VEDA | CAPITAL
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20 January 2026

To: the Independent Board Committee

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF MSINT LTD TO ACQUIRE ALL THE ISSUED SHARES OF CENTENARY UNITED HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MSINT LTD AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer. Details of the Offer are set out in the "Letter from Rainbow Capital" and "Letter from the Board" (the "**Board Letter**") as contained in the Composite Document dated 20 January 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

On 11 December 2025 (after trading hours of the Stock Exchange), the Offeror and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and the Offeror agreed to acquire, the Sale Shares, i.e. a total number of 376,916,000 Shares, being approximately 71.12% of the entire issued share capital of the Company as at the Latest Practicable Date, for a total cash consideration of HK$152,650,980. The Completion took place immediately upon the signing of the Sale and Purchase Agreement on 11 December 2025.

Immediately upon Completion, the Offeror and parties acting in concert with it are interested in a total of 377,418,000 Shares, representing approximately 71.21% of the entire issued share capital of the Company as at the date of the Sale and Purchase Agreement, and has become the controlling Shareholder. Accordingly, immediately upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

The Offer is being made by Rainbow Capital for and on behalf of the Offeror. The Independent Board Committee, comprising Mr. Li Wai Keung, Mr. Li Weining and Ms. Yan Fei, being all the independent non-executive Directors who have no direct or indirect interest in the Offer, has been established to give a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser, our role is to advise the Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not associated or connected with the Offeror and the Company or its respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them and accordingly, we are considered eligible to given independent advices on the Offer.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser, there were no other engagements between us and the Offeror or the Company or their respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Offeror or the Company or their respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we considered that we are independent pursuant to Rule 2 of the Takeovers Code to act as the Independent Financial Adviser to give independent advices on the Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the representations made to us by the Directors and/or the representatives of the Company (collectively, the "**Management**").

We have assumed that all statements, information and representations provided by the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified by the Company of any material changes to such statements, information, opinions and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code, in which case we will consider whether it is necessary to revise our opinion accordingly.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management (as the case may be) in the Composite Document were reasonably made after due enquiries and careful consideration. We have no reason to suspect any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, which would make any statements therein misleading. In rendering our opinion in the Composite Document, we have researched, analyzed and relied on (i) the Composite Document and other information provided by the Company; (ii) information in relation to the Group, including but not limited to, the financial reports published by the Company; and (iii) market information obtained from the websites of the Stock Exchange, reports published by National Bureau of Statistics of the PRC and announcements issued by the State Administration for Market Regulation of the PRC.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter. We consider that we have been provided with sufficient information and have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion. We have not, however, carried out any independent investigation into the business and affairs of the Offeror, the Group, companies involved or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them.

We also have not considered the tax and regulatory implications as regard to the Offer since these depend on individual circumstances. In particular, the Independent Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information for the Independent Board Committee solely in connection with their consideration of the Offer, except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations, we have taken into considering the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Background and financial information of the Group

1.1 Background of the Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. Its subsidiaries are principally engaged in the sale and service of motor vehicles and provision of services in the PRC.

1.2 Historical financial performance of the Group

Set out below is a summary of the consolidated financial information of the Group for the six months ended 30 June 2024 and 2025, and for the financial years ended 31 December 2023 and 2024, as extracted from the financial reports of the Company of the relevant financial periods.

For the six months ended 30 June 2024 and 2025

Table 1

	For the 6 months ended	
	30 June 2024	**30 June 2025**
	RMB'000	*RMB'000*
Revenue	**738,039**	**454,249**
Gross profit	*10,750*	*17,406*
Other income	*20,133*	*22,599*
Selling and distribution expenses	*(30,390)*	*(19,280)*
Administrative expenses	*(46,710)*	*(33,719)*
Other expenses	*(473)*	*(75)*
Finance costs	*(5,644)*	*(2,984)*
Loss attributable to owners of the Company	**(52,356)**	**(15,984)**

The Group recorded a revenue in the amount of approximately RMB454.2 million for the six months ended 30 June 2025, representing a decrease of approximately 38.5% as compared to that in the amount of approximately RMB738.0 million for the six months ended 30 June 2024. As advised by the Company, the drop in revenue was driven by lower new vehicle sales volumes amid intensified price competition, subdued consumer sentiment and policy disparities favoring new energy vehicles. Despite the revenue contraction, the Group's gross profit rose approximately 61.9% from approximately RMB10.8 million for the six months ended 30 June 2024 to approximately RMB17.4 million for the six months ended 30 June 2025. As advised by the Company, the increase in gross profit was primarily attributable to the Group's transformation from a sales-focused to a service-focused model, reallocating resources to higher-margin activities such as insurance agency services and new energy vehicle related services.

The Group narrowed its loss attributable to its owners by approximately RMBB36.4 million to approximately RMB16.0 million for the six months ended 30 June 2025, from approximately RMB52.4 million for the six months ended 30 June 2024. As advised by the Company, the decrease in loss was primarily due to the combined results of enhanced gross margins, effective cost controls and reduced finance costs.

For the year ended 31 December 2023 and 2024

Table 2

	For the years ended	
	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Revenue	**1,619,147**	**1,242,382**
Gross profit	*90,060*	*16,247*
Other income	*49,184*	*51,659*
Selling and distribution expenses	*(77,677)*	*(51,423)*
Administrative expenses	*(89,086)*	*(80,695)*
Other expenses	*(14,064)*	*(21,351)*
Finance costs	*(9,106)*	*(7,990)*
Loss attributable to owners of the Company	**(52,358)**	**(89,735)**

The Group recorded a revenue in the amount of approximately RMB1,242.4 million for the year ended 31 December 2024, representing a decrease of approximately 23.2% as compared to that in the amount of approximately RMB1,619.1 million for the year ended 31 December 2023. As advised by the Company, the decrease in revenue was resulted from the decrease in the sales of its new vehicles and used vehicles which were due to, including but not limited to, intensified automobile market and lowered purchasing power of domestic consumers.

The Group's gross profit also decreased by approximately 82.0% to RMB16.2 million for the year ended 31 December 2024 from approximately RMB90.1 million for the year ended 31 December 2023. As advised by the Company, the drop in gross profit was principally due to lower average selling prices amid market price wars and reduced sales volumes as set out below.

	Sales (number of vehicles)		
For the years ended	**New Vehicles**	**Used Vehicles**	**Total**
31 December 2024	9,164	398	9,562
31 December 2023	11,435	476	11,911

The Group increased its loss attributable to its owners by approximately 71.4%, to approximately RMB89.7 million for the financial year ended 31 December 2024, as compared to that in the amount of approximately RMB52.4 million for the year ended 31 December 2023. As advised by the Company, the widened loss was mainly attributable to the decline in the gross profit of its vehicles sales, notwithstanding savings in operation and finance costs.

Financials positions as at 31 December 2023 and 2024 and 30 June 2025

Table 3

	As at 31 December		**As at 30 June**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total Assets	**860,991**	**524,005**	**438,806**
Current assets	*585,034*	*334,050*	*250,703*
Inventories	*289,228*	*118,679*	*117,134*
Prepayments, other receivables and other assets	*180,645*	*118,652*	*73,975*
Trade receivables	*5,823*	*12,220*	*19,915*
Pledged deposits	*48,746*	*5,502*	*4,334*
Cash and cash equivalents	*60,592*	*78,997*	*35,345*
Non-current assets	275,957	189,955	188,103
Property, plant and equipment	*194,807*	*133,814*	*125,460*
Right-of-use assets	*78,002*	*54,607*	*59,035*
Other intangible assets	*1,015*	*658*	*300*
Deferred tax assets	*2,133*	*876*	*3,308*
Total Liabilities	**671,521**	**423,845**	**354,803**
Current liabilities	553,156	252,711	225,711
Interest-bearing bank and other borrowings	*199,047*	*95,610*	*91,129*
Trade and bills payables	*124,493*	*30,799*	*29,336*
Contract liabilities	*42,654*	*26,074*	*23,014*
Other payables and accruals	*59,103*	*67,744*	*54,111*
Amount due to a director	*101,545*	*11,041*	*4,911*
Tax payable	*26,314*	*21,443*	*23,210*
Non-current liabilities	118,365	171,134	129,092

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	*1,308*	*2,006*	—
Lease liabilities	*66,735*	*47,655*	*42,722*
Amount due to a director	*48,394*	*120,000*	*85,000*
Deferred income	*1,928*	*1,473*	*1,370*
Net assets	**189,470**	**100,160**	**84,003**

As noted from the table above, the Group's total assets decreased significantly from approximately RMB861.0 million as at 31 December 2023 to approximately RMB524.0 million as at 31 December 2024, and further to approximately RMB438.8 million as at 30 June 2025. This represents a cumulative decline of approximately 49.0% over the 18-month period, resulting from the reductions in both current and non-current assets. Its current assets fell from approximately RMB585.0 million as at 31 December 2023 to approximately RMB250.7 million as at 30 June 2025 primarily due to substantial reductions in inventories, prepayments, other receivables and contract assets. While its non-current assets declined from approximately RMB276.0 million as at 31 December 2023 to approximately RMB188.1 million as at 30 June 2025, driven mainly by decreases in the carrying values of property, plant and equipment as well as the right-of-use assets.

In parallel, the Group's total liabilities decreased from approximately RMB671.5 million as at 31 December 2023 to approximately RMB423.8 million as at 31 December 2024, and further to approximately RMB354.8 million as at 30 June 2025, representing a cumulative reduction of approximately 47.2% over the 18-month period. This reduction was predominantly attributable to a sharp decline in its current liabilities, which fell from approximately RMB553.2 million as at 31 December 2023 to approximately RMB225.7 million as at 30 June 2025, reflecting the Group's deleveraging efforts, including the repayment and settlement of payables and debts.

While the Group's non-current liabilities experienced a temporary increase to approximately RMB171.1 million as at 31 December 2024, they subsequently declined to approximately RMB129.1 million as at 30 June 2025 (due to the change in the non-current portion of amounts due to a director). Overall, its non-current liabilities as at 30 June 2025 recorded a modest net change of approximately 9.0% as compared to that as at 31 December 2023.

As a result of total assets declining at a faster pace than total liabilities, the Group's net assets contracted notably from approximately RMB189.5 million as at 31 December 2023 to approximately RMB100.2 million as at 31 December 2024, and further to approximately RMB84.0 million as at 30 June 2025.

In light of the foregoing, we have the following views,

(i) even though the Group has narrowed its net loss for the six months ended 30 June 2025 by approximately 38.5% as compared to that for the six months ended 30 June 2024, it still incurred net losses in each of the reporting periods under review, reflecting persistent operating unprofitability and an inability to generate sufficient earnings to cover its costs or support ongoing operations;

(ii) the simultaneous contraction of both total assets and total liabilities has resulted in a materially smaller balance sheet overall; more critically, the faster rate of decline in total assets of the Group compared with its liabilities has eroded the Group's financial buffer, leaving it with reduced capacity to absorb further operating losses or meet unexpected liabilities;

(iii) the Group's net assets have contracted notably over the period; while net assets remain positive, the continuing downward trend raises material concerns among investors regarding the long-term viability of the Group should losses persist; and

(iv) the Group's cash and cash equivalents have decreased significantly to approximately RMB35.3 million as at 30 June 2025, which may constrain its liquidity position and limit its financial flexibility to fund operations, invest in recovery initiatives, or respond to adverse developments without additional external funding.

1.3 Outlook

In light of the principal business of the Group, we have conducted researches in order to understand the prospect of the automobile market in the PRC.

	2019	2020	2021	2022	2023	2024
Production of Vehicles *(million units)*	25.68	25.32	26.26	27.14	30.10	31.56
Production Increment Rate *(%)*	—	(1.37)	3.68	3.35	10.92	4.85
Possession of Civil Vehicles *(million units)*	253.76	273.41	294.19	311.84	329.12	345.74
Growth Rate *(%)*	—	7.74	7.60	6.00	5.54	5.05

Source: National Bureau of Statistics

According to the information published by the National Bureau of Statistics of the PRC (國家統計局) (www.data.stats.gov.cn), annual vehicle production in the PRC increased from approximately 25.68 million units in 2019 to approximately 31.56 million units in 2024. Notably, the year-on-year growth rates were relatively higher in 2023 and 2024 compared with earlier years in the period, likely reflecting the accelerated transition toward new energy vehicles in support of the PRC's green energy and carbon neutrality objectives.

Meanwhile, the annual possession of civil vehicles in the PRC rose from approximately 253.76 million units in 2019 to approximately 345.74 million units in 2024. However, despite sustained production growth, the year-on-year increase in civil vehicle possession has shown a steady and pronounced decline — from approximately 7.74% in 2020 to approximately 5.05% in 2024. This divergence between robust production expansion and slowing growth in vehicle ownership signals the potential emergence of over-production issues. It appears that the market has become increasingly saturated, with vehicles supply exceeding the level that consumers are willing or able to absorb at prevailing prices. On a related note, we also found from the State Administration for Market Regulation (SAMR) (國家市場監督管理總局) (www.samr.gov.cn) has released a draft "Guidelines for Pricing Compliance in the Automotive Industry" on 12 December 2025 for public comment with the intention to propose rules directly target the ongoing intense price wars in the automobile sector by preventing manufacturers from pricing cars below the cost of production and to stop dealers from offering discounts that bring down vehicle prices below costs. This surplus of supply is believed to elevate inventory levels, increase carrying costs and intensify price competition which then cuts into the economic benefits and profitability of automobile industry participants in the PRC.

On the other hand, we noted that the national automobile trade-in subsidy program (汽車以舊換新補貼) — considered to be a key demand driver in the PRC — has been extended to cover 2026. Among other adjustments, the policy shifts from fixed-amount subsidies to amounts proportional to the price of the new vehicle. We consider this change may reduce demand for lower-priced vehicles but the extension of the subsidy program shall mitigate the ongoing slowdown in the growth of civilian vehicle ownership in the PRC.

Having considered the foregoing analysis, and noting that our research findings align with the reasons for the decline in revenues of the Group as described in the section headed "*1.2 Historical financial performance of the Group*", we are of the view the medium term outlook of the automobile market in the PRC to be cautiously optimistic. While the automobile market in the PRC continues to benefit from sustained support from the government of the PRC, in particular on the purchase and substitution of new energy vehicles, it is also showing signs of saturation, as evidenced by decelerating growth in vehicle possession, persistent price competition and potential price control policies that may further adversely impact the economic returns of the participants across the automobile industry in the PRC.

2. Background information of the Offeror

2.1 The Offeror and its controlling shareholder

The Offeror is a company incorporated in the BVI with limited liability and is an investment holding company. As at the Latest Practicable Date, it is owned as to 99% by Mr. Mo and 1% by Mr. Ng Yiu Ming, both are professional investors. Mr. Mo is the sole director of the Offeror. Prior to the Completion, the Offeror and its ultimate beneficial owners (i.e. Mr. Mo and Mr. Ng Yiu Ming), were Independent Third Parties.

Upon Completion, the Offeror and parties acting in concert with it became the controlling Shareholders of the Company and are interested in approximately 71.21% of the issued share capital of the Company.

Mr. Mo has extensive experience in corporate management and held several key positions in corporations of the finance industry. Mr. Mo (i) has been an executive director of MOG Digitech Holdings Limited ("**MOG Digitech**"), a company listed on the Main Board of the Stock Exchange (stock code: 1942) since 14 February 2025; and (ii) has been serving as the chairman of Lefeng (Hainan) Private Equity Fund Management Co., Ltd. (樂風(海南)私募基金管理有限公司) since February 2024.

Mr. Ng Yiu Ming has over 20 years of working experience in the construction industry and the director of a construction company called Fan Yip Limited (泛葉工程有限公司).

2.2 The Offeror's intention in relation to the Group

Following the close of the Offer, it is the intention of the Offeror that the Group's existing principal activities will be maintained in the long run and does not intend to introduce any major changes to the existing operations and business of the Group following the close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary and usual course of business. However, the Offeror reserves the right and cannot rule out making any changes that it deems necessary or appropriate to the Group's businesses and operations to enhance the value of the Group.

Moreover, in order to enhance and strengthen the business of the Group, the Offeror intends to conduct a detailed review over the Group by appraising and assessing the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Subject to the results of such review and should suitable investment or business opportunities arise, the Offeror may explore such arisen opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company.

Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, (i) the Offeror did not have any intention, understanding, negotiation, arrangement and agreements (whether formal or informal, express or implied, verbal or in writing) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation (whether formal or informal, express or implied, verbal or in writing) in relation to the disposal of any assets or business of the Group.

2.3 Changes to the composition of the Board

As at the Latest Practicable Date, no Director has expressed and/or indicated intention to resign.

We noted the Offeror is intended to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) who will be nominated as new Director(s) of the Company; and (ii) the final composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard in accordance with the Listing Rules as and when appropriate.

Save for the Offeror's intention regarding the Group set out above, the Offeror has no intention to make material changes to the employment of the employees of the Group.

2.4 Public float

The Offeror also intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

It is stated in the "Letter from Rainbow Capital" in the Composite Document that the directors of the Offeror and the new Director(s) to be appointed to the Board will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares which it will acquire from the Offer to selected independent third parties or in the market. No arrangements have been confirmed or put in place as at the Latest Practicable Date.

3. Principal terms of the Offer

The Offer is being made by Rainbow Capital for and on behalf of the Offeror to acquire all the Offer Shares on the terms set out in the Composite Document on the following basis:

For each Offer Share	**HK$0.94 in cash**

The Offer Price of HK$0.94 per Offer Share represents the highest price per Share paid by the Offeror, Mr. Mo and parties acting in concert with any of them for the acquisition of the Shares (i.e. on 30 October 2025) within six months prior to the commencement of the Offer Period.

The Offer is extended to all Independent Shareholders, being Shareholders other than the Offeror, Mr. Mo and parties acting in concert with any of them in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the Latest Practicable Date, the Company has not declared any dividend and the Company does not intend to declare, make or pay any dividend or other distributions prior to the close of the Offer. Moreover, there was no dividend declared but unpaid as at the Latest Practicable Date.

The Offer Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.

4. Analysis on the Offer Price

4.1 Comparison of value of the Offer Price

The Offer Price of HK$0.94 per Offer Share represents:

(i) a discount of approximately 67.47% to the closing price of HK$2.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 66.78% to the closing price of HK$2.83 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 67.81% to the average closing price of approximately HK$2.92 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 68.61% to the average closing price of approximately HK$3.00 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 59.12% to the average closing price of approximately HK$2.30 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;

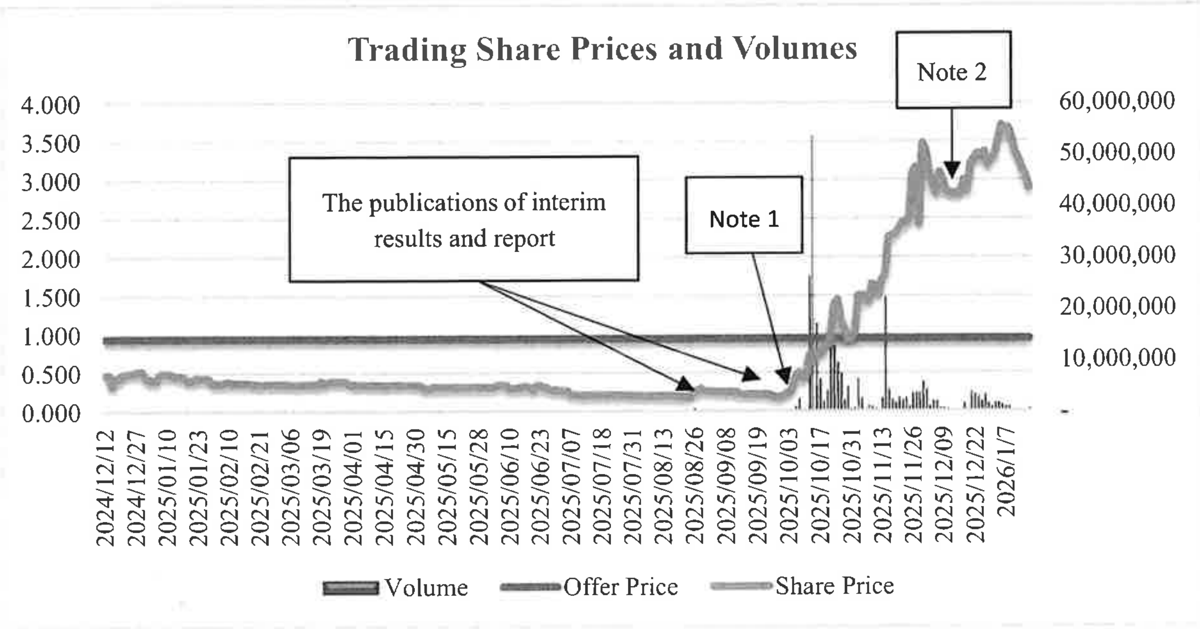
(vi) a premium of approximately 361.0% over the audited consolidated net asset value attributable to the Shareholders of approximately HK$0.2039 per Share as at 31 December 2024, calculated based on (i) the audited consolidated net asset attributable to the Shareholders of approximately RMB100,070,000 (equivalent to approximately HK$108,062,000) as at 31 December 2024; (ii) 530,002,000 Shares in issue as at the Latest Practicable Date; and (iii) the RMB to HK$ exchange rate of RMB0.92604 to HK$1 (being the exchange rate as quoted by the People's Bank of China as at 31 December 2024); and

(vii) a premium of approximately 439.9% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK$0.1741 per Share as at 30 June 2025, calculated based on (i) the unaudited consolidated net asset attributable to the Shareholders of approximately RMB84,163,000 (equivalent to approximately HK$92,289,000) as at 30 June 2025; (ii) 530,002,000 Shares in issue as at the Latest Practicable Date; and (iii) the RMB to HK$ exchange rate of RMB0.91195 to HK$1 (being the exchange rate as quoted by the People's Bank of China as at 30 June 2025).

4.2 Historical price performance of the Shares

Set out below is the movement of the daily closing prices of the Shares during the period from 12 December 2024 to the Last Trading Day, and subsequently up to and including the Latest Practicable Date (the "**Review Period**") as quoted from the Stock Exchange. We consider the period of approximate and more than one year is reasonable and representative to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.

Table 4



Source: the Stock Exchange

Notes:

1. Closing price and trading volume of the Shares increased notably since October 2025 but save for the announcements (as set out in paragraph below, i.e. among others, (i) profit alert — reduction in loss and the interim results/reports published in August to September 2025; (ii) appointment of new auditor in August 2025; (iii) the placing of Shares by the controlling Shareholder at the material time in October 2025; and (iv) the completion of the Sale and Purchase Agreement and the announcement of the Offer), the Directors are not aware of any reasons for the fluctuation in the closing price of the Shares in around October and up to the Last Trading Day.

2. The trading of the Shares was suspended during 12 December 2025 to 16 December 2025 pending the publication of the Joint Announcement and was resumed on 17 December 2025.

During the Review Period, the lowest closing price of the Share was HK$0.182 per Share, recorded on 29 September 2025, while the highest closing price of the Share was HK$3.710 per Share, recorded on 6 January 2026. The average daily closing price per Share over the Review Period was approximately HK$0.820 per Share.

The Offer Price of HK$0.94 per Offer Share represents (i) a premium of approximately 416.5% over the lowest closing price; and (ii) a discount of approximately 74.7% to the highest closing price during the Review Period. The Offer Price was higher than the daily closing price of the Share on 211 trading days out of 266 trading days during the Review Period. In the period leading up to the sharp rise that took the Share price above the Offer Price on 22 October 2025 (covering 210 trading days), the Offer Price reflected a substantial premium of approximately 181.15% over the average daily closing price.

As illustrated above, the daily closing price of the Shares traded in the range of approximately HK$0.40 to HK$0.50 per Share at the beginning of the Review Period. The daily closing price of the Share subsequently declined in early 2025, reaching a low of HK$0.182 per Share on 29 September 2025. Thereafter, the daily closing price of the Share increased sharply, peaking at HK$3.710 per Share on 6 January 2026, representing an increase of approximately 1,938.5% in around three months. Corresponding to the surge in closing prices, it is noted that trading volume in the Shares also increased substantially in October 2025 and onwards. The trading volume of the Shares will be analysed further in the next section.

We noted from the announcements of the Company (the "**2025 Announcements**") that, in the second half of 2025,

(i) the Company issued a profit alert on 15 August 2025, anticipating a narrowing of its net loss after tax by approximately 69% for the six months ended 30 June 2025. This expected improvement was primarily attributable to the improvement in the new car inventory structure and the gross profit margin of new cars, as well as the reduction in administrative expenses. The interim results announcement and interim report for the Group for the six months ended 30 June 2025 were then issued by the Company on 28 August 2025 and 29 September 2025 respectively.

(ii) the Company appointed a new auditor as announced on 27 August 2025.

(iii) the Company issued an announcement on 13 October 2025 in respect of the entry into a placing agreement by Mr. Law Hau Kit (the chairman of the Board, an executive Director, the chief executive officer and a controlling Shareholder as at the material time), his wholly-owned company and a placing agent, pursuant to which the placing agent agreed, on a best effort basis, to procure investor(s) for the placement of up to 75,230,300 Shares ultimately beneficially owned by Mr. Law Hau Kit (the "**Placing**") at price of not less than HK$0.40 per Share.

(iv) the Sale and Purchase Agreement was entered and completed on 11 December 2025 (after trading hours) and the Joint Announcement was uploaded to the website of the Stock Exchange on 16 December 2025.

Save as mentioned above, the Directors confirmed that they are not aware of any reasons for the pronounced upward trend and/or the fluctuation in the daily closing price since October 2025.

Based on the sections headed "Information on the Offeror" and "Intentions of the Offeror Regarding the Group" in the Letter from Rainbow Capital, we are given to understand that (i) the Offeror intends that the Group will maintain its existing principal activities in the long run and does not plan to introduce any major changes to the Group's existing operations and business immediately following the close of the Offer; and that (ii) Mr. Mo, the sole director of the Offeror, has extensive experience in corporate management and the finance industry, while valuable, does not directly translate to expertise in the Group's principal business in sales of motor vehicles, which may represents a potential disadvantage during the transition period after the close of the Offer.

With reference to "Appendix IV — General Information of the Offeror", we note that Mr. Mo conducted on-market transactions in the Shares within six months prior to the Last Trading Day and up to and including the Latest Practicable Date. In particular, Mr. Mo had disposed of (i) an aggregate of 950,000 Shares on-market at prices ranging from HK$0.54 to HK$0.74 per Share between 9 October 2025 and 14 October 2025, which are below the Offer Price; and (ii) an aggregate of 16,000 Shares on-market at prices ranging from HK$2.47 to HK$3.60 per Share between 25 November 2025 and 2 December 2025, which are substantially higher than the Offer Price (the "**On-Market Disposals**"). Based on our observation and analysis set out above, the On-Market Disposals by Mr. Mo during November 2025 and December 2025 occurred during a period of exceptional volatility and within a narrow trading period, at price levels significantly above the long-term trading range of the Shares during the Review Period. In our view, such prices may not be sustainable after the Offer Period having regard to the Company's underlying business fundamentals and historical trading performance. Accordingly, we do not consider the prices at which the Disposals were executed to be reliable or should be considered as stable indicator of the underlying value of the Shares for the purpose of assessing the Offer Price.

Separately, the Offer Price has been determined in accordance with the requirements of the Takeovers Code and reflects at least the highest purchase price paid by the Offeror and parties acting in concert with it for the Shares in the relevant period, thereby ensuring equal treatment of the Shareholders under the regulatory framework. In forming our view on fairness and reasonableness of the Offer Price, we have placed greater emphasis on (i) the Company's underlying fundamentals such as its profitability and outlook as mentioned in the sections above in this letter; (ii) the historical and undisturbed trading levels of the Shares; and (iii) the risks and uncertainties associated with remaining a Shareholder, rather than on short-term price spikes observed during periods of exceptional volatility.

Following the resumption of trading of the Shares on 17 December 2025, the closing price of the Shares has remained notably above the Offer Price, which may have been influenced in parts by the announcement and continuation of the Offer. As a matter of fact, save for the Offer and the issue of the 2025 Announcements, the Directors and the Offeror confirmed that they are not aware of any reasons for the pronounced upward trend and/or the fluctuation in the daily closing price since October 2025 — indicating that such price movements are not driven by any undisclosed inside information, material business developments, or fundamental catalysts. Although the Offer Price represents a discount of approximately 66.78% to the closing price of the Share of the Last Trading Day and a discount of approximately 67.47% to the closing price of the Share of the Latest Practicable Date, **Independent Shareholders should note that there is no guarantee that the prevailing level of market price of the Shares will sustain during and after the Offer Period.** Particularly noting that (i) the absence of any inside information, material business developments or fundamental catalysts driving such elevated prices, as confirmed by the Directors and Offeror and analysed above; and (ii) the fact that the Offer Price was above the closing price of the Shares for 211 trading days, representing more than 75% of trading days during the Review Period, we consider the Offer Price to be justifiable and reasonable when assessed over a longer historical timeframe.

4.3 Historical trading liquidity of the Shares

The following table sets out the average daily trading volume of the Share (the "**Average Daily Volume**") on a monthly basis and the respective percentage of the Average Daily Volume as compared to the total number of issued Shares and the Shares being held by public Shareholders.

Table 5

Month/ Period	**Trading Days**	**Average Daily Volume**	**Percentage of the Average Daily Volume as compared to the total issued Shares**	**Percentage of the Average Daily Volume as compared to the Shares held by public Shareholders**
		Shares	*(%)* *(note 1)*	*(%)* *(note 2)*
2024				
12–31 December	12	66,333	0.0131	0.0443

Month/ Period	Trading Days	Average Daily Volume *Shares*	Percentage of the Average Daily Volume as compared to the total issued Shares *(%)* *(note 1)*	Percentage of the Average Daily Volume as compared to the Shares held by public Shareholders *(%)* *(note 2)*
2025				
January	19	26,421	0.0052	0.0177
February	20	27,900	0.0055	0.0187
March	21	6,476	0.0013	0.0043
April	19	11,684	0.0023	0.0078
May	20	9,600	0.0019	0.0064
June	21	26,762	0.0053	0.0179
July	22	34,818	0.0069	0.0233
August	21	72,000	0.0142	0.0481
September	22	49,818	0.0098	0.0333
October	20	8,316,600	1.5796	5.5598
November	20	3,256,085	0.6144	2.1768
December	18	2,067,878	0.3902	1.3824
2026				
January (up to and including the Latest Practicable Date)	11	792,364	0.1495	0.5297
	Min	6,476	0.0013	0.0043
	Max	8,316,600	1.5796	5.5598
	Average	1,054,624	0.1999	0.7050

Source: the Stock Exchange

Notes:

1. Based on (i) 505,202,000 Shares in issued from the month ended 31 December 2024 to the month ended 30 April 2025; (ii) 508,202,000 Shares in issued from the month ended May 2025 to the month ended October 2025; and (iii) 530,002,000 Shares in issued from the month ended 30 November 2025 and up to the Latest Practicable Date.

2. Based on 149,584,000 Shares held by public Shareholders.

As illustrated above, save for the period from October 2025 and up to the Latest Practicable Date, trading in the Shares was mostly inactive throughout the Review Period. The Average Daily Volume of Shares during the Review Period ranged from 6,476 Shares to (i) 72,000 Shares for the period from the beginning of the Review Period to the end of September 2025; and (ii) 8,316,600 Shares when taking into account the full duration of the Review Period. Trading volume increased notably in October 2025 — the month in which the Company announced the Placing — and remained at relatively high levels following the publication of the Joint Announcement.

Based on the timing of the events as mentioned in the section above headed "*4.2 Historical price performance of the Shares*", we are of the view that the Placing of the Shares from the then controlling Shareholder as well as the subsequent Offer may have contributed to the heightened trading activities in the Shares, which would otherwise have remained generally illiquid. The enhanced liquidity observed in the Shares may not be sustainable during or after the Offer Period. In these circumstances, and given the significant volatility in the trading pattern of the Shares (i.e. price change of approximately 1,938.5% in around three months), any attempt to dispose of a significant number of Shares in the open market could exert downward pressure on the Share price, potentially resulting in sale proceeds that are lower than those obtainable by accepting the Offer. Accordingly, Independent Shareholders who wish to dispose of a significant number of the Shares may wish to consider accepting the Offer in order to realize their investment in the Company at the Offer Price.

4.4 Comparable analysis

To further assess the fairness and reasonable of the Offer Price, we performed the price-to-sales ratio ("**PSR**") and price-to-book ratio ("**PBR**") in our analysis below but did not adopt the price-to-earnings ratio as the Group was loss making for the year ended 31 December 2024.

We noted from our section headed "*1. Background and financial information of the Group*" that the Group generated its revenue from engaging the sales of motor vehicles and provision of services in the PRC. Accordingly, we have searched for Hong Kong listed companies (i) which are principally engaged in similar business (i.e. sales of motor vehicles and provision of related services in the PRC) comparable to the business of the Group; (ii) which derived more than 80% of their revenue from such business in the PRC (including Hong Kong and Macau) according to their respective latest published annual reports; and (iii) not on long-suspension (i.e. over 6 months on the Last Trading Day) (the "**Comparables**").

Based on the above criteria, we have identified an exhaustive list of 11 Comparables. Independent Shareholders should note that despite the aforesaid criteria, the business, the scale of operations, trading prospects, location and capital structure of the Group are not exactly identical as those of the Comparables, and we have not conducted any in-depth investigation into the businesses and operations of the Comparables. Nevertheless, we believe that the selected Comparables are sufficient and suitable as benchmark references for our comparative analysis, reflecting the prevailing market sentiment towards this business sector and business models for companies similarly engaged in the sales and services of motor vehicles in the PRC, and which are also listed on the same platform.

Details of the Comparables:

Table 6

	Company (stock code)	Principal business	Market Capitalisation *(HK$' million) (note 1)*	Revenue *(HK$' million) (note 3)*	PSR *Times (note 4)*	Net assets *(HK$' million) (note 3)*	PBR *Times (note 5)*
1	Zhongsheng Group Holdings Limited (881)	Principally engaged in sales and services of motor vehicles	9,374	168,124	0.17	52,520	0.56
2	China Yongda Automobiles Services Holdings Limited (3669)	Principally engaged in sales of automobiles and provision of after-sale services	3,061	69,864	0.04	11,425	0.27
3	Autostreets Development Limited (2443) *(note 6)*	Principally engaged in, among others, used-car trading services	2,731	450	6.07 *(note 6)*	1,022	2.67 *(note 6)*
4	China Harmony Auto Holding Limited (3836)	Principally engaged in sales of automobiles and provision of after-sale services	1,737	17,204	0.10	5,696	0.30

	Company (stock code)	Principal business	Market Capitalisation *(HK$' million)* *(note 1)*	Revenue *(HK$' million)* *(note 3)*	PSR *Times* *(note 4)*	Net assets *(HK$' million)* *(note 3)*	PBR *Times* *(note 5)*
5	China MeiDong Auto Holdings Limited (1268)	Principally engaged in sales of passenger vehicles, provision of after-sale and mortgage facilitation services	1,710	24,405	0.07	2,160	0.79
6	China Zhengtong Auto Services Holdings Limited (1728) *(note 6)*	Principally engaged in sales of passenger motor vehicles and provision of after-sale services	1,432	22,855	0.06 *(note 6)*	23	60.96 *(note 6)*
7	New Sparkle Roll International Group Limited (970)	Principally engaged in distribution of automobiles	248	2,068	0.12	975	0.25
8	BetterLife Holding Limited (6909)	Principally engaged in sales of passenger motor vehicles and the provision of after-sale services	277	9,635	0.03	2,877	0.10
9	Sunfonda Group Holdings Limited (1771)	Principally engaged in sale and service of motor vehicles	156	9,484	0.02	2414	0.06
10	CCT Fortis Holdings Limited (138)	Principally engaged in, among others, multi-faceted automotive business, investment in valuable collections and cultural entertainment business	117	578	0.20	462	0.25
11	Sinofortune Financial Holdings Limited (8123)	Principally engaged in sales of motor vehicles, and provision of agency services and accessories sourcing business	77	32	2.41	23	3.40

Company (stock code)	Principal business	Market Capitalisation	Revenue	PSR	Net assets	PBR
		(HK$' million)	*(HK$' million)*	*Times*	*(HK$' million)*	*Times*
		(note 1)	*(note 3)*	*(note 4)*	*(note 3)*	*(note 5)*
		Minimum		0.02		0.06
		Maximum		2.41		3.40
		Average		0.35		0.67
		Median		0.10		0.29
The Company	Principally engaged in sales of motor vehicles and provision of services	**498** *(note 2)*	**1,369**	**0.36** *(note 4)*	**93**	**5.37** *(note 5)*

Sources: the Stock Exchange and the financial reports of the respective Comparables

Notes:

1. Based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.

2. The implied market capitalisation of the Company, based on the Offer Price times the total number of Shares in issued as at the Latest Practicable Date.

3. Exchange rate of RMB1 to HK$1.1016 as at 11 December 2025 was adopted, being the date of the Sale and Purchase Agreement

4. The PSRs were based on the market capitalisation of the Comparables as at the Latest Practicable Date and divided by the revenue as stated in their respective latest available annual report. The Implied PSR (as defined below) was based on (a) the implied market capitalisation of the Company of approximately HK$498 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the revenue of the Group for the year ended 31 December 2024 as extracted from its annual report for the year ended 31 December 2024.

5. The PBRs were based on the market capitalisation of the Comparables as at the Latest Practicable Date and divided by the equity attributable to the owners of the respective companies as stated in their respective latest available annual/interim report. The Implied PBR (as defined below) was based on (a) the implied market capitalisation of the Company of approximately HK$498 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the net asset value of the Group for the year six months ended 30 June 2025 as extracted from its interim report for the six months ended 30 June 2025.

6. The PSR of Autostreets Development Limited (2443) and the PBR of China Zhengtong Auto Services Holdings Limited (1728) are significantly detached from those of the other Comparables. As a result, these two Comparables are identified as outliers and have been excluded from our analysis to reduce the impact of skewed figures.

Based on the Offer Price of HK$0.94 per Offer Share and the total number of issued Shares of 530,002,000 Shares as at the Latest Practicable Date, the Company is valued at approximately HK$498.20 million. The PSR of the Company implied by the Offer Price is approximately 0.36 times (the "**Implied PSR**") and the PBR of the Company implied by the Offer Price is approximately 5.37 times (the "**Implied PBR**").

As shown in the table above, the PSRs of the Comparables ranged from approximately 0.02 times to approximately 2.41 times, with an average of approximately 0.35 times and a median of approximately 0.10 times. The Implied PSR is therefore (i) within the PSR range of the Comparables; and (ii) comparable to the average of the PSR of the Comparables and above the median of the PSR of the Comparables.

As shown in the table above, the PBRs of the Comparables ranged from approximately 0.06 times to approximately 3.40 times, with an average of approximately 0.67 times and a median of approximately 0.27 times. The Implied PBR is therefore higher than the PBR range of the Comparables.

Given that (i) the Implied PSR is within the range of the PSRs of the Comparables respectively; (ii) the Implied PSR is comparable to the average of the PSR of the Comparables and is higher than 8 out of 9 of the PSR of the Comparables (excluding the two Comparables that were considered as outliers); and (iii) the Implied PBR is higher than the range of the PBRs of the Comparables, we consider the Offer Price to be fair and reasonable.

In view of the recent surging of the closing prices of the Shares (as illustrated in the section headed "*4.2 Historical price performance of the Shares*"), Independent Shareholders are reminded that they may choose to dispose their Shares at prices better than the Offer Price in the open market if and when such opportunities exist. The above is to indicate that the Offer Price is considered to be fair and reasonable from the perspectives of the PSR and PBR analysis; Independent Shareholders are also reminded to take into account of the other factors of the Group including the operation and business outlook of the Group as well as the share price performance and trading liquidity as set out in the other sections of this letter.

RECOMMENDATION

In summary, having considered the following principal factors and reasons:

(i) the Group's revenue has been decreasing and has incurred net losses in each of the reporting periods under review;

(ii) the Group's net assets have contracted notably over the reporting periods and its low extent of cash and cash equivalents may constrain its liquidity position and limit its financial flexibility to fund operations;

(iii) we remain cautiously optimistic on the outlook of the PRC automobile market for the reasons described under the section headed "*1.3 Outlook*" in this letter;

(iv) while the Offer Price represents a substantial discount to the current trading price of the Share, there is no guarantee that the prevailing level of market price of the Shares will sustain during and after the Offer Period, especially taking into consideration that it also represents (a) a substantial premium to the average closing price of the Share before the Share price rose sharply to exceed the Offer Price on 22 October 2025; and (b) premiums of approximately 361.0% and 439.9% over the audited and unaudited consolidated net asset value attributable to the Shareholders as at 31 December 2024 and 30 June 2025 respectively;

(v) our analysis sets out in the section headed "*4.2 Historical price performance of the Shares*" in this letter, which illustrated that the Offer Price was higher than the daily closing price of the Share for a majority of time during the Review Period;

(vi) our analysis sets out in the section headed "*4.3 Historical trading liquidity of the Shares*" in this letter, which illustrated that the trading in the Shares was mostly inactive throughout the Review Period; and

(vii) our analysis sets out in the section headed "*4.4 Comparables analysis*" in this letter, which offered our view that the Offer Price is considered to be fair and reasonable from the perspectives of the PSR and PBR analysis.

We are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

Yours faithfully,
For and on behalf of
Veda Capital Limited

Julisa Fong
Managing Director

Ms. Julisa Fong is a licensed person registered with the SFC and a responsible officer of Veda Capital Limited which is licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity and has over 28 years of experience in corporate finance industry.