

APPENDIX IV

PROPERTY VALUATION REPORT

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2022 of the selected property interest held by the Group.*



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
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Licence No.: C-030171

[Date]

The Board of Directors  
**Beauty Farm Medical and Health Industry Inc.**  
Unit 1206, 12th Floor  
No.1089 Dongdaming Road  
Hongkou District  
Shanghai  
PRC

Dear Sirs,

In accordance with your instructions to value the selected property interest held by Beauty Farm Medical and Health Industry Inc. (the "Company") and its subsidiaries (hereinafter together referred to as the "Group"), in the People's Republic of China (the "PRC"), 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 of the market value of the property interest as at 30 September 2022 (the "valuation date").

The selected property interest forms part of property activities and has a carrying amount of 1% or more of the Group's total assets, therefore the valuation report of the property interest is required to be included in this Document.

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".

We have valued the completed portion of the property by the income approach by taking into account the rental income of such portion of the property derived from the existing lease and/or achievable in the existing market with due allowance for the reversionary income potential of the lease, which have been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market. For portion of the land of the property that have not been developed, we

## APPENDIX IV

## PROPERTY VALUATION REPORT

have adopted the comparison approach assuming sale of the property interest in its existing state 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.

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

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense 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.

In valuing the property interest, 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; 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 issued 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 various title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the PRC legal opinions issued by Grandall Law Firm (Shanghai) and Tian Yuan Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property 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.

**APPENDIX IV**

**PROPERTY VALUATION REPORT**

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out in February 2022 by Mr. Jason Chen, a China Certified Public Valuer who has more than 3 years' experience in the valuation of properties 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 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 is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in this particular market sector remain 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 property under frequent review.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below for your attention.

Yours faithfully,  
For and on behalf of  
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**  
**Eddie T. W. Yiu**  
*MRICS MHKIS RPS (GP)*  
*Senior Director*

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 28 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

APPENDIX IV

PROPERTY VALUATION REPORT

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date
			<i>RMB</i>
A parcel of land and two buildings located at the northern side of Wanbo Street and the western side of Kangxiang Road Zhongyuan Town Qionghai City Hainan Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 20,289.00 sq.m., and two medical and ancillary buildings erected thereon with a total gross floor area of approximately 5,380.48 sq.m. The property is located at the northern side of Wanbo Street and the western side of Kangxiang Road. It is about 10 minutes' driving distance to the Bo'ao Railway Station. The locality is a well-developed medical tourism zone with mature and sophisticated infrastructural facilities.</p>	<p>As at the valuation date, the buildings of the property were rented to a tenant and portion of the property was a vacant bare land to be developed.</p>	92,690,000
	<p>The buildings were completed in 2019. As advised by the Group, portion of the land parcel of the property at the north-western part of the site with a site area of approximately 3,125.00 sq.m. was a vacant bare land that had not been developed as at the valuation date.</p>		
	<p>The land use rights of the property have been granted for a term expiring on 5 April 2066 for medical hygiene charity use.</p>		

## APPENDIX IV

## PROPERTY VALUATION REPORT

### Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate – Qionghai Guo Yong (2016) Di No. 000193, the land use rights of the property with a site area of approximately 20,289.00 sq.m. have been granted to Hainan Meirui International Medical and Health Industry Co., Ltd. (海南美瑞國際醫療健康產業有限公司, "Hainan Meirui", a wholly-owned subsidiary of the Company) for a term of 50 years expiring on 5 April 2066 for medical hygiene charity use.
- (2) Pursuant to 2 Real Estate Title Certificates – Qiong (2020) Qionghai Shi Bu Dong Chan Quan Di Nos.0022504 and 0022505, the buildings of the property with a total gross floor area of approximately 5,380.48 sq.m. are owned by Hainan Meirui for medical and dormitory uses.
- (3) Pursuant to a Tenancy Agreement, the buildings of the property were leased to Hainan Qiyang Stem Cell Anti-aging Hospital Co., Ltd. (海南啟研幹細胞抗衰老醫院有限公司, "Hainan Qiyang", a connected party of the Company) with the expiry date on 31 December 2024, and the monthly rent receivable as at the valuation date was RMB99.13 per sq.m., exclusive of management fees, water and electricity charges.
- (4) In our valuation, we have identified and analysed various relevant sales and lease evidence which have similar characteristic as the subject property. The daily unit rent of these rental comparable buildings range from RMB2.97 to RMB3.20 per sq.m.. For the valuation of the bare land portion, the unit price of these comparable land sites ranges from RMB1,700 to RMB2,000 per sq.m. on site area basis for medical charity uses. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property to arrive at the assumed unit rate.
- (5) We have been provided with the legal opinion containing the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:  
  
Hainan Meirui is in possession of the land use rights and building ownership rights of the property.
- (6) A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Real Estate Title Certificate	Yes