

*The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this prospectus received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 August 2021 of the property interests of the Company.*



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30 October 2021

The Board of Directors  
**Better Home Group Holdings Co., Limited**  
No. 378 Guangming Street  
Deqing Economic Development Zone  
Deqing County, Zhejiang, the PRC

Dear Sirs/Madams,

### INSTRUCTIONS

In accordance with the instructions of Better Home Group Holdings Co., Limited (the “**Company**”) for us to carry out the valuation of the property interests held by 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 inspection, 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 interests as at 31 August 2021 (the “**Valuation Date**”).

### PREMISES OF VALUE

The valuation is our opinion of 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*”.

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

### **VALUATION STANDARDS**

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the RICS Valuation — Global Standards 2020 published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards published from time to time by the International Valuation Standards Council.

### **VALUATION METHODOLOGY**

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the portion of the property interests, due to the nature of the buildings and structures of the property interests, there are no market sales comparables readily available, we have valued a property on the basis of its depreciated replacement cost. Depreciated replacement cost is defined as “the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation”. It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The depreciated replacement cost of the property interests is subject to adequate potential profitability of the concerned business.

### **TITLE INVESTIGATION**

We have been provided with copies of documents and legal opinion in relation to the title of the property interests in the PRC. However, due to the nature of the current land registration system in the PRC, we cannot cause searches to be made on the title of the property nor have we examined all the original documents to verify ownership and encumbrances or to ascertain the existence of any lease amendments which 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 considerably on the legal opinion given by the Company’s PRC legal advisers — GuangDong Sun Law Firm (廣東國暉律師事務所), concerning the validity of title of the property interests in the PRC.

**SITE INVESTIGATION**

We have inspected the exterior and, where possible, the accessible portions of the interior of the properties being appraised. The inspection was carried out by Ms. Sarah Lee (Manager of AVISTA Valuation Advisory Limited) and Mr. Gerrard Zhao (Valuer of AVISTA Valuation Advisory Limited) on 31 May 2019. However, we have not been commissioned to carry out structural survey nor to arrange for an inspection of the services. We are, therefore, not able to report whether the properties are free of rot, infestation or any other structural defects. We formulate our view as to the overall conditions of the properties taking into account the general appearance, the apparent standard and age of fixtures and fittings and the existence of utility services. Hence it must be stressed that we have had regard to you with a view as to whether the buildings are free from defects or as to the possibility of latent defects which might affect our valuation. In the course of our inspection, we did not note any serious defects. No tests were carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverised fly ash, or any other deleterious material has been used in the construction of the properties. We are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the properties.

We have not been commissioned to carry out detailed site measurements to verify the correctness of the land or building areas in respect of the properties but have assumed that the areas provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable.

Moreover, we have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the property interests. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the properties or on adjoining or neighbouring land or that the properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

**SOURCE OF INFORMATION**

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal,

identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

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.

### **VALUATION ASSUMPTIONS**

For the properties which are held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the properties has an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted. Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor 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 outgoings of an onerous nature, which could affect their values.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

### **LIMITING CONDITION**

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

### **CURRENCY**

Unless otherwise stated, all amounts are denominated in Renminbi (RMB). Our valuations are summarised below and the valuation certificate is attached.

Yours faithfully,  
For and on behalf of  
**AVISTA Valuation Advisory Limited**  
**Vincent C B Pang**  
*MRICS CFA FCPA FCPA Australia*  
*RICS Registered Valuer*  
*Managing Director*

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*Notes:* Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC and Asia Pacific region.

## VALUATION CERTIFICATE

## Property interests held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value Attributable to the Company as at 31 August 2021
			<i>RMB</i>
An Industrial Property located at No. 378 Fuxi Jie Dao, Guangming Street, Huzhou City, Zhejiang Province, the PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 55,621.47 sq.m. together with various buildings and structures completed between 2010 and 2019 erected thereon.</p> <p>The property has a total gross floor area of approximately 58,441.03 sq.m. and mainly includes workshops, warehouses and dormitory.</p> <p>The property is situated on the south Guangming Street in Deqing County, with approximately 9 km driving distance to the Deqing Station and with approximately 70 km driving distance to the Hangzhou Xiaoshan International Airport.</p> <p>The land use rights of the property have been granted for a term of expiring on 14 October 2059 and 6 May 2059 for industrial use.</p>	As at the valuation date, the property is occupied by the Group for industrial purpose.	98,432,000 (100% interest attributable to the Company: 98,432,000

*Notes:*

1. Pursuant to a Real Estate Title Certificate — Zhe (2018) Deqing County Real Estate Title No. 0012570\* (浙(2018)德清縣不動產權第0012570號不動產權證) dated 16 July 2018, a parcel of land use rights of the property with a total site area of approximately 15,654.84 sq.m and the buildings with a total gross floor area of approximately 12,785.60 sq.m. have been granted to the Company for industrial use for a term expiring on 14 October 2059.
2. Pursuant to a Real Estate Title Certificate — Zhe (2019) Deqing County Real Estate Title No. 0014222\* (浙(2019)德清縣不動產權第0014222號不動產權證) dated 8 August 2019, a parcel of land use rights of the property with a total site area of approximately 39,966.63 sq.m and the buildings with a total gross floor area of approximately 45,655.43 sq.m. have been granted to the Company for industrial use for a term expiring on 6 May 2059.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
  - a. the Company has legally obtained the Real Estate Title Certificates of the property and is entitled to legally occupy, use and benefit from the buildings; and
  - b. the lands and buildings in note 1 & 2 were pledged.
4. In our valuation, we have made reference to some transaction price references of land comparables in the similar location of the subject property. We have adopted the range of unit rates between RMB350 and RMB450 per sq.m. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price reference have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.