

The following is the text of a valuation report received from Hangzhou Lucheng Asset Appraisal Co., Ltd. (杭州祿誠資產評估有限公司), an independent valuer, in relation to its valuation of the Property as at 31 January 2025, which has been prepared for the purpose of inclusion in this circular.*



Hangzhou Lucheng Asset Appraisal Co., Ltd.
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Building 8, Zancheng Taihe Plaza, Shangcheng District,
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18 February 2025

Suzhou Yonglan Biotechnology Science and Technology Co., Ltd.
(蘇州詠藍生物醫藥科技有限公司)
Building 7
26 Jinxing Road, Jinfeng Town
Zhangjiagang, Suzhou
Jiangsu Province, PRC

Dear Sirs,

Re: Units 101, 201, 301, 401, Building 7, 26 Jinxing Road, Jinfeng Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC* (中國江蘇省蘇州市張家港錦豐鎮錦興路26號7幢101, 201, 301, 401)(the “**Property**”)

INSTRUCTION

In accordance with the instruction of Suzhou Yonglan Biotechnology Science and Technology Co., Ltd. (the “**Company**”) for us to value the Property, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 January 2025 (the “**Date of Valuation**”).

This letter, forming part of our valuation report, identifies the Property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the Property represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the Date of Valuation 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”. Our valuation complies with the International Valuation Standards as issued from time to time by the International Valuation Standards Committee.

VALUATION METHOD

The methodology adopted in preparing the Independent Valuation Report was the market comparison approach. The market comparison approach considers transactions in the market for similar properties and directly compares the properties to be valued with the comparable properties transacted close to the valuation benchmark date. Comparable properties of similar location, quality and size are analysed and adjusted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

The Property is an industrial land with numerous comparable sales cases within the same supply and demand circle, featuring similar usage and adjacent areas in the region. The market transactions for such properties are active; therefore, the market comparison method is adopted for this valuation.

VALUATION ASSUMPTIONS

(a) General assumptions

The valuation has been made on the assumption that owners sell the Property interest at the market value of the property interest without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the property interest.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value. It is also assumed in the valuation that the property target can be freely transacted in the market without payment of land premium or any other fees or payments.

(b) Special assumptions

The Property consists of the title to the industrial land designated for manufacturing operations. It is assumed that the title can be transferred without any restrictions or additional costs, allowing for seamless transition and use in the production of aesthetic medical materials.

SELECTION OF COMPARABLE PROPERTIES

In conducting the valuation, we made reference to the relevant disposal comparable properties and made a selection based on the following criteria:

- (a) Timing – comparable sales transactions and quotations in recent 12 months;
- (b) Location – similar traffic conditions as the Property, within the same supply and demand circle or within 5 km of the Property;
- (c) Building status – comparable properties have similar building status and amenities as the Property; and
- (d) Usage – the comparable properties are used as industrial office premises.

We have analysed recent market sales transactions of similar properties and conducted a comparison with the Property. Each comparable property is analysed on the basis of its unit rate; the characteristics of each comparable property are compared with the Property and where there is a difference, the unit rate is adjusted to arrive at the appropriate unit rate for the Property. The comparable properties were finalised taking into account the timing, location, building status and usage of the Property. In valuing the Property, the comparable properties are exhaustive based on the above selection criteria.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest and, we have conducted an on-site inspection, verification, and survey of the assets within the scope of the valuation. Necessary checks have been carried out on the ownership certificates, financial information, and other documents related to the valuation object provided by the client and relevant parties. Verification and validation have been performed through observation, inquiries, document review, field investigation, searches, and cross-checking. However, we have not verified ownership of the Property and the existence of any encumbrances that would affect its ownership. Information in relation to land registration of the Property is disclosed herein for reference only.

SITE INSPECTION

The Property was inspected on February 11, 2025 by Fei siyue (費思悅), who has qualification of China Asset Appraiser. During the site inspection, we have ascertained the following matters of the Property:

- the general environment and development conditions of the area in which the Property is situated;
- the existing use of the Property;

- the occupancy of the Property;
- the facilities provided by the Property;
- the existence of any non-conformity use within the Property;
- the repair and maintenance conditions of the Property; and
- the existence of any closure order and resumption order affixed to the Property.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. Our valuation have been made on the assumption that the seller sells the Property on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

We have relied to a very considerable extent on the information given by the Company 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 of the Property.

We have carried out inspection of the Property, both externally and internally. However, no structural survey has been made for the Property. In the course of our inspection, we did not note any serious defects. We are unable to report whether the buildings and structures of the Property are free of rot, infestation or any other structural defects. No test was carried out on any of the services of the buildings and structures of the Property.

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

Yours faithfully,
 For and on behalf of
Hangzhou Lucheng Asset Appraisal Co., Ltd.
 (杭州祿誠資產評估有限公司)
Chen xiongwei
China Asset Appraiser

Chen Xiongwei is an asset appraiser and real estate valuer with over 25 years of experience in asset appraisal in mainland China. He is a member of the China Asset Appraisers Association and the Real Estate Valuation Association.

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- the facilities provided by the Property;
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Chen Xiongwei is an asset appraiser and real estate valuer with over 25 years of experience in asset appraisal in mainland China. He is a member of the China Asset Appraisers Association and the Real Estate Valuation Association.

VALUATION CERTIFICATE OF THE PROPERTY

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 31 January 2025
Units 101, 201, 301, 401, Building 7, 26 Jinxing Road, Jinfeng Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC (the “ Property ”)	<p>Maidi Medical Equipment Industry Innovation Park is located at Jinxing Road, Jinfeng Town, Zhangjiagang City, Suzhou, Jiangsu Province. The surrounding area is an industrial park, covering a total area of 136.5 acres, with 29 buildings, primarily 4- and 5-story standard factory buildings, and 1 commercial building. The total construction area is approximately 170,000 square meters. The property being appraised is Building 7 of Maidi Medical Equipment Industry Innovation Park, which is a four-story factory building with a total construction area of 4,660.22 square meters.</p> <p>The Property was completed in 2023.</p> <p>The total saleable floor area of the Property (including units 101, 201, 301 and 401) is approximately 4,660.22 square meters. The total saleable site area of the Property is approximately 1,145.86 square meters.</p> <p>The Property is subject to a right to use the land for a term till August 30, 2071 for industrial usages. (See Note 1 below)</p>	<p>As inspected by us, the Property was not in use as at 31 January 2025.</p> <p>Among them, the first to third floors are refurbished and the fourth floor is vacant.</p>	RMB21,903,000

Notes:

- The rights to possess the land is held by the State and the rights to use the land has been transferred to Suzhou Maidi Jinggang Technology Co., Ltd. (蘇州勵迪京港科技有限公司), via a Su (2024) Zhangjiagang Real Estate Certificate No. 2077673, Su (2024) Zhangjiagang Real Estate Certificate No. 2077672, Su (2024) Zhangjiagang Real Estate Certificate No. 2077674 and Su (2024) Zhangjiagang Real Estate Certificate No. 2077675 dated October 31, 2024 and issued by the Zhangjiagang City Real Estate Registration Center. The land is designated for industrial use for a term till August 30, 2071.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated January 10, 2024, Suzhou Maidi Jinggang Technology Co., Ltd. (蘇州勵迪京港科技有限公司) is a limited liability company registered in the PRC on May 19, 2021 with perpetual operation term.

3. The classification of the Property is held for owner occupation.
4. In undertaking our valuation of the Property, we have made reference to various comparable properties. All comparable properties have similar building status and amenities, in that: (a) the age of the comparable properties are relatively new as first hand property, which is equivalent to the Property as newly constructed property; (b) the condition of the comparable properties are relatively like-new, which is equivalent to the Property; (c) the property type of the comparable properties falls within industrial use and have similar characteristics, such as, the regional factors (including road accessibility, environmental condition, industrial agglomeration, distance to logistics hub, infrastructure availability) and individual factors (including road adjacency, floor area, floors, interior, facilities, ceiling height, internal layout and subletting potential). The selection criteria based on usage (industrial office premises) is fair and reasonable, because: (a) all selected comparable properties are industrial office premises and the Property is also once an industrial office premises, the usage of which is of industrial nature; (b) under the industrial usage, these industrial office premises can be used for various industrial proposes to cater for different industrial needs, such as, industrial offices, industrial production facility, warehouse and so forth; (c) as such, the Property is an industrial office premises, and acquired and used by the Company as production facility. As such, when identifying comparable properties, setting the selection pool to include industrial office premises that can be used for a variety of industrial purposes (covering production facility) is considered to be fair and reasonable. Details of selected comparable properties are listed below:

Transaction Date	Location	Land Usage	Allowable	Transaction
			Gross Floor Area (GFA)	Price (RMB)/ Price per square meter on GFA
November 2024	Daoxing Photovoltaic Manufacturing Center	Industrial land	1,700.00	4,705.88/m ²
December 2024	Yangjin Highway	Industrial land	1,715.00	4,897.96/m ²
January 2025	Jinfeng Industrial Zone	Industrial land	2,000.00	4,500.00/m ²

The details of the adjustments made for differences between the Property and the comparable properties include: (a) selecting three recently transacted comparable properties of the same type as the Property. The specific conditions of each comparable property primarily include: property location, land usage, floor area, price per square meter of GFA, transaction status, transaction date, regional factors and individual factors; (b) determination of adjustment factors. Based on the specific conditions of the comparable properties, adjustment factors for transaction status, regional factors and individual factors were determined in that 100 points are set as benchmark for the Property (points above 100 refer to having more favorable condition than the Property whereas points below 100 refer to having less favorable condition than the Property); and (c) adjustment factor calculation. The adjusted price of the Property = comparable price × transaction status adjustment factor × regional factors adjustment factor × individual factors adjustment factor.

After making adjustments on various factors primarily including transaction status, floor area and ceiling height, between the Property and the comparables, the adopted price of the land of the Property was RMB4,700 per square meter on GFA which was calculated by averaging the price per square meter on GFA of the three comparable properties and rounded to hundredth place.