



ISO 1901:2004
Certificate No.: CC5918
Vigers Building Consultancy



ISO 9001:2004
Certificate No.: CC11115
Vigers Appraisal & Consulting



ISO 9001:2008
Certificate No.: CC3115
Vigers Property Management Services (HK)



ISO 14001:2004
Certificate No.: CC5518
Vigers Property Management Services (HK)



ISO 14001:2004
Certificate No.: CC5731
Vigers Building Consultancy

9 August 2016

The Board of Directors

Wai Yuen Tong Medicine Holdings Limited
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs,

In accordance with the instructions of Wai Yuen Tong Medicine Holdings Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") for us to value the property interest in the People's Republic of China ("the PRC"), we confirm that we have carried out an 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 such property interest as at 30 June 2016 ("valuation date") for the purpose of incorporation in the circular.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing the property, we have adopted a combination of the market and depreciated replacement cost approach in assessing the land portion of the property and the buildings and structures standing on the land respectively. Hence, the sum of the two results represents the market value of the property as a whole. In the valuation of the land portion, reference has been made to the standard land price and the sales evidence as available to us in the locality. As the nature of the buildings and structures cannot be valued on the basis of market value, they have therefore been valued on the basis of their depreciated replacement costs. The depreciated replacement cost approach considers the current cost of replacement (reproduction) of the buildings and improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales.

In valuing the property in the PRC, we have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest, we have relied on the legal opinion (the "PRC legal opinion") provided by the Company's PRC legal adviser, GuangDong Wisdom & Fortune Law Firm.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us by the Group on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Group that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us by the Company and are approximations only. 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 a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the 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 interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

As advised by the Company, the potential tax liabilities which may arise from the sale of the property in the PRC mainly include corporation income tax (25%), business tax (5%), stamp duty (0.005%), deed tax (3% to 5%) and land appreciation tax (30% to 60%) on the appreciation in property value in the range from more than 50% to not more than 200%.

As advised by the Company, there will be no likelihood of such liabilities being crystallized as it is understood that the Group has no intention to dispose the property as at the Latest Practicable Date.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property interest in the PRC as at 30 June 2016 was HK\$1=RMB0.86. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars (HK\$) between that date and the date of this letter.

We enclose herewith the valuation certificate.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED



Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty nine years' experiences in undertaking valuations of properties in Hong Kong and has over twenty two years' experiences in valuations of properties in the PRC.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 June 2016										
An industrial complex located at Nanbu Village, Pingshan Town, Shenzhen, the PRC	<p>The property comprises a parcel of land with a site area of approximately 12,000 sq.m. and a factory building and two dormitory buildings and ancillary structures erected thereon completed in 2004.</p> <p>The buildings have a total gross floor area of approximately 19,475.01 sq.m.</p> <p>The area breakdowns of the gross floor area of the property is stated as below:</p> <table border="0" style="width: 100%; margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Building Name</th> <th style="text-align: left;">Approximate Gross Floor Area of the property (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Factory</td> <td style="text-align: right;">12,817.85</td> </tr> <tr> <td>First Dormitory Building</td> <td style="text-align: right;">1,533.12</td> </tr> <tr> <td>Second Dormitory Building</td> <td style="text-align: right;">5,124.04</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">19,475.01</td> </tr> </tbody> </table> <p>The buildings mainly include a factory, 2 dormitory buildings.</p> <p>The property has been granted a land use rights for a term of 50 years commencing from 20 September 2000 to 19 September 2050 for industrial uses.</p>	Building Name	Approximate Gross Floor Area of the property (sq.m.)	Factory	12,817.85	First Dormitory Building	1,533.12	Second Dormitory Building	5,124.04	Total	19,475.01	<p>The property is currently occupied by the Group for industrial and dormitory uses.</p>	<p>RMB71,000,000</p> <p>(equivalent to approximately HK\$82,558,139)</p>
Building Name	Approximate Gross Floor Area of the property (sq.m.)												
Factory	12,817.85												
First Dormitory Building	1,533.12												
Second Dormitory Building	5,124.04												
Total	19,475.01												

Notes:

1. Pursuant to a Real Estate Ownership Certificate (Document No.: Shen Fang Di Zi No. 8000000146), the land use rights of the property (Land Plot No. G12204-0126) were granted to The Sky High Plastic Works Limited ("Sky High") with a site area of approximately 12,000 sq.m. for industrial uses for a term of 50 years commencing from 20 September 2000 to 19 September 2050.
2. Pursuant to three Real Estate Ownership Certificates (Document Nos.: Shen Fang Di Zi Nos. 8000003572, 8000003573 and 8000003574), the land use rights of the property (Land Plot No. G12204-0126) were granted to Sky High with a site area of approximately 12,000 sq.m. for industrial uses and with a total gross floor area of approximately 19,475.01 sq.m. for industrial and dormitory uses for a term of 50 years commencing from 20 September 2000 to 19 September 2050.
3. Sky High is a company incorporated in Hong Kong with limited liability and according to confirmation by the Company, is a third party independent of the Group.
4. The PRC legal opinion states, inter alia, the following:
 - (i) Sky High legally owns the land use rights and building ownership rights of the property;
 - (ii) Sky High has the sole legitimate rights related to land use rights and building ownership rights;
 - (iii) the property is not subject to mortgage or other encumbrances; and
 - (iv) Sky High is entitled to occupy, use, transfer and lease the land use rights and building ownership rights of the property.
5. The status of title and grant of major approvals and permits in accordance with the PRC legal opinion and information provided by the Group are as follows:

(i) Real Estate Ownership Certificate	Yes
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6. The property was inspected by Mr. Frank Li, China Real Estate Appraiser, on 15 July 2016.