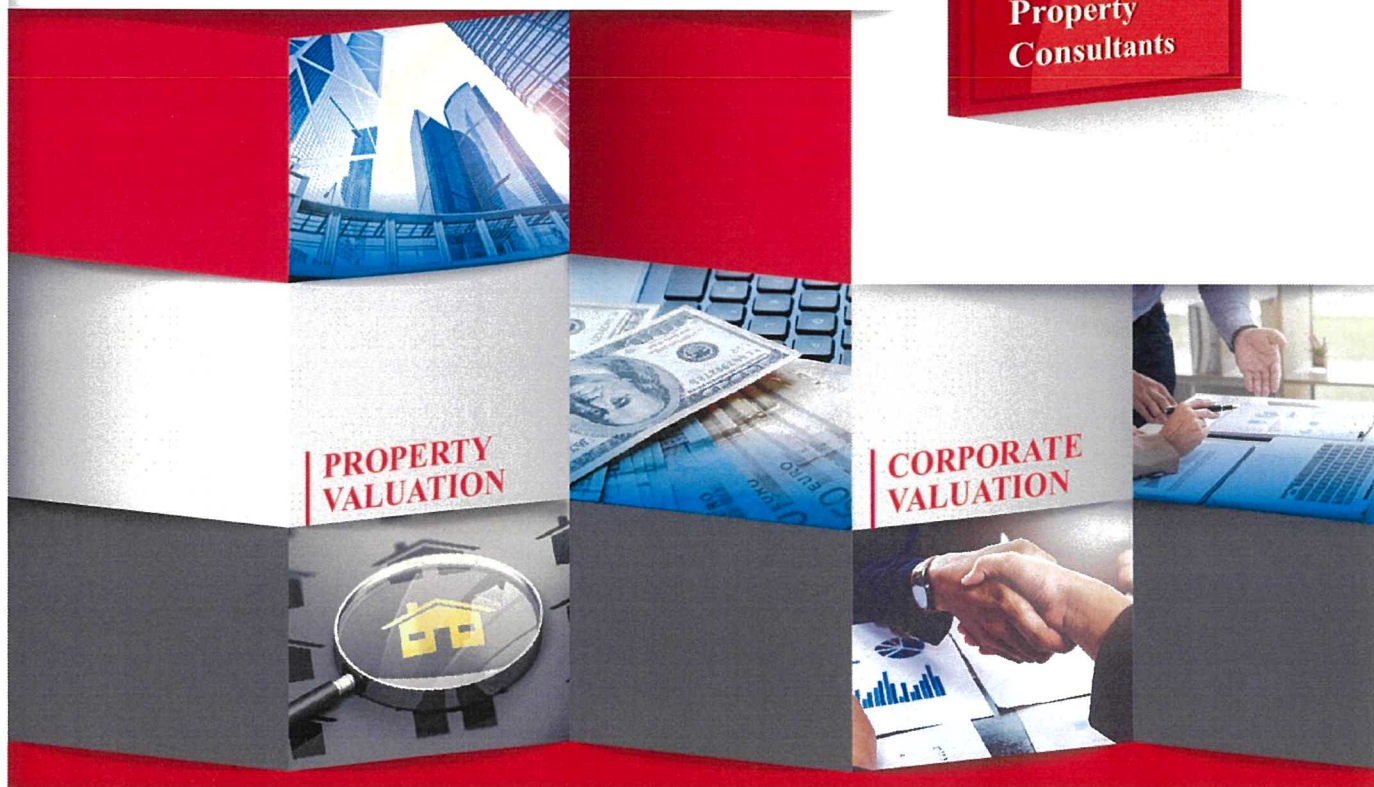




B.I. Appraisals Limited
保柏國際評估有限公司
Registered Professional Surveyors, Valuers & Property Consultants

Date : 9 August 2022
Report Ref : BI/WS/RT/101661/R

**Professional
Surveyors,
Valuers &
Property
Consultants**



PROPERTY VALUATION

For

PROSPEROUS FUTURE HOLDINGS LIMITED



Our Ref: BI/WS/RT/101661/R

9 August 2022

Prosperous Future Holdings Limited

17th Floor, Fung House
19-20 Connaught Road Central
Central
Hong Kong

For the Attention of the Directors

Dear Sirs / Madams,

Re: The land and the industrial building at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the People's Republic of China ("PRC")

In accordance with the instructions from Prosperous Future Holdings Limited (hereinafter referred to as the "**Company**") and together with its subsidiaries, the "**Group**") for us to value the captioned property (hereinafter referred to as the "**Property**"), which is held by 青蛙王子(福建)嬰童護理用品有限公司 (its English transliteration being Frog Prince (Fujian) Baby & Child Care Products Co., Limited), which is a wholly owned subsidiary of the Company, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the Property in the existing state as at 31 May 2022 (hereinafter referred to as the "**Date of Valuation**").

It is our understanding that this valuation document is to be used by the Company for disclosure purpose in relation to a proposed disposal (hereinafter referred to as the "**Disposal**"). We further understand that our report is to be incorporated in a circular to be issued by the Company in relation to the Disposal.

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 is our opinion of its market value which we would define 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”.

Our valuation has been carried out in accordance with The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

In valuing the Property, which is held for owner occupation by the Group, we have adopted the direct comparison method assuming sale of the Property in its existing state by making reference to market evidence of comparable properties as available in the relevant market subject to appropriate adjustments made to reflect such differences including but not limited to location, building age, size and other relevant factors between the Property and the comparable properties.

The direct comparison method is universally considered to provide the most reliable indication of value for property with a known market. We have adopted this method in line with the market practice.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Property would be sold in the open market in existing state without the benefit of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangements that could affect the value of the Property. In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation that 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 that could affect its value.

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all ordinances, except only where otherwise stated. We have further assumed that all consents, approvals, required licences, permits, certificates and authorizations have been obtained, except only where otherwise stated, for the use of the Property upon which our valuation is based.

TITLE INVESTIGATION

We have been provided by the Company with copies of title documents and a legal opinion dated 19 July 2022 prepared by 福建牛京律師事務所 (Fujian Niu Jing Law Firm), the Company's legal advisor on the PRC law (hereinafter referred to as the "**PRC Legal Advisor**"), regarding the title to and the interest in the Property. We have not inspected the original of the title documents to verify the ownership and to ascertain the existence of any amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only.

In the course of our valuation, we have relied on the advice given by the Company and the legal opinion of the PRC Legal Advisor regarding the title to and the interest in the Property. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title to the Property that is assumed to be good and marketable.

LIMITING CONDITIONS

We have inspected the exteriors and, where possible, the interior of the Property on 17 August 2019 with site revisit carried out on 5 August 2022. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the Property. We are, therefore, unable to report whether the Property is free from rot, infestation or any other structural defects. Yet, in the course of our external inspection, we did not note any material defects.

We have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future development, nor have we undertaken environmental surveys. Our valuation is prepared on the basis that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the Property but have assumed that the areas shown on the copies of the documents furnished to us are correct. Dimensions, measurements and areas included in the valuation report attached herewith are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, completion date of the buildings, particulars of occupancy, tenancy details, user of the Property, site and floor areas and other relevant matters in the identification of the Property.

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

Our valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

This report and each part of it is prepared and intended for the exclusive use of the Company for the specific purpose hereinbefore stated. In accepting this report, the Company expressly agrees not to use or rely upon this report or any part of it for any other purpose without obtaining our prior written consent. No liability whatsoever will be accepted to any third party for the whole or any part of its contents.

CURRENCY

Unless otherwise stated, all monetary amounts stated in the valuation report attached herewith are in Renminbi (RMB).

REMARKS

The outbreak of the Novel Coronavirus (COVID-19), declared by World Health Organization on 11 March 2020, has impacted global financial markets and is expected to bring additional disruption to economic activities around the world. The unknown future impact that COVID-19 might have on the real estate market causes volatility and uncertainty that property value might change significantly and unexpectedly even over short periods of time. Readers are reminded that we do not intend to provide an opinion of value as of any date after the Date of Valuation in this report. We recommend that the valuation of the Property should be kept under frequent review and the users of this report should seek latest opinion on the real estate market for their decisions.

We hereby confirm that we have neither present nor prospective interests in the Group, the Property or the value reported herein.

Our valuation report is enclosed herewith.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED



William C. K. Sham
Registered Professional Surveyor (G.P.)
Registered Business Valuer
China Real Estate Appraiser
MRICS, MHKIS, MCIREA
Executive Director

Notes:

1. *Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 40 years' experience in the valuation of properties in Hong Kong and has over 25 years' experience in the valuation of properties in the PRC and the Asia Pacific region.*
2. *Inspection of the Property was conducted on 17 August 2019 by Mr. William C. K. Sham and a site revisit was carried out on 5 August 2022 by Ms. Wang Yang, who have 14 years' experience in the valuation of properties in the PRC.*

VALUATION REPORT

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2022
The land and the industrial building at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the PRC	<p>The Property comprises a 6-storey industrial building erected on a parcel of land with a registered site area of approximately 24,252.60 sq.m. located on the northern side of Wuqiao Bei Road within Lantian Economic Development Zone.</p> <p>The subject building, completed in about 2011, has a gross floor area of approximately 55,853.93 sq.m.</p> <p>The land use rights of the Property have been granted for a term expiring on 25 February 2059 for industrial use.</p>	As at the Date of Valuation, the Property was occupied by the Group for production use.	RMB58,100,000

Notes:

- (1) Pursuant to a set of Certificate of Fixed Assets Ownership 閩(2018)龍文區不動產權第 0004566 號(Min (2018) Longwenqu Fixed Assets Ownership No. 0004566) dated 23 July 2018, the land use rights of the land area of 24,252.60 sq.m. together with a block of building having a total gross floor area of 55,853.93 sq.m. in the Property is vested in 青蛙王子(福建)嬰童護理用品有限公司 (its English transliteration being Frog Prince (Fujian) Baby & Child Care Products Co., Limited, hereinafter referred to as "Frog Prince (Fujian)").
- (2) It is stated in the abovementioned certificate that the land use rights of the Property are for a term expiring on 25 February 2059 for industrial use.
- (3) We have been advised by the Company that Frog Prince (Fujian) is an indirect wholly owned subsidiary of the Company.
- (4) The Property is located within Lantian Economic Development Zone, being the first provincial level development zone in Zhangzhou City, is planned to accommodate light, low energy consumption, light pollution and high-tech industries. Developments in the neighbourhood comprises mainly industrial complexes for light industry and innovative and technological business entities.

VALUATION REPORT

(5) *In the course of our valuation, we have assumed that the Property would be sold in the open market as a whole rather than in a strata-title basis. We have considered and analyzed sale comparable of industrial properties in the vicinity. These comparable properties are adopted as they are considered relevant to the Property under the following selection criteria:*

- (a) *The comparable property is located within Lantian Economic Development Zone;*
- (b) *The legal title of the land use rights of the comparable property has been obtained by way of grant; and*
- (c) *The comparable property is similar to the Property in terms of the permitted use, the size of development and the physical characteristics.*

The unit rates of the adopted comparable properties are ranging from approximately RMB1,200 to RMB2,483 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to location, sizes and other physical characteristics between the Property and the comparable properties. The general basis of adjustment is if better than the comparable property, an upward adjustment is made. Alternatively, if the Property is inferior to or less desirable than the comparable property, a downward adjustment is made. The unit value adopted in our valuation is RMB1,040 per sq.m., which is considered as consistent with the range of adjusted unit rates of the comparable properties.

(6) *The opinion of the PRC Legal Advisor is summarized as follows:*

- (a) *Frog Prince (Fujian) is a company duly formed and validly existing under the laws of the PRC.*
- (b) *Frog Prince (Fujian) is in possession of a proper legal title to the Property and is entitled freely to occupy, use, transfer, sell, mortgage or lease the Property. The above disposal rights have no restrictions on overseas buyers.*
- (c) *The existing use of the Property is in accordance with its approved use.*
- (d) *The Property is not currently pledged to a third party, and Frog Prince (Fujian) has not signed any agreement with the third party regarding the transfer, sale or mortgage of any part or the whole of the Property.*
- (e) *The Property and its ownership do not involve any sealing up, seizure, sale or other disputes, nor are they subject to any harsh or unusual contracts, terms and conditions.*



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B.I. Appraisals Limited, formerly known as Brooke International Appraisals Limited, is set up by experienced professionals with over 30 years' solid experience in the field and is a multi-disciplinary professional group offering one-stop valuation / appraisal and property-related professional services.

B.I. Appraisals Limited is based in Hong Kong and provides to its clients a wide and comprehensive range of professional and corporate real estate services. Our scope of services extends beyond Hong Kong and China to cover generally the Asia Pacific region through our established network in the areas.

The firm believes in a focused approach towards client services and is dedicated to undertaking property and financial appraisals and valuations. By maintaining a medium size of professional staff, B.I. Appraisals targets to promote its reliability and approach ability in the process of delivering professional services to clients.

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