning Fang Quan Zheng Xuan Bian Zi No. 398250 (寧房權證玄變字第398250號), the building ownership rights of the property with a GFA of 1,087.49 sq.m. are legally owned by the Company.
3. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - a. The land use rights and building ownership rights of the property are legally vested in the Company and the Company has the right to legally use the property for the designated use as well as to lease, mortgage and transfer the property freely in the market; and
  - b. The property is not subject to mortgage or any other material encumbrances.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2013 RMB
3.	Car Parking Space Nos. 130, 230, 261, 266 and 272, Deji Building, No. 188 Chang Jiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC  中國江蘇省 南京市玄武區 長江路188號 德基大廈 130、 230、261、266及 272號停車位	The property comprises 5 car parking spaces within a 3-storey basement car park completed in 2003.  The total gross floor area ("GFA") of the property is approximately 196.14 sq.m.  The land use rights of the property have been granted for a term expiring on 28 April 2043 for commercial use.	The property is occupied by the Group for car parking purpose.	1,400,000

*Notes:*

1. Pursuant to 5 State-owned Land Use Rights Certificates (國有土地使用證), Ning Xuan Guo Yong (2013) Nos. 03704, 03631, 03705, 03702 and 03632 (寧玄國用(2013)第03704, 03631, 03705, 03702 及 03632號), the land use rights of the property with a total apportioned site area of 196.15 sq.m. have been granted to Nanjing Sinolife United Bio-Tech Corporation (南京中生聯合生物科技股份有限公司) (now known as Nanjing Sinolife United Company Limited (南京中生聯合股份有限公司)) (the "Company") for a term expiring on 28 April 2043 for commercial use.
2. Pursuant to 5 Building Ownership Certificates (房屋所有權證), Ning Fang Quan Zheng Xuan Bian Zi Nos. 398253, 398252, 398249, 398251 and 398248 (寧房權證玄變字第398253, 398252, 398249, 398251 及 398248號), the building ownership rights of the property with a total GFA of 196.14 sq.m. are legally owned by the Company.
3. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - a. The land use rights and building ownership rights of the property are legally vested in the Company and the Company has the right to legally use the property for the designated use as well as to lease, mortgage and transfer the property freely in the market; and
  - b. The property is not subject to mortgage or any other material encumbrances.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2013 RMB
4.	Suite 435, Level 4, Harmony Plaza, No. 666 Gan Jiang Road East, Pingjiang District, Suzhou City, Jiangsu Province, the PRC  中國江蘇省 蘇州市平江區 幹將東路666號 和基廣場4樓435室	The property comprises an office unit on Level 4 of a 6-storey commercial building (plus a 2-storey basement) completed in about 2009.  The gross floor area (“GFA”) of the property is approximately 199.25 sq.m.  The land use rights of the property have been granted for a term expiring on 22 September 2044 for commercial use.	Pursuant to a tenancy contract, the property is leased to Suzhou Zhongsheng Health & Biological Products Co. Limited (蘇州中生健康生物製品有限公司), a wholly-owned subsidiary of the Company, for a term commencing on 1 January 2013 and expiring on 31 December 2015 at an annual rent of RMB120,000 exclusive of telephone, water, electricity and gas charges and management fee for office purpose.	3,500,000

*Notes:*

1. Pursuant to a Real Estate Sale & Purchase Contract (房地產買賣合同) entered into between Suzhou Aijian Huanqiu Real Estate Development Co. Limited (蘇州愛建環球房地產發展有限公司) and Nanjing Zhongsheng Bio-Tech Co. Limited (南京中生生物科技有限公司) (“Nanjing Zhongsheng”) dated 1 September 2009, the former agreed to transfer to the latter the property at a consideration of RMB2,590,250.
2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Su Guo Yong (2010) No. 03014575 (蘇國用(2010)第03014575號), the land use rights of the property with an apportioned site area of 42.93 sq.m. have been granted to Nanjing Zhongsheng for a term expiring on 22 September 2044 for commercial use.
3. Pursuant to a Building Ownership Certificate (房屋所有權證), Su Fang Quan Zheng Shi Qu Zi No. 10253431 (蘇房權證市區字第10253431號), the building ownership rights of the property with a GFA of 199.25 sq.m. are legally owned by Nanjing Zhongsheng.
4. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - a. The land use rights and building ownership rights of the property are legally vested in Nanjing Zhongsheng and Nanjing Zhongsheng has the right to legally use the property for the designated use as well as to lease, mortgage and transfer the property freely in the market; and
  - b. The property is not subject to mortgage or any other material encumbrances.
5. Nanjing Zhongsheng is a wholly-owned subsidiary of the Company.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2013 RMB
5.	Suite 1002, Level 10, Injoy International Building, Block 6, Injoy International Plaza, No. 123 Yan Ling Road West, Zhonglou District, Changzhou City, Jiangsu Province, the PRC  中國江蘇省 常州市鐘樓區 延陵西路123號 吾悅國際廣場6座 吾悅國際大廈10樓 1002室	The property comprises an office unit on Level 10 of a 28-storey office building erected on a 6-storey commercial podium (plus a 4-storey basement) completed in 2012.  The gross floor area (“GFA”) of the property is approximately 264.27 sq.m.  The land use rights of the property have been granted for a term expiring on 30 March 2047 for office use.	Pursuant to a tenancy contract, the property is leased to Changzhou Zhongsheng Wonderful Bio-Health Products Co. Limited (常州中生美好生物製品有限公司), a wholly-owned subsidiary of the Company, for a term commencing on 1 May 2013 and expiring on 30 April 2015 at an annual rent of RMB120,000 exclusive of telephone, water, electricity and gas charges and management fee for office purpose.	4,500,000

*Notes:*

1. Pursuant to a Commodity Real Estate Sale & Purchase Contract (商品房買賣合同) entered into between Changzhou Future Land Wanbo Property Company Limited (常州新城萬博置業有限公司) and Nanjing Sinolife United Bio-Tech Corporation (南京中生聯合生物科技股份有限公司) (now known as Nanjing Sinolife United Company Limited (南京中生聯合股份有限公司)) (the “Company”) dated 14 November 2012, the former agreed to transfer to the latter the property at a consideration of RMB3,790,000.
2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Chang Guo Yong (2013) No. 42256 (常國用(2013)第42256號), the land use rights of the property with an apportioned site area of 17.68 sq.m. have been granted to the Company for a term expiring on 30 March 2047 for office use.
3. Pursuant to a Building Ownership Certificate (房屋所有權證), Chang Fang Quan Zheng Zi No. 00634320 (常房權證字第00634320號), the building ownership rights of the property with a GFA of 264.27 sq.m. are legally owned by the Company.
4. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - a. The land use rights and building ownership rights of the property are legally vested in the Company and the Company has the right to legally use the property for the designated use as well as to lease, mortgage and transfer the property freely in the market; and
  - b. The property is not subject to mortgage or any other material encumbrances.