

18 December 2025

To: *The Independent Board Committee*

Dear Sirs or Madams,

**(1) PROPOSAL FOR THE DELISTING OF
ANE (CAYMAN) INC. BY CELESTIA BIDCO LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT
(2) OPTION OFFER AND RSU OFFER TO CANCEL ALL OUTSTANDING
SHARE OPTIONS AND RSUS
(3) PROPOSED WITHDRAWAL OF LISTING
AND
(4) SPECIAL DEALS**

I. INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal, the Scheme, the Option Offer, the RSU Offer and the Special Deals, details of which are set out in the Scheme Document to the Shareholders, of which this letter forms part. Capitalised terms under this letter shall have the same meanings as those defined in the Scheme Document, unless the context otherwise requires.

Reference is made to the Rule 3.7 Announcement. On 17 September 2025, the Offeror approached the Board in relation to a possible take-private of the Company which, if proceeded with, could result in a delisting of the Company from the Stock Exchange.

Reference is also made to the Announcement. On 26 October 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested, and the Company undertook, to put forward the Proposal to the Scheme Shareholders for the delisting of the Company by way of the Scheme, subject to the Pre-Conditions being fulfilled and the Conditions being fulfilled or waived, as applicable. As disclosed in the Pre-Conditions Satisfaction Announcement, on 28 November 2025, all of the Pre-Conditions were satisfied.

If the Scheme is approved and implemented, the Scheme Shares will, on the Effective Date of the Scheme, be cancelled and extinguished and the issued share capital of the Company will be maintained by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so issued to the Offeror.

The Rollover Shares will not form part of the Scheme Shares and will not be cancelled. Pursuant to the Rollover Agreement, upon the Scheme becoming effective, the Rollover Shares will be transferred to the Offeror in consideration for an aggregate of 8,487,799 TopCo Class A Shares to be issued by TopCo (which indirectly wholly-owns the Offeror) to the EIP Trustee credited as fully paid in the amount of the Cash Alternative of HK\$12.18 per TopCo Class A Share.

Upon completion of the Proposal and the transfer of the Rollover Shares pursuant to the Rollover Agreement, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

The Independent Board Committee, which comprises Mr. Zhang Yinghao, Mr. Wei Bin, Mr. Li Wilson Wei, Mr. Geh George Shalchu, Ms. Sha Sha and Mr. Hung Cheung Fuk, being all of the non-executive Directors and independent non-executive Directors who are not Offeror Concert Parties and have no direct or indirect interest in the Proposal, the Scheme, the Option Offer, the RSU Offer and the Special Deals, has been established by the Board to consider and make a recommendation to (a) the Disinterested Shareholders as to whether the Proposal, the Scheme and the Special Deals are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM; and (b) to the Optionholders and the RSU-holders as to whether the terms of the Option Offer and the RSU Offer are, or are not, fair and reasonable and whether the Optionholders and the RSU-holders should accept the Option Offer and the RSU Offer, respectively.

As stated in the section headed "14. INDEPENDENT BOARD COMMITTEE" in letter from the board as set out in Part IV of the Scheme Document (the "**Letter from the Board**"), Mr. Chen Weihao is a partner and managing director of Centurium Capital Management Ltd., and accordingly is an Offeror Concert Party. As a result, Mr. Chen Weihao is not a member of the Independent Board Committee.

In this connection, with the approval of the Independent Board Committee, we, Anglo Chinese Corporate Finance, Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal in accordance with Rule 2.1 of the Takeovers Code.

As at the Latest Practicable Date, we were not in the same group as the financial or other professional adviser (including a stockbroker) to the Offeror or the Company. Apart from normal professional fees for our services to the Company in connection with the engagement described above, we do not have a significant connection, financial or otherwise, with either the Offeror or the Company, or the controlling shareholder(s) of either of them, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of our advice, within two years prior to the commencement of the offer period and up to and including the Latest Practicable Date. We were not associated with the Offeror, the Company or their respective controlling shareholder(s), or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from any party abovementioned. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Proposal, the Scheme, the Option Offer, the RSU Offer and the Special Deals pursuant to Rule 2.1 of the Takeovers Code.

We have assumed that the information, facts, representations and opinions contained or referred to in the Scheme Document (or otherwise provided to us by the Directors) were true, accurate and complete in all material respects as at the Latest Practicable Date and will remain so up to the time of the Court Meeting and the EGM. Should there be any material changes to information contained or referred to in the Scheme Document or to our opinion, the Disinterested Shareholders, the Optionholders and the RSU-holders will be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinions and intention made by the Directors in the Scheme Document (or otherwise provided to us by the Directors) are reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy or completeness of the information provided to us by the Company, and it has been confirmed to us by the Directors that, to the best of their knowledge, no material information has been omitted or withheld from the information supplied to us or the information relating to the Company referred to in the Scheme Document. We have not, however, carried out any independent verification of the information provided to us by the Company, nor have we conducted any form of in-depth investigation into the business and affairs or the prospects of the Group. In formulating our opinion and recommendations, we have reviewed, amongst other things, (i) the information contained in the Scheme Document; (ii) the 2024 Annual Report and 2025 Interim Report; and (iii) the historical performance of the Shares. We consider the information we have reviewed is sufficient to reach the conclusions set out in this letter.

We have not considered the tax and regulatory implications as regards the Scheme, the Proposal, the Option Offer, the RSU Offer and the Special Deals since these depend on their individual circumstances, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Shareholders as a result of the Scheme, the Proposal, the Option Offer, the RSU Offer and the Special Deals. In particular, the Disinterested Shareholders, Optionholders and RSU-holders 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.

II. TERMS OF THE PROPOSAL

The terms of the Proposal, the Scheme, the Option Offer and the RSU Offer as set out in the Scheme Document are summarised below. The Disinterested Shareholders, the Optionholders, the RSU-holders are advised to read the relevant sections in the Scheme Document and its appendices in full.

The Proposal

If the Proposal is approved and implemented:

- (a) the Centurium Scheme Shares held by Topaz Gem will be cancelled and extinguished on the Effective Date in exchange for the Centurium Cancellation Consideration, being the crediting of the unpaid TopCo Class A Shares held by Topaz Gem as being fully paid in the amount of the Cash Alternative of HK\$12.18 per TopCo Class A Share;
- (b) all the Scheme Shares held by the other Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Alternative or the Share Alternative;
- (c) the issued share capital of the Company will, on the Effective Date, be maintained at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by allotting and issuing to the Offeror the same number of new Shares, credited as fully paid, as the number of Scheme Shares cancelled and extinguished. The credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so allotted and issued to the Offeror;
- (d) the EIP Trustee will transfer the Rollover Shares to the Offeror in consideration for an aggregate of 8,487,799 TopCo Class A Shares to be issued by TopCo to the EIP Trustee credited as fully paid in the amount of the Cash Alternative of HK\$12.18 per TopCo Class A Share. After completion of the Proposal and the transfer of the Rollover Shares, the EIP Trustee will hold, through TopCo, an indirect interest in the Company; and
- (e) the Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules and such withdrawal is expected to take place immediately following the Scheme becoming effective.

The Cancellation Consideration

The Proposal will be implemented by way of the Scheme, which will provide that, if the Scheme becomes effective, the Scheme Shares will be cancelled in exchange for either:

- (a) **the Cash Alternative:** cash of HK\$12.18 for every Scheme Share; or
- (b) **the Share Alternative:** one (1) TopCo Class A Share for every Scheme Share, subject to the Share Alternative Cap as further detailed in the section headed “3. TERMS OF THE PROPOSAL – Share Alternative” in the Explanatory Memorandum.

Scheme Shareholders may elect the Cash Alternative or the Share Alternative or a combination of both the Cash Alternative and the Share Alternative in a proportion of their choosing as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares held as at the Scheme Record Date.

For the purpose of ensuring accuracy of the registered ownership of TopCo Class A Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the Cayman Islands, a Scheme Shareholder may opt for the Share Alternative only in respect of the Scheme Shares that are registered in its own name on the register of members of the Company maintained by the Share Registrar. Accordingly, where a Scheme Shareholder is holding all or part of its Scheme Shares via CCASS and wishes to opt for the Share Alternative, such Shareholder must instruct its securities dealer/custodian banks to withdraw such Scheme Shares from CCASS and arrange for the transfer of such Scheme Shares into its own name as soon as possible before the Election Time. If such Scheme Shareholder does not arrange to have its Scheme Shares withdrawn from CCASS and transferred in its name as mentioned above, such Scheme Shareholder will only receive the Cash Alternative in respect of its Scheme Shares.

The Cancellation Consideration will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration.

As set out in the section headed “3. TERMS OF THE PROPOSAL – Cancellation Consideration” in the Explanatory Memorandum, the Cancellation Consideration (including the Share Alternative Cap) has been determined on a commercial basis after taking into account, among other things, the recent and historic traded prices of the Shares, publicly available financial information of the Company and with reference to other delisting transactions in Hong Kong in recent years.

Scheme Shareholders and investors should be aware of, among other things but not limited to, the risk factors associated with holding TopCo Class A Shares as stated in the Letter from the Board and the Explanatory Memorandum as set out respectively in Part IV and Part VII of the Scheme Document. In particular, the transfers of the TopCo Class A Shares are subject to restrictions stipulated in the TopCo Articles and the TopCo Class A Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules.

Scheme Shareholders and investors who intended to elect the Share Alternative should also be aware that the maximum number of Scheme Shares to be exchanged for the Share Alternative pursuant to valid elections for the Share Alternative shall not exceed the Share Alternative Cap, being 58,806,553 Scheme Shares, representing approximately 5% of the total number of issued Shares (excluding Treasury Shares) as at date of the Announcement, exchangeable into 58,806,553 TopCo Class A Shares.

References are made to the Share Alternative Cap Condition Announcement and the Share Alternative Cap Decision Announcement, pursuant to which, although the condition to the Offeror's right to increase the Share Alternative Cap has been met upon receipt by the Offeror of duly signed and dated letters of interest from Scheme Shareholders (other than the Centurium Entities, the EIP Trustee, the Mr. Qin Parties and the Mr. Jin Parties) holding, in aggregate, not less than 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement (i.e. 58,806,553 Shares) as of 4:00 p.m. on 28 November 2025, the Offeror has decided not to exercise its discretion to increase the Share Alternative Cap, therefore the Share Alternative Cap remains 58,806,553 Scheme Shares (representing approximately 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement).

In the event that the total number of Scheme Shares, in respect of which valid elections for the Share Alternative have been received by the Offeror, exceeds the Share Alternative Cap, the number of Scheme Shares, in respect of which valid elections for the Share Alternative have been made, that will be cancelled in exchange for the Share Alternative as Cancellation Consideration, for each Share Alternative Electing Shareholder shall be reduced on a pro rata basis pursuant to the Pro Rata Downward Adjustment Mechanism set out in the section headed "3. TERMS OF THE PROPOSAL – Share Alternative – Share Alternative Cap" in the Explanatory Memorandum, and the Cancellation Consideration for the remaining portion of such Share Alternative Electing Shareholder's Scheme Shares will be in the form of the Cash Alternative. For further information on the Share Alternative and the Share Alternative Cap, please refer to the section headed "2. TERMS OF THE PROPOSAL – Share Alternative" in the Letter from the Board and the section headed "3. TERMS OF THE PROPOSAL – Share Alternative – Share Alternative Cap" in the Explanatory Memorandum.

Option Offer

As at the Latest Practicable Date, the Company had 42,816,398 outstanding Share Options in issue under the 2023 Share Incentive Scheme, comprising 11,139,658 vested but unexercised Share Options and 31,676,740 unvested Share Options. The Company has undertaken in the Implementation Agreement that it will not grant any further Share Options between the date of the Announcement and the Effective Date.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the Option Offer to the Optionholders, under which, conditional upon the Scheme becoming effective, the Offeror is offering Optionholders the “see-through” Option Offer Price (being the Cash Alternative minus the relevant exercise price of the outstanding Share Option) for every Share Option subject to the Option Offer (i.e. excluding the Excluded Share Options).

Further details of the Option Offer are set out in section headed “2. TERMS OF THE PROPOSAL – Option Offer” of the Letter from the Board and the section headed “3. TERMS OF THE PROPOSAL – Option Offer” in the Explanatory Memorandum.

RSU Offer

As at the Latest Practicable Date, the Company had 26,613,374 unvested RSUs in issue under the 2023 Share Incentive Scheme, which entitles the RSU-holders to receive an aggregate of 26,613,374 Shares upon vesting, representing approximately 2.26% of the total number of issued Shares (excluding Treasury Shares). The Company has undertaken in the Implementation Agreement that it will not grant any further RSUs between the date of the Announcement and the Effective Date.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the RSU Offer to the RSU-holders, under which, conditional upon the Scheme becoming effective, the Offeror is offering RSU-holders the RSU Offer Price (being an amount equal to the Cash Alternative) for the cancellation of each RSU under the RSU Offer.

Further details of the RSU Offer are set out in the section headed “2. TERMS OF THE PROPOSAL – RSU Offer” of the Letter from the Board and the section headed “3. TERMS OF THE PROPOSAL – RSU Offer” in the Explanatory Memorandum.

Conditions to the Proposal and the Scheme

As set out in the section headed “2. TERMS OF THE PROPOSAL – Conditions to the Proposal and the Scheme” of Letter from the Board and the section headed “5. CONDITIONS TO THE PROPOSAL AND THE SCHEME” in the Explanatory Memorandum, the implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following:

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders, representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested

Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Disinterested Shareholders;

- (c) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Special Deals are fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Special Deals; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Special Deals;
- (f) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;

- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme; and
- (j) between the date of the Announcement up to immediately prior to the time when the Scheme becomes effective, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal).

The Offeror reserves the right to waive Conditions (f) to (j) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Conditions Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Conditions (f) and (g), as at the Latest Practicable Date, other than those set out in Pre-Condition (a) (which was satisfied on 28 November 2025) and Conditions (a) to (e) (inclusive), the Offeror was not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the Latest Practicable Date, the Offeror was not aware of any circumstances which may result in Conditions (f) to (j) not being satisfied.

As at the Latest Practicable Date, none of the Conditions have been satisfied or waived (as applicable).

If approved and implemented, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Option Offer is conditional upon the Scheme becoming effective. The Option Offer will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

The RSU Offer is conditional upon the Scheme becoming effective. The RSU Offer will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

Shareholders, Optionholders, RSU-holders and/or potential investors of the Company should be aware that the implementation of the Proposal will only become effective after all of the Conditions being satisfied or waived (as applicable) (including the approval of the Special Deals pursuant to Rule 25 of the Takeovers Code) and thus the Proposal may or may not be implemented, the Scheme may or may not become effective, and the Option Offer and the RSU Offer may or may not be implemented. Shareholders, Optionholders, RSU-holders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

If, after the date of the Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror will reduce the Cancellation Consideration by the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, this Scheme Document or any other announcement or document to the Cancellation Consideration will be deemed to be a reference to the Cancellation Consideration as so reduced (and the Option Offer Price and the RSU Offer Price shall be reduced accordingly). As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares had been announced, declared or made but not paid. The Company has undertaken in the Implementation Agreement that other than the Special Dividend, it will not announce, declare or pay any dividend, distribution or other return of capital before the Effective Date.

Implementation Agreement

On 26 October 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavours to do all such things within their power to implement the Proposal on the terms and subject to the Pre-Conditions and Conditions and to give effect to the matters specified in the Announcement, the Scheme Document and any order of the Grand Court.

Unless the Company and the Offeror otherwise agree in writing, the Implementation Agreement will terminate on the earliest of (i) the Proposal and the Scheme not being implemented by the Conditions Long Stop Date, (ii) the Scheme and the Proposal (including the Special Deals) not being approved at the Court Meeting and the EGM, (iii) the Scheme not being sanctioned by the Grand Court, or (iv) the Scheme lapsing or being withdrawn.

For further details on the Implementation Agreement, please refer to the section headed “9. IMPLEMENTATION AGREEMENT” in the Explanatory Memorandum.

III. PRINCIPAL FACTORS AND REASONS CONSIDERED

Information on the Group

(i) Principal business activities of the Group

As set out in the section headed “18. INFORMATION ON THE GROUP” in the Explanatory Memorandum, the Company is a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange with stock code 9956. The Group operates a leading express freight network in China’s LTL market. As an LTL service provider, the Group has nationwide coverage and delivers timely and comprehensive freight transportation services. It mainly provides transportation services, value-added services and dispatch services to its freight partners as direct customers. In the long run, the Group will keep strategic focus on LTL business and the full-truckload business will only remain as a supplement of LTL business to better utilize the Group’s fleet.

(ii) Financial performance of the Group

The table below sets out a summary of the results of financial performance of the Group for the years ended 31 December 2023 and 2024 (“FY2023” and “FY2024” respectively), and the six months ended 30 June 2024 and 2025 (“1H2024” and “1H2025” respectively), as extracted from the Annual Report 2024 and the Interim Report 2025:

Table 1 – Summary of the results of financial performance of the Group

	For the year ended 31 December		For the six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	9,916,899	11,575,954	5,288,871	5,625,019
Gross profit	1,268,003	1,841,680	877,972	879,851
Profit for the year/period	407,245	761,988	402,423	423,380
Financial ratios:				
<i>Gross profit margin</i>	12.8%	15.9%	16.6%	15.6%
<i>Net profit margin</i>	4.1%	6.6%	7.6%	7.5%

Source: Annual Report 2024 and Interim Report 2025 published by the Company on the website of the Stock Exchange

FY2024 compared to FY2023

The Group's revenue increased by approximately 16.7% from approximately RMB9,916.9 million for FY2023 to approximately RMB11,576.0 million for FY2024, such increase was primarily driven by the increase in the Group's freight volume from approximately 12.0 million tonnes for FY2023 to approximately 14.1 million tonnes for FY2024, while the Group's unit price for total service remained generally stable over the same period.

Gross profit of the Group increased by approximately 45.2% from approximately RMB1,268.0 million for FY2023 to approximately RMB1,841.7 million for FY2024, such increase in gross profit was mainly driven by (i) the increase in total freight volume and revenue in 2024; (ii) the combination of the Company's "3300-product policy"¹ and reinvigorated freight partners ecosystem², which led to an increase of RMB17/tonne in the unit gross profit of value-added services; and (iii) the lean operation leading to the improvement of unit gross profit. The Group's gross profit margin increased from approximately 12.8% for FY2023 to approximately 15.9% for FY2024.

The Group's net profit for the year increased by approximately 87.1% from approximately RMB407.2 million for FY2023 to approximately RMB762.0 million for FY2024. The Group's net profit margin increased from approximately 4.1% for FY2023 to approximately 6.6% for FY2024.

1H2025 compared to 1H2024

The Group's revenue increased by approximately 6.4% from approximately RMB5,288.9 million for 1H2024 to approximately RMB5,625.0 million for 1H2025, primarily driven by the increase in the Group's total freight volume and shipments from approximately 6.4 million tonnes and approximately 72.4 million shipments for 1H2024 to approximately 6.8 million tonnes and approximately 90.6 million shipments for 1H2025 respectively, while the Group's unit price for total service remained generally stable over the same period.

1 As disclosed in the Annual Report 2024, "3300-product policy" is a pricing policy launched by the Company in the first half of 2024 to offer full exemption from special dispatch charges for freights weighing between 3 kg and 300 kg to enhance product competitiveness.

2 As disclosed in the Annual Report 2024, the Company focused on strengthening the freight partners ecosystem, through (i) fostering long-term growth and sustainable profitability by upgrading digital systems and empowering the Group's freight partners and agents; (ii) using pricing tools to deliver precise subsidies to provide more room for growth while maintaining sustainable growth; and (iii) further optimising the key account business and improving the quality of customised and standardised services.

Gross profit of the Group increased by approximately 0.2% from approximately RMB878.0 million for 1H2024 to approximately RMB879.9 million for 1H2025. The increase in gross profit was mainly driven by (i) the increase in total freight volume and revenue in the first half of 2025; and (ii) the Group continued to promote the implementation of the “3300-product policy”, alongside ongoing optimisation of its partner ecosystem, thus leading to an increase of RMB7/tonne and RMB4/tonne in the unit gross profit of value-added services and dispatch services respectively, partly offset by the decline in unit price of transportation services. The Group’s gross profit margin decreased from approximately 16.6% for 1H2024 to approximately 15.6% for 1H2025.

The Group’s net profit for the period increased by approximately 5.2% from approximately RMB402.4 million for 1H2024 to approximately RMB423.4 million for 1H2025. The Group’s net profit margin decreased slightly from approximately 7.6% for 1H2024 to approximately 7.5% for 1H2025.

(iii) Financial positions of the Group

The table below sets out a summary of the financial positions of the Group as at 31 December 2023 and 2024 and 30 June 2025, as extracted from the Annual Report 2024 and the Interim Report 2025:

Table 2 – Summary of the financial positions of the Group

	As at 31 December		As at
	2023	2024	30 June
	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)
Total assets	5,777,054	6,229,486	6,382,050
– Non-current assets	2,660,739	2,381,993	2,221,138
– Current assets	3,116,315	3,847,493	4,160,912
Total liabilities	2,802,835	2,820,314	2,556,583
– Non-current liabilities	646,373	704,186	594,507
– Current liabilities	2,156,462	2,116,128	1,962,076
Net assets	2,974,219	3,409,172	3,825,467

Source: Annual Report 2024 and Interim Report 2025 published by the Company on the website of the Stock Exchange

The total assets of the Group were approximately RMB6,382.0 million as at 30 June 2025, comprising mainly (i) approximately RMB2,178.5 million of cash and cash equivalents; (ii) approximately RMB1,025.5 million of rights-of-use assets; (iii) approximately RMB958.9 million of property, plant and equipment; (iv) approximately RMB914.1 million of financial assets at fair value through profit or loss; and (v) approximately RMB853.3 million of other receivables and other assets. As at 31 December 2024, the total assets of the Group were approximately RMB6,229.5 million.

The total liabilities of the Group were approximately RMB2,556.6 million as at 30 June 2025, comprising mainly (i) approximately RMB952.0 million of other payables and accruals; (ii) approximately RMB589.2 million of non-current lease liabilities; (iii) approximately RMB416.0 million of current lease liabilities; (iv) approximately RMB312.7 million of trade payables; and (v) approximately RMB280.2 million of tax payable. As at 31 December 2024, the total liabilities of the Group were RMB2,820.3 million.

Accordingly, the net assets of the Group were approximately RMB3,825.5 million and RMB3,409.2 million as at 30 June 2025 and 31 December 2024, respectively.

(iv) Industry overview

The China Federation of Logistics & Purchasing (the “CFLP”) publishes the China Logistics Performance Index (the “LPI”) on a monthly basis, which serves as a comprehensive indicator of the overall performance of the logistics industry in China. An index above 50% indicates expansion, while an index below 50% indicates contraction. After a post-pandemic peak of approximately 55.5% in March 2023, the LPI has trended downward due to challenges faced by the logistics industry arising from economic headwinds, geo-political tensions between China and the United States, and intensified price competition within the industry. On 11 October 2025, the CFLP reported a LPI of approximately 51.2% for September 2025, a decline of 120 basis points from September 2024 of approximately 52.4% and a decline of 230 basis points from September 2023 of approximately 53.5%. The overall downward trend of the LPI indicates that, while the logistics industry in China remains in expansionary territory, the pace of growth has moderated. Looking ahead, the outlook of China’s logistics industry remains challenging, with its growth affected by both cyclical and structural factors such as intensive market competition and slower macroeconomic environment. These factors may continue to weigh on China’s medium-term outlook and investor confidence.

China’s freight and logistics industry remains fragmented, and such fragmentation has intensified market competition and price pressure. In mid-2024, the Chinese government launched an “anti-involution” campaign aimed at curbing disorderly price competition and discouraging below-cost pricing. Despite these policy signals, the industry continues to face challenges such as intense competition, excess capacity, and a gradual recovery of demand. According to the data from the State Post Bureau of the People’s Republic of China, volumes of the express delivery services grew by approximately 19.3% in the first half of 2025 as compared to the first half of 2024, maintaining a relatively high growth rate, while the revenue from express delivery services grew by only approximately 10.1% during the same period, this divergence suggests a decline in average unit prices. These conditions have sustained pricing pressure across the freight and logistics sector, resulting in a more challenging operating environment.

China’s freight and logistics industry has also been affected by macro headwinds in 2025, including elevated geopolitical frictions and a downturn in the domestic property market. According to the National Bureau of Statistics of China, the producer price index for industrial products (“PPI”) fell by approximately 2.3% year-on-year and was flat month-on-month in September 2025, with monthly readings throughout the year frequently showing zero or

negative growth. A persistent decline in PPI generally reflects weaker manufacturing activity and sluggish upstream demand and, in some cases, the temporary suspension or closure of production facilities. These conditions reduce the flow of finished goods and merchandise from factories into downstream distribution channels. Given that the Group operates a national wide freight network serving merchants and distributors moving goods to warehouses or sorting centres, temporary suspension or closure of production facilities or inventory replenishment activities may translate into softer demand for domestic express freight services. These macroeconomic and sectoral pressures contribute to a more uncertain near-term operating environment for the Group.

As shown in the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Information on the Group – (ii) Financial performance of the Group” in this letter, the Group’s revenue, gross profit and net profit grew by approximately 16.7%, 45.2% and 87.1%, respectively, for FY2024 as compared to FY2023, but the growth rates decreased to approximately 6.4%, 0.2% and 5.2%, respectively, for 1H2025 as compared to 1H2024. This is in line with the overall downtrend of the LPI mentioned above which indicates that, while the logistics industry in China remains in expansionary territory, the pace of growth has moderated. In addition, the gross profit margin of the Group declined to approximately 15.6% for 1H2025 from 16.6% for 1H2024, which is in line with the intensifying market competition and price pressure mentioned above.

Having considered the foregoing, we agree with the Company’s view that the Group’s operations will likely remain exposed to macroeconomic challenges and intensifying competition in China’s logistics industry. In this regard, the Cash Alternative provides the Scheme Shareholders with a unique opportunity to achieve exit at a premium with certainty of value while shielding the Scheme Shareholders from the Company’s exposure to ongoing market risks and uncertainties.

Information on the Offeror, HoldCo and TopCo

Each of the Offeror, HoldCo and TopCo is a company newly incorporated in the Cayman Islands with limited liability and an investment holding company set up solely for the purposes of implementing the Proposal.

As at the Latest Practicable Date, the Offeror was directly wholly-owned by HoldCo, which was in turn directly wholly-owned by TopCo. As at the Latest Practicable Date, TopCo was owned as to approximately 52.40%, 23.80% and 23.80% by Centurium Capital, Temasek and True Light, respectively.

The final shareholding structure of TopCo will be determined after the latest time for election of the Cash Alternative or the Share Alternative under the Proposal depending on the election of the Scheme Shareholders. Assuming (i) none of the Scheme Shareholders elect the Share Alternative and (ii) no other change in the issued share capital of the Company on or before the Scheme Record Date, upon completion of the transfer of the Rollover Shares pursuant to the Rollover Agreement, TopCo will be owned as to approximately 54.32%, 22.02%, 22.02% and 1.64% by Centurium Capital, Temasek, True Light and the EIP Trustee,

respectively. Assuming (i) sufficient Scheme Shareholders elect the Share Alternative to meet the Share Alternative Cap and (ii) no other change in the issued share capital of the Company on or before the Scheme Record Date, upon completion of the transfer of the Rollover Shares pursuant to the Rollover Agreement, TopCo will be owned as to approximately 51.00%, 17.99%, 17.99%, 1.64% and 11.38% by Centurium Capital, Temasek, True Light, the EIP Trustee and the Share Alternative Electing Shareholders, respectively.

Details of the TopCo Class A Shares

TopCo Class A Shares are shares of TopCo, an unlisted investment holding company. TopCo was newly incorporated in the Cayman Islands as an exempted company with limited liability on 21 August 2025 for the sole purpose of implementing the Proposal. As at the Latest Practicable Date, TopCo has an issued share capital comprising 538,170,840 TopCo Class A Shares which are held by Topaz Gem and the Equity Investor Group. These TopCo Class A Shares are currently unpaid. Upon the Scheme becoming effective, (i) Topaz Gem's 185,954,093 TopCo Class A Shares will be credited as fully paid at HK\$12.18 per TopCo Class A Share; and (ii) for each member of the Equity Investor Group, a number of unpaid TopCo Class A Shares equal to its funding contribution under the Consortium Agreement divided by HK\$12.18 will be credited as fully paid, with all remaining unpaid TopCo Class A Shares being immediately redeemed and cancelled in accordance with the Consortium Agreement. Details of the shareholding structure of TopCo are set out in the section headed "19. INFORMATION ON THE OFFEROR, HOLDCO AND TOPCO" in the Explanatory Memorandum.

Information on the Centurium Entities and Centurium Fund Entity

Topaz Gem, an entity established in the British Virgin Islands, is a wholly-owned subsidiary of Advance Step, which in turn is wholly owned by Centurium Capital Partners 2018, L.P., an investment fund whose ultimate controller is Mr. Li Hui. Mr. Li Hui is the chairman of the board, chief executive officer and founder of Centurium Capital Management Ltd., which is the investment advisor of Centurium Capital Partners 2018, L.P.. Previously, Mr. Li Hui was an executive director and a managing director at Warburg Pincus Asia LLC. Prior to joining Warburg Pincus, Mr. Li Hui worked in the investment banking division of Goldman Sachs and Morgan Stanley. Mr. Li Hui obtained a bachelor's degree majoring in economics from Renmin University of China and a master's degree majoring in business administration from Yale University School of Management.

Centurium Capital Partners 2018, L.P. has more than 40 limited partners and none of them, alone, controls more than 30% equity interest therein. The limited partners of Centurium Capital Partners 2018, L.P. include pension funds, sovereign wealth funds, university endowments, family offices, insurance companies and high net worth individuals.

After completion of the Proposal, Centurium Capital Partners 2018, L.P. may exit its investment in the Company due to fund life expiration. As at the Latest Practicable Date, no concrete exit plan had been considered.

Centurium Fund Entity is wholly-owned by Centurium Capital Partners II, L.P., whose general partner is Centurium Capital Partner II GP Ltd., whose ultimate controller is Mr. Li Hui.

After the Latest Practicable Date, Centurium Capital Partners II, L.P. may issue additional limited partnership interest to one or more co-investors (which are not existing Shareholders), in exchange for an aggregate subscription amount from such co-investors of not more than 50% of Centurium Fund Entity's payment obligations under the Consortium Agreement. As at the Latest Practicable Date, no potential co-investor had been identified, and no concrete co-investment plan (including timetable) has been considered. For the avoidance of doubt, after such issuance, the general partner of Centurium Fund Entity will remain to be Centurium Capital Partner II GP Ltd., which remains ultimately controlled by Mr. Li Hui.

Information of Temasek

Emei Investments Pte. Ltd. is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited, the sole shareholder of which is the Singapore Minister for Finance (under the Singapore Minister for Finance (Incorporation) Act 1959, the Minister for Finance is a body corporate). Temasek Holdings (Private) Limited is a global investment company headquartered in Singapore, with a net portfolio value of approximately S\$434 billion as at 31 March 2025. Temasek Holdings (Private) Limited's purpose "So Every Generation Prospers" guides it to make a difference for today's and future generations. Temasek Holdings (Private) Limited seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia.

Information of True Light

True Light is indirectly wholly held by True Light GP for and on behalf of True Light Fund in its capacity as general partner of True Light Fund. True Light GP has appointed True Light Capital as the investment manager of True Light Fund.

True Light Fund invests alongside Temasek in high-quality investment opportunities which have a nexus to, or have a major business relationship with, Greater China. True Light Fund completed its final close in 2023 at US\$3.3 billion and is supported by global investors, including sovereign wealth funds, foundations, financial institutions and family offices.

Established in 2021, True Light Capital is an asset manager headquartered in Singapore with offices in both Singapore and Shanghai. True Light Capital manages funds that are focused on investing in Greater China. It applies a theme-driven approach, investing across asset classes, sectors and stages, and has the ability to invest and hold through cycles.

Both True Light GP and True Light Capital are each independent, indirectly wholly-owned subsidiaries of Temasek Holdings (Private) Limited.

Reasons for, and benefits of, the Proposal***(i) Benefits of the Proposal for the Scheme Shareholders***

As discussed in the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Cash Alternative – (i) Analysis of price performance and trading liquidity”, the Shares had generally underperformed the broader market during the Post-IPO Period and the Cash Alternative of HK\$12.18 exceeds every closing price of the Shares after 12 November 2021 (i.e. the second trading day after listing of the Shares). The Cash Alternative therefore provides the Scheme Shareholders with an opportunity to monetise all or part of their investment at a premium to the prevailing market price, with certainty of value. As set out in the Explanatory Memorandum, the Cash Alternative of HK\$12.18 per Scheme Share represents a premium of approximately 49.05% over the closing price on the Undisturbed Date and a premium of approximately 241.18% over the Group’s net asset value attributable to the Shareholders of approximately HK\$3.57 per Share as showed in the latest unaudited consolidated financial statements of the Company as at 30 June 2025. Accordingly, we consider the Proposal to provide a compelling valuation benchmark relative to the Company’s historical trading performance.

As discussed in the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Cash Alternative – (i) Analysis of price performance and trading liquidity”, the trading volume of the Shares had been generally low throughout the Post-IPO Period, with limited liquidity available to Shareholders seeking to dispose of a substantial holding through market transactions. In this regard, the Cash Alternative offers Scheme Shareholders a unique opportunity to achieve an exit at an attractive premium and with certainty of value, which may otherwise be difficult to realise through on-market disposals.

As discussed in the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Information on the Group – (iv) Industry overview” in this letter, the outlook of China’s logistics industry remains challenging, with its growth affected by both cyclical and structural factors such as intensive market competition and slower macroeconomic environment. These factors may continue to weigh on China’s medium-term outlook and investor confidence. Having considered these factors and the market outlook, we are of the view that the Cash Alternative provides the Scheme Shareholders with an opportunity to realise their investment at a premium and with certainty of value, while reducing their exposure to the ongoing risks and uncertainties associated with the Company’s future performance.

The Proposal also provides the Scheme Shareholders, who are particularly attracted by the prospects of the Company and are familiar with holding unlisted investments, through electing the Share Alternative, an opportunity to remain invested in the Company and to participate in the Group’s long-term development alongside Temasek and True Light, which are both established international institutional investors.

The Offeror Concert Parties collectively held approximately 35.63% of the total issued Shares as at the Latest Practicable Date. While we cannot rule out the possibility of an alternative offer emerging, any competing proposal would need to be sufficiently attractive to obtain the support of the Offeror Concert Parties. In a privatisation conducted by way of a scheme of arrangement, an alternative offeror would also require the Offeror Concert Parties (assuming they continue to hold a similar number of Shares) not to vote against the proposal at the relevant court meeting and shareholders' meeting, as their aggregate holding exceeds the 10% threshold capable of voting down the proposal. Given the level of the Offeror Concert Parties' shareholding and the prevailing market environment, we consider the likelihood of a competing offer to appear limited.

(ii) Benefits of the Proposal for the Company

The management of the Company has noted that the Company is facing great challenges and uncertainties in future operations due to continued macroeconomic headwinds and intensifying competition in the LTL freight industry. To maintain competitiveness in the market, the Company needs to implement strategic initiatives which may affect short-term financial performance. Operating as a privately-held company would relieve the Group from the short-term performance pressures and disclosure obligations associated with its listed status, thereby allowing greater flexibility and efficiency in pursuing its long-term strategic objectives.

The Shares have been trading under pressure with relatively low trading volume since 2021, limiting its ability to conduct equity fund raising to finance its business operation and development while incurring administrative, compliance and other listing related costs and expenses for maintaining the listing status. The management of the Company also devotes substantial time and effort to fulfilling ongoing listing obligations.

Should the Company withdraw its listing status, immediate administrative and resource savings can be anticipated. This will also allow the reallocation of capital and management resources towards its core business development and investment. As has been stated above, operating privately typically affords greater flexibility in pursuing long-term strategies without the pressures of short-term public investor expectations in terms of share price and dividends, a potential advantage given prevailing economic uncertainty and industry headwinds. Taking these factors into account, we consider the reasons for the proposed withdrawal of listing to be reasonable from the Company's perspective.

For details of the reasons for, and benefits of the Proposal to the Scheme Shareholders and the Company in the Offeror's view, please refer to the section headed "16. REASONS FOR, AND BENEFITS OF, THE PROPOSAL" in the Explanatory Memorandum of the Scheme Document.

Cash Alternative

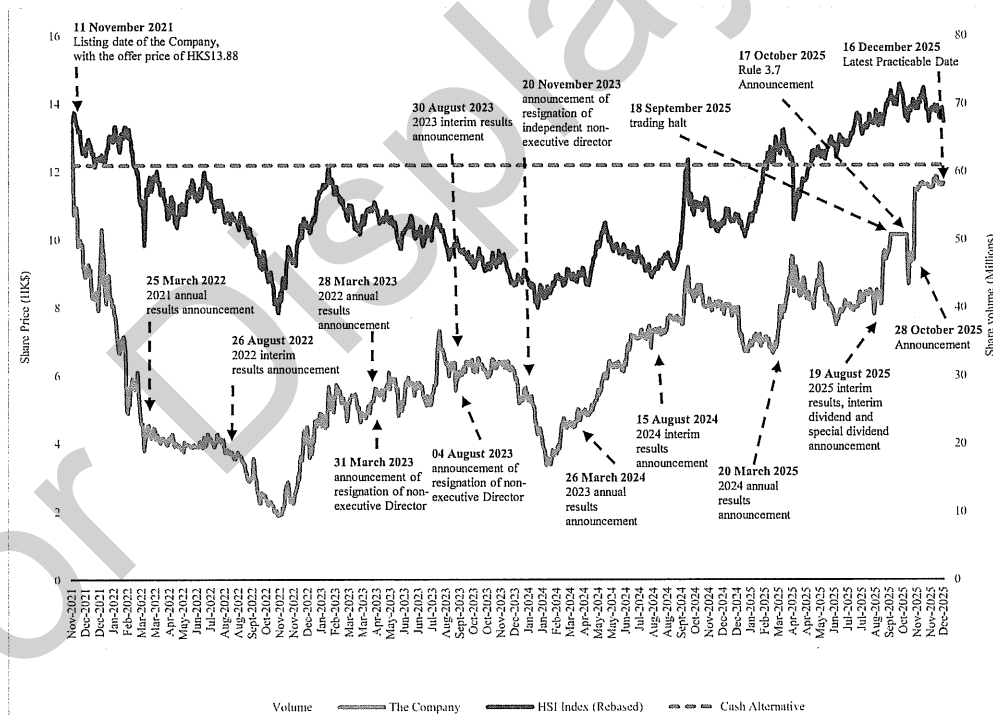
In assessing the fairness and reasonableness of the Cash Alternative, we have conducted the following analysis:

(i) Analysis of price performance and trading liquidity

Historical price performance of the Shares

In assessing the fairness and reasonableness of the Cash Alternative, we have reviewed the movements of the daily closing price of the Shares since the listing of the Shares on the Stock Exchange on 11 November 2021 and up to and including the Latest Practicable Date (the “**Post-IPO Period**”), and compared it against the Cash Alternative and the Hang Seng Index (the “**HSI**”), as sourced from Bloomberg. We consider that the Post-IPO Period to be reasonable and sufficient for providing a general overview of the market performance of the Shares, as it reflects the market’s response to the Group’s financial and business developments as well as market sentiment. The chart below illustrates the general trend and movement of the daily closing price of the Shares.

Chart 1 – Historical price performance of the Shares in the Post-IPO Period



Source: Bloomberg and website of the Stock Exchange

As shown in Chart 1 above, the Cash Alternative of HK\$12.18 exceeds every closing price of the Shares after 12 November 2021 (i.e. the second trading day after listing of the Shares). Other than the first two trading days of the Shares, the Shares had never closed at or above HK\$12.18 during the Post-IPO Period. Over the same period, the

Shares declined by approximately 13.6%, with the highest closing price at HK\$13.48 on its first trading day on 11 November 2021 and the lowest closing price at HK\$1.89 on 31 October 2022. By contrast, the HSI increased by approximately 0.05%, indicating that the Shares had generally underperformed the broader market during the Post-IPO Period. From the commencement of the Post-IPO Period and up to the Undisturbed Date, the closing price of the Shares declined by approximately 39.2%, while the HSI rose by approximately 0.4%. Following the date after the Undisturbed Date and up to the Latest Practicable Date, the closing price of the Shares increased by approximately 42.1%, while the HSI declined by approximately 0.4%.

The Shares had been on a general downtrend since its listing on 11 November 2021, before reaching the lowest closing price of HK\$1.89 on 31 October 2022, representing a decline of approximately 86.0%, while the HSI was down by approximately 41.8% during the same period. The relative underperformance in stock price during the period is likely attributable to (i) the Group's financial performance for the year ended 31 December 2021 and the six months ended 30 June 2022; and (ii) the uncertainty towards the recovery of the logistics industry, which was heavily impacted by the pandemic situation.

The Shares rose from a low of HK\$1.89 on 31 October 2022 to HK\$7.30 on 4 August 2023, representing an increase of approximately 286.2% benefiting from the reopening of the PRC border and an improvement in the Group's net loss for the year ended 31 December 2022. Over the same period, the HSI increased by approximately 33.0%.

On 4 August 2023, the Company announced the resignation of non-executive Director, which was the second announcement of resignation of non-executive Director after the first announcement on 31 March 2023. The market reacted negatively to the news, and the Shares began to decline again. The Shares fell from HK\$7.30 on 4 August 2023 to HK\$3.46 on 6 February 2024, representing a decrease of approximately 52.6%, notwithstanding the Company's publication of a positive profit alerts for the six months ended 30 June 2023 and FY2023 during the period. The HSI declined by approximately 17.4% during the same period.

The Share price rose again from HK\$3.46 on 6 February 2024 to HK\$9.18 on 7 October 2024, representing an increase of approximately 165.3%, while the HSI increased by approximately 43.1%. The rise during the period is likely attributable to (i) issuance of a positive alert for the six months ended 30 June 2024, indicating improved profit for the third consecutive half year, suggesting a potential improvement in operations; and (ii) on market Shares buyback activities by the Company pursuant to the Company's share scheme, which provided support to the Share price during the period. The Shares then followed the decline of the general market before the issuance of profit alert for FY2024.

On 7 February 2025, the Company issued a positive profit alert, following the announcement, the Share price rose from HK\$6.99 on 7 February 2025 to HK\$7.96 on 21 March 2025, representing an increase of approximately 13.9% while the HSI increased by approximately 12.1%.

The upward trend continued, with the Share price rising from HK\$8.15 to HK\$8.88 between 24 and 28 March 2025, representing an increase of approximately 9.0% following an announcement that the CEO and Co-Chairman had increased their shareholdings. The uptrend persisted until the announcement by the U.S. government on 2 April 2025 regarding the imposition of tariffs, during which the HSI fell by approximately 2.0% over the same period.

On 19 August 2025, the Company announced its interim results for 1H2025, together with the declaration of its first interim dividend since listing. The results showed revenue growth and stable margins, driven by higher shipment volumes and improved cost efficiencies. However, the market reacted negatively in response to the interim results, with the Share price declining from HK\$8.39 on 19 August 2025 to HK\$7.80 on 21 August 2025, representing a decrease of approximately 7.0%, compared to a marginal decline of approximately 0.1% in the HSI.

On 18 September 2025, the Company requested a trading halt pending the release of an announcement under the Takeovers Code containing inside information. Prior to the halt, the Share price had risen from HK\$8.20 on the Undisturbed Date (i.e. 3 September 2025) to HK\$10.14 on 17 September 2025, representing an increase of approximately 23.7%, compared with an increase of approximately 6.2% in the HSI.

On 17 October 2025, the Company announced, pursuant to Rule 3.7 of the Takeovers Code, that it had received a conditional privatisation proposal from a consortium. Trading in the Shares resumed in the afternoon following the Rule 3.7 Announcement, with the intraday Share price went as low as HK\$7.5. The Shares eventually closed at HK\$9.14, representing a decline of approximately 9.9% from the price of HK\$10.14 before the trading halt, which may likely be attributable to the market reaction towards the publication of the Rule 3.7 Announcement. The Share price subsequently fluctuated within a range of HK\$8.50 and HK\$10.20 before trading was again suspended on 27 October 2025.

The Company and the Offeror jointly issued an announcement on 28 October 2025 after trading hours, setting out a proposal to privatise the Company by way of a scheme of arrangement, with a cash alternative of HK\$12.18 per Scheme Share. Following the resumption of trading after the release of the announcement, the Share price increased to around HK\$11.50 and has since remained generally stable up to the Latest Practicable Date.

Trading liquidity of the Shares

We have also considered the trading liquidity of the Shares during the Post-IPO Period. The table set out below shows (i) the average daily trading volumes of the Shares; (ii) the percentages of the average daily trading volume to the total number of issued Shares; and (iii) the percentages of the average daily trading volume to the total number of issued Shares held by the public during the Post-IPO Period:

Table 3 – Trading volume during the Post-IPO Period

			The total number of issued Shares at the end of the corresponding month	The total number of issued Shares held by the public at the end of the corresponding month	Approximate % of the average trading volume to the total number of issued Shares ^(Note 1)	Approximate % of the average daily trading volume to the total number of issued Shares held by the public ^(Note 2)
<u>2021</u>						
November						
(since listing on 11 November)	14	3,118,359	1,162,605,486	442,590,928	0.27%	0.70%
December	22	1,165,341	1,162,605,486	442,590,928	0.10%	0.26%
<u>2022</u>						
January	21	518,262	1,162,605,486	442,590,928	0.04%	0.12%
February	17	869,765	1,162,605,486	442,590,928	0.07%	0.20%
March	23	1,045,437	1,162,605,486	442,590,928	0.09%	0.24%
April	18	488,500	1,162,605,486	442,590,928	0.04%	0.11%
May	20	467,475	1,162,605,486	442,590,928	0.04%	0.11%
June	21	542,595	1,162,605,486	442,590,928	0.05%	0.12%
July	20	598,300	1,162,605,486	442,590,928	0.05%	0.14%
August	23	409,283	1,162,605,486	442,590,928	0.04%	0.09%
September	21	2,564,179	1,162,605,486	648,021,618	0.22%	0.40%
October	20	726,300	1,162,605,486	648,021,618	0.06%	0.11%
November	22	4,436,291	1,162,605,486	648,021,618	0.38%	0.68%
December	20	8,241,669	1,162,605,486	648,021,618	0.71%	1.27%
<u>2023</u>						
January	18	2,494,854	1,162,605,486	648,021,618	0.21%	0.38%
February	20	1,922,919	1,162,605,486	648,021,618	0.17%	0.30%
March	23	1,295,826	1,162,605,486	648,021,618	0.11%	0.20%
April	17	1,795,047	1,162,605,486	648,018,118	0.15%	0.28%
May	21	3,357,200	1,162,605,486	648,018,118	0.29%	0.52%
June	21	3,141,524	1,162,605,486	653,518,118	0.27%	0.48%

			The total number of issued Shares at the end of the corresponding month	The total number of issued Shares held by the public at the end of the corresponding month	Approximate % of the average trading volume to the total number of issued Shares ^(Note 1)	Approximate % of the average daily trading volume to the total number of issued Shares held by the public ^(Note 2)
July	20	3,513,856	1,162,605,486	653,518,118	0.30%	0.54%
August	23	3,360,691	1,162,605,486	653,518,118	0.29%	0.51%
September	19	3,125,175	1,162,605,486	653,518,118	0.27%	0.48%
October	20	2,468,359	1,162,605,486	653,518,118	0.21%	0.38%
November	22	2,397,288	1,162,605,486	653,518,118	0.21%	0.37%
December	19	1,968,866	1,162,605,486	653,518,118	0.17%	0.30%
<u>2024</u>						
January	22	1,898,109	1,162,605,486	653,518,118	0.16%	0.29%
February	19	2,905,610	1,162,605,486	653,518,118	0.25%	0.44%
March	20	2,868,152	1,162,605,486	653,518,118	0.25%	0.44%
April	20	1,024,420	1,162,605,486	653,518,118	0.09%	0.16%
May	21	2,605,655	1,162,605,486	653,518,118	0.22%	0.40%
June	19	3,460,877	1,162,605,486	653,518,118	0.30%	0.53%
July	22	2,095,055	1,162,605,486	653,518,118	0.18%	0.32%
August	22	1,701,166	1,161,414,486	652,327,118	0.15%	0.26%
September	19	1,308,416	1,161,414,486	652,327,118	0.11%	0.20%
October	21	2,584,310	1,161,414,486	652,337,118	0.22%	0.40%
November	21	902,317	1,165,621,128	656,543,760	0.08%	0.14%
December	20	590,489	1,166,812,128	656,483,760	0.05%	0.09%
<u>2025</u>						
January	19	928,711	1,165,621,128	656,483,760	0.08%	0.14%
February	20	1,056,527	1,165,621,128	656,483,760	0.09%	0.16%
March	21	3,491,767	1,165,621,128	654,416,760	0.30%	0.53%
April	19	3,885,591	1,171,707,752	657,753,385	0.33%	0.59%
May	20	2,400,741	1,176,131,054	661,176,688	0.20%	0.36%
June	21	2,197,956	1,176,131,054	661,156,688	0.19%	0.33%
July	22	2,211,619	1,176,131,054	661,156,688	0.19%	0.33%
August	21	3,195,347	1,176,131,054	661,161,688	0.27%	0.48%
September	13 ^(Note 3)	5,830,569	1,176,131,054	661,166,688	0.50%	0.88%
October	8 ^(Note 3)	27,089,344	1,176,131,054	661,166,688	2.30%	4.10%
November	20	3,226,703	1,179,871,033	664,906,667	0.27%	0.49%
December						
(up to the						
Latest						
Practicable						
Date)	12	4,100,626	1,179,871,033	664,906,667	0.35%	0.62%

Source: Bloomberg and the information by the Company

Notes:

1. It is calculated by dividing the average daily trading volumes of the Shares for each month by the total number of issued Shares (excluding treasury shares) at the end of the corresponding month.
2. It is calculated by dividing the average daily trading volumes of the Shares for each month by the total number of issued Shares held by the public float at the end of the corresponding month.
3. The trading in the Shares was halted with effect from 9:00 a.m. on 18 September 2025 to 1:00 p.m. on 17 October 2025 and from 9:00 a.m. on 27 October 2025 to 9:00 a.m. on 30 October 2025.

As illustrated in the table above, the average daily trading volume of the Shares during the Post-IPO period represented a range of approximately 0.04% to 2.30% of the total number of issued Shares, and approximately 0.09% to 4.10% of the total number of issued Shares held by the public.

From the commencement of the Post-IPO Period (i.e. 11 November 2021) and up to the last trading immediately prior to Rule 3.7 Announcement (i.e. 18 September 2025), the average daily trading volume of the Share ranged from approximately 0.04% to 0.71% of the total number of issued Shares, and approximately 0.09% to 1.27% of the total number of issued Shares held by the public. Following the date of Rule 3.7 Announcement and up to the Latest Practicable Date, the average daily trading volume of the Share represents a range from approximately 0.27% and 2.30% of the total number of issued Shares and from approximately 0.49% and 4.10% of the total number of issued Shares held by the public, respectively.

The trading volume of the Shares had been generally low throughout the Post-IPO Period. The generally low level of liquidity in the Shares may make it difficult for the Scheme Shareholders to dispose of a significant number of the Shares within a short period in the market without exerting downward pressure on the market prices of the Shares. In addition, the higher level of trading volume of the Shares after the publication of the Announcement may not be sustained if the Proposal lapses. In light of the above, we concur with the Offeror's view that the Proposal the Scheme Shareholders with a unique opportunity to achieve exit at a premium with certainty of value.

Cancellation Consideration under Cash Alternative

As disclosed in the Explanatory Memorandum, the Cash Alternative of HK\$12.18 per Scheme Share represents:

- a premium of approximately 49.05% over the closing price of HK\$8.17 per Share as quoted on the Stock Exchange on 3 September 2025, being the Undisturbed Date;

- a premium of approximately 47.28% over the average closing price of approximately HK\$8.27 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Undisturbed Date;
- a premium of approximately 48.18% over the average closing price of approximately HK\$8.22 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Undisturbed Date;
- a premium of approximately 47.46% over the average closing price of approximately HK\$8.26 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Undisturbed Date;
- a premium of approximately 50.74% over the average closing price of approximately HK\$8.08 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) trading days up to and including the Undisturbed Date;
- a premium of approximately 48.72% over the average closing price of approximately HK\$8.19 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ninety (90) trading days up to and including the Undisturbed Date;
- a premium of approximately 47.28% over the average closing price of approximately HK\$8.27 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 120 trading days up to and including the Undisturbed Date;
- a premium of approximately 54.18% over the average closing price of approximately HK\$7.90 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- a premium of approximately 64.59% over the average closing price of approximately HK\$7.40 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 360 trading days up to and including the Undisturbed Date;
- a premium of approximately 20.52% over the closing price of HK\$10.11 per Share as quoted on the Stock Exchange on 17 September 2025, being the last trading day prior to the date of the Rule 3.7 Announcement;

- a premium of approximately 29.99% over the closing price of HK\$9.37 per Share as quoted on the Stock Exchange on 24 October 2025, being the Last Trading Day;
- a premium of approximately 31.11% over the average closing price of approximately HK\$9.29 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day;
- a premium of approximately 28.75% over the average closing price of approximately HK\$9.46 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day;
- a premium of approximately 37.01% over the average closing price of approximately HK\$8.89 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Day;
- a premium of approximately 42.96% over the average closing price of approximately HK\$8.52 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) trading days up to and including the Last Trading Day;
- a premium of approximately 45.17% over the average closing price of approximately HK\$8.39 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ninety (90) trading days up to and including the Last Trading Day;
- a premium of approximately 44.66% over the average closing price of approximately HK\$8.42 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 51.30% over the average closing price of approximately HK\$8.05 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 60.05% over the average closing price of approximately HK\$7.61 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 360 trading days up to and including the Last Trading Day;

- a premium of approximately 289.14% over the Group's net asset value attributable to the Shareholders of approximately HK\$3.13 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB3,409,172,000 (based on the exchange rate of HK\$1:RMB0.9260, the central parity rate published by the People's Bank of China on its website as at 31 December 2024 for illustrative purposes) as at 31 December 2024 and the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement;
- a premium of approximately 241.18% over the Group's net asset value attributable to the Shareholders of approximately HK\$3.57 per Share as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB3,825,467,000 (based on the exchange rate of HK\$1:RMB0.9120, the central parity rate published by the People's Bank of China on its website as at 30 June 2025 for illustrative purposes) as at 30 June 2025 and the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement;
- a premium of approximately 261.42% over the Group's adjusted net asset value attributable to the Shareholders of approximately HK\$3.37 per Share as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB3,825,467,000 (based on the exchange rate of HK\$1:RMB0.9120, the central parity rate published by the People's Bank of China on its website as at 30 June 2025 for illustrative purposes) as at 30 June 2025 and the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement, adjusted with reference to the Interim Dividend and Special Dividend; and
- a premium of approximately 4.55% over the closing price of HK\$11.65 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As shown above, the Cash Alternative represents (i) premia ranging from approximately 47.28% to 64.59% over the (average) closing prices of the Shares for different periods prior to the Undisturbed Date; (ii) a premium of approximately 20.52% over the closing price on the last trading day prior to the date of the Rule 3.7 Announcement; (iii) premia ranging from approximately 28.75% to 60.05% over the (average) closing prices of the Shares for different periods prior to the Last Trading Day; (iv) a premium of approximately 289.14% over the Group's net asset value attributable to the Shareholders pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024; (v) a premium of approximately 241.18% over the Group's net asset value attributable to the Shareholders as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025; and (vi) a premium

of approximately 261.42% over the Group's adjusted net asset value attributable to the Shareholders as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025 adjusted with reference to the Interim Dividend and Special Dividend.

(ii) Comparable companies

In order to assess the fairness and reasonableness of the Cash Alternative, we have conducted a trading multiples analysis based on the price-to earnings ratio (the “**P/E Ratio**”) and the price-to-book ratio (the “**P/B Ratio**”). These are commonly adopted valuation benchmarks and are considered appropriate in this case, given that the Group recorded profits in FY2024 and its principal business is not regarded as asset-light.

As discussed in the section headed “18. INFORMATION ON THE GROUP” in the Explanatory Memorandum, the Group operates a leading express freight network in China's LTL market. It mainly provides transportation services, value-added services and dispatch services to its freight partners as direct customers. Accordingly, we have identified an exhaustive list of four comparable companies (the “**Comparable Companies**”) based on the criteria that the company shall (i) be listed on the Main Board of the Stock Exchange; (ii) derive more than 50% of its revenue from express freight delivery services in the latest financial year; and (iii) derive more than 50% of its revenue from operations in China in the latest financial year. Market capitalisation was not adopted as a selection criterion in our screening process as there are very limited comparable companies listed on the Stock Exchange. Applying an additional filter would lead to a non-meaningful comparison with too few comparable companies. Hence, we have prioritised operational and business relevance over market capitalisation to maintain a viable sample.

As detailed in Table 4 below, the Comparable Companies exhibit certain differences in market capitalisation, business focus, geographical coverage, and operational scale relative to the Group. Nevertheless, we consider them to remain meaningful and appropriate for benchmarking purposes, because they operate within the same industry segment, share similar business nature and provide similar logistic services. In particular, the Comparable Companies are primarily engaged in express freight delivery, deriving most of their revenue from the China market, which aligns with the Group's core business and primary revenue drivers and are listed on the same stock exchange as the Company and therefore subject to similar market conditions. These factors carry greater weight in trading-multiple analysis than differences in market capitalisation. Accordingly, we do not consider the differences noted above, including the market capitalisation, to impact materially the overall relevance of the selected sample.

Based on the foregoing, we consider that the four selected Comparable Companies to provide a fair and representative benchmark for assessing the fairness and reasonableness of the Cash Alternative.

Set out below are the details of the Comparable Companies:

Table 4 – Details of the Comparable Companies

Company name (stock code)	Company's background information	Market capitalisation as at the Latest Practicable Date ^(Note 1) (HK\$ million)	Profit attributable to shareholders ^(Note 2) (HK\$ million)	Net assets attributable to shareholders ^(Note 3) (HK\$ million)	P/E Ratio ^(Note 4) (times)	P/B Ratio ^(Note 5) (times)
J&T Global Express Limited (1519.HK) ("J&T Global")	Principally engaged in express delivery services in the PRC, Indonesia, the Philippines, Malaysia, Thailand, Vietnam, and countries including Saudi Arabia, UAE, Mexico, Brazil and Egypt.	93,962	785	23,245	119.8 ^(Note 6)	4.0
ZTO Express (Cayman) Inc. (2057.HK)	Principally engaged in express delivery services in the PRC through a nationwide network partner model.	130,485	9,557	70,351	13.7	1.9
JD Logistics, Inc. (2618. HK)	Principally engaged in the provision of express and freight delivery services, warehousing and distribution services and other services. Its principal operations and geographic markets are in the PRC.	78,217	6,718	58,994	11.6	1.3

Company name (stock code)	Company's background information	Market capitalisation as at the Latest Practicable Date ^(Note 1) (HK\$ million)	Profit attributable to shareholders ^(Note 2) (HK\$ million)	Net assets attributable to shareholders ^(Note 3) (HK\$ million)	P/E Ratio ^(Note 4) (times)	P/B Ratio ^(Note 5) (times)
S.F. Holding Co., Ltd. (6936.HK)	Principally engaged in the development of logistics ecosystem including express and freight delivery, cold chain and pharmaceutical logistics, intra-city on-demand delivery, international logistics service and supply chain solutions.	174,541	11,024	104,544	15.8	1.7
				Maximum ^(Note 6)	15.8	4.0
				Minimum ^(Note 6)	11.6	1.3
				Mean ^(Note 6)	13.7	2.2
				Median ^(Note 6)	13.7	1.8
The Company	Operates a leading express freight network in China's LTL market. As an LTL service provider, the Group has nationwide coverage, and delivers timely and comprehensive freight transportation services.	14,371 ^(Note 7)	813	4,064	17.7	3.5

Source: Bloomberg and website of the Stock Exchange

Notes:

- The market capitalisations of the Comparable Companies as at the Latest Practicable Date are calculated by multiplying the number of issued shares (excluding treasury shares) by the respective closing prices, as at the Latest Practicable Date. For S.F. Holding Co., Ltd., its market capitalisation is derived by multiplying the number of outstanding A shares and H shares by the closing price of H shares, as at the Latest Practicable Date. We consider that this approach aligns the valuation to the Hong Kong market and avoids potential distortions from the different liquidity and investor sentiment in the A share market.

2. The profit attributable to shareholders is based on the latest published audited annual reports of the Comparable Companies and the Company. The Hong Kong dollar amounts were calculated using the average exchange rate during the financial year of 2024, being (i) the United States dollar/the Hong Kong dollar at 7.80279; or (ii) the Renminbi/the Hong Kong dollar at 1.08397, as sourced from Bloomberg. Such conversion rates are provided for illustrative purposes only and should not be taken as a representation that the respective currencies could or should be converted into Hong Kong dollars at such rates or at all.
3. The net assets attributable to shareholders is based on the latest published unaudited interim reports of the Comparable Companies and the Company. The Hong Kong dollar amounts were calculated using the exchange rate as at 30 June 2025, being (i) the United States dollar/the Hong Kong dollar exchange rate at 7.84989; or (ii) the Renminbi/the Hong Kong dollar exchange rate at 1.09585, as sourced from Bloomberg. Such conversion rates are provided for illustrative purposes only and should not be taken as a representation that the respective currencies could or should be converted into Hong Kong dollars at such rates or at all.
4. The P/E Ratios are calculated by dividing the respective market capitalisation as at the Latest Practicable Date by their respective profit attributable to shareholders as shown in their respective latest published audited annual report.
5. The P/B Ratios are calculated by dividing the respective market capitalisation as at the Latest Practicable Date by their respective net assets attributable to the shareholders as shown in their respective latest published unaudited interim report.
6. The P/E Ratio of J&T Global Express Limited appears to be abnormally high as compared to the rest of the Comparable Companies and is considered as an outlier which may distort the overall results. Accordingly, it has been excluded from the computations, details please refer to our analysis below.
7. The market capitalisation of the Company implied by the Cash Alternative of HK\$12.18 is calculated based on the Cash Alternative of HK\$12.18 per Scheme Share and the total number of outstanding Shares as at the Latest Practicable Date.

We note from the table above that the P/E Ratio of J&T Global appears to be abnormally high as compared to the rest of the Comparable Companies. Upon reviewing its annual report for the year ended 31 December 2024, we note that J&T Global had just become profitable since its listing in October 2023, recording a relatively small profit attributable to shareholders of approximately HK\$785.0 million despite its large revenue base and market capitalisation. Such turnaround from loss-making to marginal profitability has resulted in a disproportionately high P/E Ratio that does not meaningfully reflect the company's underlying valuation. In view of the above, we consider that the P/E Ratio of J&T Global is not representative of its value and the inclusion of such an outlier would distort the overall analysis. Accordingly, J&T Global has been excluded from the computation of the maximum, minimum, mean and median P/E Ratios of the Comparable Companies.

After excluding the outlier, J&T Global, the P/E Ratios of the Comparable Companies ranged from approximately 11.6 times to 15.8 times, with a mean and median of approximately 13.7 times and 13.7 times, respectively. The P/E Ratio of the Company, based on the market capitalisation implied by the Cash Alternative of HK\$12.18 per Scheme Share, is approximately 17.7 times, which is above the mean, median and maximum P/E Ratios of the Comparable Companies (excluding J&T Global).

The P/B Ratios of the Comparable Companies ranged from approximately 1.3 times to 4.0 times, with a mean and median of approximately 2.2 times and 1.8 times, respectively. The P/B Ratio of the Company, based on the market capitalisation implied by the Cash Alternative of HK\$12.18 per Scheme Share is approximately 3.5 times, which is above the mean and median, and is close to the higher end of the range of the P/B Ratios of the Comparable Companies.

Having considered (i) from a P/E Ratios perspective, the implied P/E Ratios of the Cash Alternative is above the mean, median, and maximum P/E Ratios of the Comparable Companies (after excluding the outlier); and (ii) from a P/B Ratios perspective, the implied P/B Ratio of the Cash Alternative is above the mean and median, and is close to the higher end of the Comparable Companies, we are of the view that the implied valuation of the Cash Alternative under the Proposal is fair and reasonable based on the market comparable analysis and the commonly adopted valuation benchmarks discussed above.

(iii) Privatisation precedents

As set out in the Letter from the Board, the Cancellation Consideration (including the Share Alternative Cap) has been determined on a commercial basis after taking into account, among other things, the recent and historic traded prices of the Shares, publicly available financial information of the Company and with reference to other delisting transactions in Hong Kong in recent years. Therefore, as part of the assessment of the fairness and reasonableness of the Cash Alternative under the Proposal, we have identified privatisation transactions of other listed companies that: (i) were listed on the Main Board of the Stock Exchange; (ii) were implemented by way of a scheme of arrangement, a general offer, or merger by absorption; (iii) involved a cash consideration as the form of cancellation consideration; and (iv) were announced and completed during the 12-month period prior to and including the Undisturbed Date and up to the Latest Practicable Date.

Applying the above criteria, we have identified 18 privatisation precedents (the “**Privatisation Precedents**”), which are exhaustive based on the above criteria and we consider as fairly representative of transactions comparable to the Proposal. While the companies involved in the Privatisation Precedents may differ from the Company in terms of industry, principal business activities, market capitalisation and financial position, we consider that the Privatisation Precedents provide meaningful reference points on the terms adopted in recent Hong Kong privatisation transactions and provide additional context for the Scheme Shareholders in assessing the fairness and reasonableness of the Cash Alternative.

Set out below is a table illustrating the premia or discounts to the then market prices at which the Privatisation Precedents were priced.

Table 5 – Privatisation Precedents

Date of announcement	Company name (stock code)	Company's principal business activities	Premium/(discount) of the cancellation/offer price over/to the average closing share price up to and including ^(Notes 2 & 3)					Premium/(discount) of cancellation/offer price over/to ^(Note 3)	
			last trading day	last 5 trading days	last 30 trading days	last 60 trading days	last 90 trading days	the audited net asset value per share ^(Note 4)	the adjusted net asset value per share ^(Note 5)
13 Oct 2025	Kangji Medical Holdings Limited (9997.HK)	Principally engaged in the design, development, manufacture, and sale of a comprehensive suite of minimally invasive surgical instruments and accessories.	21.7%	23.7%	20.0%	23.5%	24.0%	288.7%	N/A
23 Sep 2025	OneConnect Financial Technology Co., LTD (6638.HK)	Principally engages as a technology-as-a-service provider for the financial services industry. The company integrates extensive financial services industry expertise with market-leading technology to provide technology applications and technology enabled business services to financial institutions.	72.3%	72.9%	131.7%	160.7%	169.9%	(12.4%)	N/A
16 Sep 2025	ShengJing Bank Co., LTD (2066.HK)	Principally engages in banking businesses and the related financial services.	40.4%	42.4%	26.5%	34.0%	42.2%	(83.6%)	N/A
10 Sep 2025	Jilin Jintai Rural Commercial Bank Corporation Limited (6122.HK)	Operates three principal lines of business: corporate banking, retail banking and treasury operations.	70.7%	68.3%	60.9%	42.9%	8.8%	(79.9%)	N/A
31 Jul 2025	Joy City Property Limited (207.HK)	Principally engaged in investment holdings, primarily in property development, operation, sale, leasing and management.	67.6%	68.9%	129.7%	158.6%	166.6%	(70.2%)	(71.8%)
17 June 2025	Beijing Properties Holdings Limited (925.HK)	Principally engaged in real estate including high-end and modern general warehouse, supply chain development, specialised wholesale market, industrial property, commercial property and primary land development.	250.0%	253.5%	222.1%	200.1%	183.9%	10.0%	17.4%

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Date of announcement	Company name (stock code)	Company's principal business activities	Premium/(discount) of the cancellation/offer price over/to the average closing share price up to and including ^(Notes 2 & 3)				Premium/(discount) of cancellation/offer price over/to ^(Note 3)		
			last trading day	last 5 trading days	last 30 trading days	last 60 trading days	last 90 trading days	the audited net asset value per share ^(Note 4)	the adjusted net asset value per share ^(Note 5)
9 June 2025	Perfect Group International Holdings Limited (3326.HK)	Principally engaged in operation of jewellery business, property management business and the operation of photovoltaic power generation projects and energy storage.	61.3%	61.3%	58.2%	48.7%	44%	(45.3%)	(50.7%)
28 May 2025	Lippo Limited (226.HK)	Principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.	53.0%	52.1%	71.2%	70.8%	64.2%	(95.0%)	(56.9%)
9 May 2025	Thing On Enterprise Limited (2292.HK)	Principally engaged in property investment and management.	30.0%	30.0%	30.0%	36.1%	32.2%	(50.4%)	(49.3%)
11 April 2025	Shandong Fenxiang Co., LTD (9977.HK)	Operates as one of the largest white-feathered broiler meat exporters and the leading retail enterprises of chicken meat food.	33.3%	34.8%	39.9%	44.9%	62.6%	(11.5%)	(15.3%)
17 February 2025	Tam Jai International Co. Limited (2217.HK)	Principally engaged in investment holding, procurement and trading of food and processed food.	75.6%	80.4%	96.3%	99.6%	98.2%	44.7%	N/A
27 December 2024	Vesync Co., LTD (2148.HK)	Principally engaged in research and development, manufacture and sale of smart household appliances and smart home devices.	33.3%	34.4%	44.4%	36.1%	36.4%	122.3%	N/A
19 December 2024	Pentamaster Corporation Berhad (1665.HK)	Principally engaged in business related to automated test equipment and factory automation solutions.	56.3%	60.3%	53.4%	50.8%	51.5%	66.5%	32.6%
10 December 2024	Fosun International Capital (1992.HK)	Principally engaged in the provision of pioneering and family-focused tourism and leisure solutions.	95.0%	112.1%	111.2%	110.3%	112.5%	290.4%	(27.4%)
4 December 2024	ESR Group Limited (1821.HK)	Operates as a new economy real estate owner and manager, with a core focus in logistics real estate, data centres and infrastructure.	55.7%	58.2%	54.0%	40.8%	35.0%	(1.4%)	10.2%
22 November 2024	Ronshine Service Holding Co., LTD (2207.HK)	Principally engaged in the provision of property management services and related value-added services.	15.4%	9.1%	6.3%	1.9%	(6.5%)	61.0%	N/A

Date of announcement	Company name (stock code)	Company's principal business activities	Premium/(discount) of the cancellation/offer price over/to the average closing share price up to and including ^(Notes 2 & 3)				Premium/(discount) of cancellation/offer price over/to ^(Note 3)	
			last trading day	last 5 trading days	last 30 trading days	last 60 trading days	last 90 trading days	the audited net asset value per share ^(Note 4)
28 October 2024	Beijing Capital Grand Limited (1329.HK)	Company's principal business activities Principally engaged in commercial property development.	46.6%	54.6%	41.8%	47.9%	65.4%	(53.8%)
14 October 2024	CM Hi-Tech Clearroom Limited (2115.HK)	Principally engaged in the provision of cleanroom wall and ceiling systems and cleanroom equipment.	25.0%	23.8%	30.2%	39.7%	41.7%	(3.2%)
	Maximum ^(Note 6)		95.0%	112.1%	131.7%	160.7%	169.9%	32.6%
	Minimum ^(Note 6)		15.4%	9.1%	6.3%	1.9%	(6.5%)	(71.8%)
	Mean ^(Note 6)		50.2%	52.2%	59.1%	61.6%	61.7%	(28.6%)
	Median ^(Note 6)		53.0%	54.6%	53.4%	44.9%	44.0%	(38.4%)
28 October 2025	The Company ^(Note 7)	Operates a leading express freight network in China's LTL market. As an LTL service provider, the Group has nationwide coverage, and delivers timely and comprehensive freight transportation services.	49.1%	47.3%	47.5%	50.7%	48.7%	289.1%
								261.4%

Source: Bloomberg and website of the Stock Exchange

Notes:

1. The date of announcement represents the date of the announcement pursuant to Rule 3.5 of the Takeovers Code.
2. For the purpose of this analysis, the last trading day represents the last trading day or the undisturbed date as defined in the respective scheme or offer documents of the Privatisation Precedents.
3. Subject to rounding differences.
4. The figures are either (i) extracted from the respective scheme or offer documents of the Privatisation Precedents; or (ii) derived by dividing the cancellation/offer price by the audited net asset value per share, which is calculated by dividing the audited net asset value attributable to shareholders, as reported in the annual report of the respective company, by the total number of shares in issue as at the latest practicable date of the relevant Privatisation Precedent.
5. The figures are extracted from the respective scheme documents or offer documents of the Privatisation Precedents and have been adjusted, where applicable, to reflect factors such as the reassessed net assets values and declared dividends, on case-by-case basis.
6. The premia of Beijing Properties Holdings Limited appear to be abnormally high as compared to the rest of the Privatisation Precedents and is considered as an outlier which may distort the overall results. Accordingly, it has been excluded from the computations, details please refer to our analysis below.
7. The premia of the Company is extracted from the Explanatory Memorandum.

We note from the table above that the premia represented by the privatisation of Beijing Properties Holdings Limited appear to be abnormally high as compared to the rest of the Privatisation Precedents. The privatisation of Beijing Properties Holdings Limited recorded exceptionally high premia of approximately 250.0% over the closing price on the last trading day and ranging from approximately 183.9% to approximately 253.5% over the average closing prices for the last 5, 30, 60 and 90 trading days. These levels are considerably higher than the corresponding premia observed in other Privatisation Precedents and we consider that such an outlier would distort the overall analysis. Accordingly, the premia represented by the privatisation of Beijing Properties Holdings Limited have been excluded from the computation of the maximum, minimum, mean and median premia of the Privatisation Precedents.

As illustrated in the table above, the mean and median premia of the Privatisation Precedents (excluding the outlier) over the closing price on the last trading day and the average closing prices for the last 5, 30, 60 and 90 trading days range from approximately 50.2% to approximately 61.7%, and from approximately 44.0% to approximately 54.6%, respectively. The mean premium of the Privatisation Precedents over their respective audited net asset value per share is approximately 20.3%, while the median represents a discount of approximately 11.5%. The mean discount of the Privatisation Precedents over their respective adjusted net asset value per share is approximately 28.6%, while the median represents a discount of approximately 38.4%.

The premia represented by the Cash Alternative of HK\$12.18 per Scheme Share are within the ranges of the Privatisation Precedents (excluding the outlier) premia over the closing price on the last trading day and the average closing prices for the last 5, 30, 60 and 90 trading days. The premia represented by the Cash Alternative of HK\$12.18 per Scheme Share is higher than the median premia of the Privatisation Precedents over the average closing prices for the last 60 and 90 trading days, but lower than the other mean and median premia of the Privatisation Precedents as set out in table 5 above. In addition, the premium represented by

the Cash Alternative of HK\$12.18 per Scheme Share over audited net asset value per share and the adjusted net asset value per share is above both the mean and median premia of the corresponding Privatisation Precedents and are close to and above the maximum observed level, respectively.

Based on the foregoing, we are of the view that the premia represented by the Cash Alternative are in line with those offered under the Privatisation Precedents.

The above illustration should be regarded as reference information for the Scheme Shareholders. While the Privatisation Precedents are recent transactions and therefore provide an indication of prevailing market patterns, their comparability may be subject to certain limitations, as the companies involved may have different industry, principal business activities, share price performance, market capitalisation and financial position. These differences may influence the premia or discounts reflected in their respective privatisation terms. Accordingly, although the analysis of the Privatisation Precedents offers useful context for understanding recent transactions, we consider it to be supplementary and not, on its own, a determinative basis for assessing the fairness and reasonableness of the Cash Alternative. This section should therefore be considered alongside other analyses presented in this letter.

Share Alternative

Under the Proposal, apart from the Cash Alternative, the Scheme Shareholders are also offered to elect the Share Alternative. Under the Share Alternative, the Scheme Shareholders are offered one (1) TopCo Class A Share for every Scheme Share, subject to the Share Alternative Cap.

The maximum number of Scheme Shares to be exchanged for the Share Alternative pursuant to valid elections for the Share Alternative shall not exceed the Share Alternative Cap (being 58,806,553 Scheme Shares, representing approximately 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement exchangeable into 58,806,553 TopCo Class A Shares).

As stated in the Letter from the Board, the Offeror reserved the right to increase the Share Alternative Cap to up to 88,209,829 Scheme Shares (representing approximately 7.5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement, exchangeable into 88,209,829 TopCo Class A Shares). References are made to the Share Alternative Cap Condition Announcement and the Share Alternative Decision Announcement, pursuant to which, although the condition to the Offeror's right to increase the Share Alternative Cap has been met upon receipt by the Offeror of duly signed and dated letters of interest from Scheme Shareholders (other than the Centurium Entities, the EIP Trustee, the Mr. Qin Parties and the Mr. Jin Parties) holding, in aggregate, not less than 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Announcement (i.e. 58,806,553 Shares) as of 4:00 p.m. on 28 November 2025, the Offeror has decided not to exercise its discretion to increase the Share Alternative Cap, therefore the Share Alternative Cap remains 58,806,553 Scheme Shares (representing approximately 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of the Rule 3.5 Announcement).

The Scheme Shareholders may elect the Cash Alternative or the Share Alternative or a combination of both the Cash Alternative and the Share Alternative in a proportion of their choosing as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares held as at the Scheme Record Date.

(i) Restriction and rights of TopCo Shares

TopCo is an unlisted investment holding company and, unlike a listed company, its shares are relatively illiquid with no ready market for trading. Although shareholders of the TopCo would not benefit from the protections afforded by the Listing Rules and the Takeovers Code (if it is determined that the TopCo has ceased to be a public company in Hong Kong), their rights and obligations in relation to the TopCo would be primarily governed by its constitutional documents and the provisions of the Companies Act.

(ii) Risk factors associated with holding TopCo Class A Shares

The Scheme Shareholders and investors should be aware of, among other things but not limited to, the following risk factors associated with holding TopCo Class A Shares:

- given that there is no firm intention to seek a listing of TopCo Class A Shares on any stock exchange in the near term, and there can be no assurance of such intention or plan in the future, TopCo Class A Shares are relatively illiquid, hence holders of TopCo Class A Shares may find it more difficult to find a purchaser for the TopCo Class A Shares if they intend to sell their shares, as there is no ready market for TopCo Class A Shares;
- transfers of the TopCo Class A Shares are subject to restrictions stipulated in the TopCo Articles, which, according to the TopCo Articles, include, among others, restrictions on transfers to the competitors of TopCo which are primarily engaged in LTL express freight services in the PRC;
- TopCo Class A Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules;
- section 4.1 of the Introduction to the Takeovers Code provides that the Takeovers Code applies to takeovers, mergers and share buy-backs affecting, among other things, public companies in Hong Kong and section 4.2 of the Introduction to Takeovers Code provides that in order to determine whether a company is a public company in Hong Kong, the Executive will take into account the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors. If TopCo is determined by the Executive to be a “public company in Hong Kong”, TopCo will be subject to the Takeovers Code;
- there is no guarantee that any dividend payments will be paid in respect of the TopCo Class A Shares;

- your interest in TopCo will be that of a minority shareholder with limited shareholder protection rights and you will not have the benefits and protections of the Listing Rules in terms of disclosure of material information, appointment of directors (including independent non-executive directors) and restrictions on connected or notifiable transactions of TopCo Group;
- as at the Latest Practicable Date, TopCo did not have any assets or liabilities other than the debt facilities taken out by the Offeror (an indirect wholly-owned subsidiary of TopCo) for the purpose of the Proposal, which are borne by all holders of TopCo Class A Shares from time to time. TopCo does not intend to engage in any business other than acting as the holding company of the Company after completion of the Proposal; and
- changes in the business and economic environment could adversely affect the operating profits of TopCo or the value of TopCo's assets. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, pandemics, epidemics, conflicts, civil war and other potential events could contribute to the operational risks of the Group and TopCo.

(iii) Valuation of TopCo Class A Shares

J.P. Morgan, the financial adviser to the Offeror, has conducted an estimate of value of the TopCo Class A Shares (the "**Estimate of Value**"). Please refer to Appendix IV to the Scheme Document for the full text of the Estimate of Value.

Under the Share Alternative, each Scheme Shareholder is entitled to receive one TopCo Class A Share for every Scheme Share held (subject to the Share Alternative Cap). On the basis of, and subject to, the assumptions and methodology set out in Appendix IV to the Scheme Document an estimate of the value of each TopCo Class A Share (the "**TopCo Class A Share Value**") would be within range of approximately HK\$8.53 to HK\$12.18. **Disinterested Shareholders should note that, the Estimate of Value is based on certain assumptions and therefore does not necessarily reflect the actual value of the TopCo Class A Shares.**

We have reviewed and discussed with J.P. Morgan the methodology, as well as the key bases and assumptions adopted for the Estimate of Value. In preparing the Estimate of Value, J.P. Morgan has made a number of assumptions, including but not limited to:

- (i) there exists a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts;
- (ii) as at the date of the letter relating to the Estimate of Value, all of the Conditions to the Proposal have been satisfied or waived (as applicable) and the Company is a wholly-owned subsidiary of Offeror, which in turn is a wholly-owned subsidiary of TopCo;
- (iii) the TopCo Class A Shares that may be issued in connection with the Proposal, together with the 538,170,840 TopCo Class A Shares held by Topaz Gem and the Equity Investor Group as of the Latest Practicable Date, comprise the entire issued share capital of TopCo and no person has any right to acquire or subscribe for any share or loan capital of TopCo as of the Latest Practicable Date. Such shares have been issued pursuant to the terms of the Proposal free from all encumbrances, credited as fully-paid, non-assessable, and ranking *pari passu* among themselves and with all TopCo Class A shares already in issue, including the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of their issue;
- (iv) TopCo was established for the sole purpose of the Proposal and as such, J.P. Morgan has assumed that immediately following the satisfaction or waiver of all of the Conditions to the Proposal (as applicable), TopCo's turnover, profits, assets and liabilities (on a consolidated basis), nature of business, business prospects and operations will be in all material respects the same as the Company, save for the Acquisition Financing, any costs and expenses incurred by Offeror in connection with the Proposal and any cash balance that may remain in the Offeror that was not required to finance the amount payable in cash to Scheme Shareholders, Optionholders and RSU-holders under the Proposal;
- (v) other than the 1,191,000 Treasury Shares that the Company holds as at the Latest Practicable Date, which will be cancelled upon the Scheme becoming effective, there is no change to the issued share capital of the Company from the Latest Practicable Date up to and including the Effective Date. Following the cancellation or lapse of the Share Options and RSUs following the Scheme Record Date, there are no dilutive equity instruments and, no person other than Offeror has any right to acquire or option to subscribe for any share or loan capital of the Company and no share capital of the Company is disposed of nor any right granted over or in respect of it at any future date; and

- (vi) TopCo Shares are unlisted and are valued on this basis. Whilst it is not possible to give a precise measure of the discount to reflect, among other things, the lack of marketability and certain rights of the shareholders of TopCo and no methodological analysis can be undertaken for the purpose of estimating such a discount, for the purpose of calculating the range of Estimate of Value, J.P. Morgan has assumed a range of discounts of 0-30% to an equivalent listed security to reflect, among other things, the lack of marketability and such shareholders' rights. J.P. Morgan believes such range of discounts is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation precedents in Hong Kong which involves unlisted shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted shares.

For details of the assumptions adopted in the Estimate of Value, please refer to Appendix IV to the Scheme Document.

J.P. Morgan derives a range of value for TopCo Class A Shares which reflect the estimated value of such shares hypothetically assuming for the purpose of calculating the top end of the range that they are listed and freely tradable, and for the purpose of calculating the bottom end of the range they have assumed a discount of 30% to reflect, among other things, the lack of marketability and certain shareholders' rights.

Set out below are the calculations for the range value of the TopCo Class A Shares set out in Appendix IV to the Scheme Document:

Table 6 – Calculations for the range of the TopCo Class A Share Value

		Assuming (i) Scheme Shareholders other than Topaz Gem elect the Cash Alternative in full; (ii) all Optionholders receive the Option Offer Price for their Share Options subject to the Option Offer; (iii) all RSU-holders receive the RSU Offer Price for their RSUs subject to the RSU Offer	
(a)	the estimated value of all of the outstanding Shares (including the unvested Share Options and RSUs)*	HK\$14,834,794,026	
(b)	the Acquisition Financing**	HK\$8,720,000,000	
(c)	any cash that may remain in Offeror immediately following implementation of the Proposal***	nil	

Assuming (i) Scheme Shareholders other than Topaz Gem elect the Cash Alternative in full; (ii) all Optionholders receive the Option Offer Price for their Share Options subject to the Option Offer; (iii) all RSU-holders receive the RSU Offer Price for their RSUs subject to the RSU Offer

Total value of the TopCo Class A Shares	HK\$6,114,794,026
Number of TopCo Class A Shares in issue and credited as fully paid immediately following implementation of the Proposal****	502,035,634
Top end value per TopCo Class A Share	HK\$12.18
Bottom end value per TopCo Class A Share (Assuming a 30% discount for non-marketability of the TopCo Class A Shares)	HK\$8.53

Notes:

- * Including the unvested Share Options and the unvested RSUs as at the Latest Practicable Date which are subject to Option Offer and RSU Offer respectively, assuming a “see-through” value; excluding (i) the Treasury Shares to be cancelled, and (ii) the unvested share awards under the Equity Incentive Plans and Excluded Share Options which are not subject to the Option Offer or the RSU Offer, as the equivalent number of Shares have been issued to the EIP Trustee and 2023 Scheme Trustee respectively.
- ** The Acquisition Financing amount to be incurred by the Offeror for the implementation of the Proposal will be the Maximum Drawdown Amount, which is approximately HK\$8,720,000,000, which is equivalent to RMB8,000,000,000 assuming an exchange rate of RMB1.00:HK\$1.09, being the annual average central parity rate from the People’s Bank of China on its website.
- *** According to the funding mechanism pursuant to the Consortium Agreement, prior to any transaction expenses incurred by the Offeror.
- **** In connection with the Proposal, the number of TopCo Class A Shares in issue and credited as fully paid immediately following the implementation of the Proposal is calculated as the sum of (i) 185,954,093 TopCo Class A Shares issued to Topaz Gem as the Centurium Cancellation Consideration; (ii) 8,487,799 TopCo Class A Shares issued to EIP Trustee in exchange for the Rollover Shares; (iii) 307,593,742 TopCo Class A Shares issued to the Equity Investor Group and credited as fully paid for their contribution of HK\$3,746,491,781 as the total cash consideration the Offeror needs to pay for cancellation of all Scheme Shares, outstanding Share Options and RSUs; (iv) nil TopCo Class A Shares issued under the Share Alternative.

(iv) Analysis on the Share Alternative

As shown in the above calculations, the Estimate of Value for each TopCo Class A Shares has an estimated value of HK\$12.18 at the top end of the range and approximately HK\$8.53 at the bottom end of the range. The main difference between the top end and bottom end of the range is that no discount is applied to the top end, assuming the share is listed and freely tradable, whereas the bottom end assumes a 30% discount for the lack of marketability and certain rights of the shareholders of an unlisted share. J.P. Morgan believes that such range of discounts of 0-30% is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation precedents in Hong Kong which involves unlisted shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted shares.

We consider it is reasonable to apply a discount to the value of an illiquid share with limited shareholders' rights from the independent shareholders' perspective. In order to assess the fairness and reasonableness of the level of discount, we have reviewed the privatisation cases which involved valuation of unlisted shares and published the scheme document or composite document since 2021. We have identified nine precedent cases which represent an exhaustive list on a best effort basis, and noted that a discount of 30% for lack of marketability and shareholders' rights was applied to derive the low-end value of the unlisted shares under the share alternative in all these precedent cases. Given the number of precedent cases and decreasing relevance of older precedent cases, we consider that a review period of more than four years is sufficient, fair and representative to provide a recent overview of general market practice as regards to the valuation of unlisted shares in privatisation cases in Hong Kong.

Table 7 – Precedent cases in Hong Kong which involved unlisted shares in the offer since 2021

Date of scheme/composite document	Company (stock code)	Discount applied
21 May 2025	ESR Group Limited (1821.HK)	30%
31 March 2025	Vesync Co., Ltd (2148.HK)	30%
23 December 2024	Shanghai Henlius Biotech, Inc. (2696.HK)	30%
2 July 2024	L'Occitane International S.A. (973.HK)	30%
22 September 2023	Trigiant Group Limited (1300.HK)	30%
4 May 2022	Suchuang Gas Corporation Limited (1430.HK)	30%
10 November 2021	Lee Hing Development Limited (68.HK)	30%
3 August 2021	Clear Media Limited (100.HK)	30%
27 January 2021	Huifu Payment Limited (1806.HK)	30%

Source: Website of the Stock Exchange

Having considered the unlisted form of the TopCo Class A Shares under the Share Alternative, we consider that the methodology adopted by J.P. Morgan is a reasonable approach in establishing the Estimate of Value and is in line with commonly adopted approaches in similar cases in Hong Kong. We also consider that it is not practicable to estimate a discount to reflect lack of marketability and limited shareholders' rights (from the independent shareholders' perspective) very precisely, as it depends on differing circumstances. On the basis of the above, we are of the view that a range of 0% and 30% adopted by J.P. Morgan in its Estimate of Value to be acceptable.

The Scheme Shareholders should note that the Estimate of Value is derived based on a number of assumptions set out above and the range of Estimate of Value would likely be below approximately HK\$8.53 to HK\$12.18 should no Cash Alternative of HK\$12.18 be made under the Proposal, considering that the Shares had never closed at or above HK\$12.18 during the Post-IPO Period other than the first two trading days of the Shares.

For further details of the methodology, basis, assumptions and computations of the Estimate of Value, please refer to Appendix IV to the Scheme Document which should be read in its entirety.

The Share Alternative provides the Scheme Shareholders an opportunity to remain invested in the Company and to participate in the Group's long-term development alongside Temasek and True Light. If the Scheme is approved and implemented, Temasek and True Light, which are both established international institutional investors would become new shareholders of TopCo, each holding approximately 17.99% to 22.02% in TopCo's interest (depending on the level of election of the Share Alternative). The investment by these two investors indicates that they are confident in the long-term prospect of the TopCo and anticipate that, subject to market conditions and future development of TopCo, they may, as with any investment, at some time in the future be able to realise their investments in a liquidity event (for example, a future listing of TopCo or a sale of their interests), while accepting that their investments will be illiquid in the meantime. The illiquidity of an investment may not be a critical factor for an institutional investor with a charter to invest in unlisted securities. However, for small non-institutional investors, the liquidity of their investments may be a more important consideration. While we recognise the potential benefits such as strategic insight, involvement of the new institutional investors does not, in itself, guarantee or serve as a direct driver of TopCo's future performance post-privatisation. Notwithstanding that co-investing with established institutional investors such as Temasek and True Light provides a potential aligned exit pathway for the Share Alternative Electing Shareholders, it must be emphasised that any liquidity event is likely to be a long-term potential outcome, subject to significant market and company-specific risks, and its occurrence is uncertain. In our view, TopCo, post-privatisation, will continue to be subject to industry challenges set out in the section headed "III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Information on the Group – (iv) Industry overview" in this letter above.

Taking into account: (i) the restrictions and reduced rights attached to the TopCo Shares following the privatisation; (ii) the risk factors associated with holding TopCo Class A Shares; and (iii) the prospects of the TopCo's business following the privatisation as discussed above, we consider the Share Alternative has been tailored principally for large and sophisticated Shareholders and is not necessarily suitable for other Disinterested Shareholders. In our opinion, only those Disinterested Shareholders who are particularly attracted by the prospects of the Company and are familiar with holding unlisted investments should consider the Share Alternative. If so, they should carefully study the risks of holding the TopCo Class A Shares.

Accordingly, in general, we recommend the Disinterested Shareholders to elect the Cash Alternative and not to elect the Share Alternative.

Option Offer

As at the Latest Practicable Date, the Company had 42,816,398 outstanding Share Options in issue under the 2023 Share Incentive Scheme, comprising 11,139,658 vested but unexercised Share Options and 31,676,740 unvested Share Options. The Company has undertaken in the Implementation Agreement that it will not grant any further Share Options between the date of the Announcement and the Effective Date.

According to the Letter from the Board, out of the 42,816,398 outstanding Share Options that the Company has in issue as at the Latest Practicable Date:

- (a) 11,139,658 Share Options had already vested but have not been exercised as at the Latest Practicable Date;
- (b) subject to the Scheme being approved at the Court Meeting and the Proposal being approved at the EGM, 14,879,968 Share Options will vest on or before the Scheme Record Date; and
- (c) 16,796,772 Share Options will remain unvested on the Scheme Record Date.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the Option Offer to the Optionholders conditional upon the Scheme becoming effective, under which the Offeror is offering Optionholders the "see-through" Option Offer Price (being the Cash Alternative minus the relevant exercise price of the outstanding Share Option) for every Share Option subject to the Option Offer (i.e. excluding the Excluded Share Options). In this regard, the relevant Option Offer Price applicable to each Share Options is as follows:

For every outstanding Share Options with an exercise price of HK\$6.04 per Share Option	HK\$6.14
For every outstanding Share Options with an exercise price of HK\$6.08 per Share Option	HK\$6.10
For every outstanding Share Options with an exercise price of HK\$9.19 per Share Option	HK\$2.99

Details of the Option Offer and the Optionholder as at the Latest Practicable Date are set out in the section headed “2. TERMS OF THE PROPOSAL – Option Offer” in the Letter from the Board and the section headed “3. TERMS OF THE PROPOSAL – Option Offer” in the Explanatory Memorandum and the Form of Option Offer Letter in Appendix VIII to the Scheme Document.

Having considered the basis that, the Option Offer represents the “see-through” Option Offer Price (being the Cash Alternative minus the relevant exercise price of the outstanding Share Option) for every Share Option subject to the Option Offer, we consider that the Option Offer to be fair and reasonable so far as the Optionholders are concerned.

RSU Offer

As at the Latest Practicable Date, the Company had 26,613,374 unvested RSUs in issue under the 2023 Share Incentive Scheme, which entitles the RSU-holders to receive an aggregate of 26,613,374 Shares upon vesting, representing approximately 2.26% of the total number of issued Shares (excluding Treasury Shares). The Company has undertaken in the Implementation Agreement that it will not grant any further RSUs between the date of the Announcement and the Effective Date.

According to the Letter from the Board, out of the 26,613,374 unvested RSUs that the Company had in issue as at the Latest Practicable Date, subject to the Scheme being approved at the Court Meeting and the Proposal being approved at the EGM:

- (a) 10,523,212 RSUs will vest on or before the Scheme Record Date; and
- (b) 16,090,162 RSUs will remain unvested on the Scheme Record Date.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the RSU Offer to the RSU-holders conditional upon the Scheme becoming effective, under which the Offeror is offering RSU-holders the RSU Offer Price (being an amount equal to the Cash Alternative) for the cancellation of each RSU under the RSU Offer.

Details of the RSU Offer and the RSU-holders as at the Latest Practicable Date are set out in the section headed “2. TERMS OF THE PROPOSAL – RSU Offer” in the Letter from the Board and the section headed “3. TERMS OF THE PROPOSAL – RSU Offer” in the Explanatory Memorandum and the Form of RSU Offer Letter in Appendix IX to the Scheme Document.

Having considered the basis that, the RSU Offer represents an amount equal to the Cash Alternative (i.e. HK\$12.18) for the cancellation of each RSU under the RSU Offer, we consider that the RSU Offer to be fair and reasonable so far as the RSU-holders are concerned.

IV. SPECIAL DEALS

Special Deal relating to the Rollover Agreement

On 27 October 2025, the Offeror, TopCo and the EIP Trustee and its two subsidiaries entered into the Rollover Agreement, pursuant to which the EIP Trustee will roll over the Rollover Shares (being 8,487,799 Shares held by the EIP Trustee, representing approximately 0.72% of the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date) after the Scheme becomes effective. Accordingly, the Rollover Shares will not form part of the Scheme Shares.

Pursuant to the Rollover Agreement:

- (a) subject to the Scheme becoming effective, the EIP Trustee will remain as Shareholders until the Scheme becomes effective, the Rollover Shares will not constitute Scheme Shares and all Shares held by the EIP Trustee will not be voted on the Scheme at the Court Meeting or the Special Deals at the EGM; and
- (b) upon the Scheme becoming effective, the Rollover Shares will then be transferred to the Offeror in consideration for an aggregate of 8,487,799 TopCo Class A Shares to be issued by TopCo to the EIP Trustee credited as fully paid in the amount of the Cash Alternative of HK\$12.18 per TopCo Class A Share. After completion of the Proposal and the transfer of the Rollover Shares, the EIP Trustee will hold, through TopCo, an indirect interest in the Company.

The Rollover Agreement will terminate (i) when the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court, or (ii) on a date as the parties otherwise agree in writing.

Set out below are the information of the Rollover Shareholders as extracted from the Explanatory Memorandum:

The EIP Trustee is a professional trustee appointed by the Company for the administration of the Equity Incentive Plans. As at the Latest Practicable Date, the EIP Trustee holds 10,525,939 Shares, amongst which (i) 121,601 Shares are to be used to satisfy the unvested share awards granted under the Equity Incentive Plans, (ii) 8,487,799 Shares are to be used to satisfy future grants of share awards, and (iii) 1,916,539 Shares are held on trust for the holders of vested share awards but the underlying Shares have not yet been transferred to such holders for logistical reasons. The EIP Trustee has undertaken in the Rollover Agreement that it shall not exercise the voting rights in respect of any Shares it holds under the Equity Incentive Plans.

As the Rollover Agreement is not offered to all Shareholders, the Rollover Agreement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror has therefore made an application to the Executive for its consent to the Rollover Agreement as a special deal under Rule 25 of the Takeovers Code, conditional on: (i) the Independent Financial Adviser publicly stating that in its opinion that the terms of the Rollover Agreement are fair and reasonable; and (ii) the Rollover Agreement is approved at the EGM.

We note that from the Explanatory Memorandum that the implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to, among other conditions, the fulfilment of the passing of an ordinary resolution by the Disinterested Shareholders at the General Meeting to approve the Rollover Agreement.

In giving our opinion, we have also taken into account that:

- (i) the EIP Trustee is a professional trustee appointed by the Company for the administration of the Equity Incentive Plans, the purposes of which, as disclosed in the 2025 Interim Report, are to attract and retain personnel for positions of substantial responsibility, provide additional incentive to employees, Directors and consultants, and promote the success of the Group's business. Under the Equity Incentive Plans, the eligible participants (the "**Eligible Participants**") comprise any employee of the Group of manager level or above, or any senior management or officer as approved by the administrator of the Equity Incentive Plans. As disclosed in the Letter from the Board, the TopCo Class A Shares to be held by the EIP Trustee may be used for employee incentive subject to and in accordance with the terms and conditions of the Management Incentive Plan after the Effective Date (in which connection the relevant TopCo Class A Shares will be re-designated as TopCo Class B Shares), and/or for other purposes as the TopCo Board and/or holders of the TopCo Class A Shares may determine and approve after the Effective Date in accordance with the TopCo Articles and the Shareholder Arrangements. In addition, the Company is of the view that the Group's business development would, among other factors, benefit from the continuity, experience and contribution of these Eligible Participants, who collectively represent the Group's core management and key personnel. In this context, the Rollover Agreement can therefore provide long-term incentives and align interests of the beneficiaries with those of the Group, thereby encouraging continued contribution and commitment following the implementation of the Proposal;
- (ii) the Rollover Agreement does not provide the EIP Trustee interests in the Company which the EIP Trustee does not originally own;

- (iii) the Rollover Shares represent an investment in an unlisted company, which is subject to fewer regulatory protections and increased risks associated with investing in a private company. In the event that the Disinterested Shareholders were given the opportunity to retain their interests in the Company following the implementation of the Proposal and the withdrawal of listing of the Shares, their interests would no longer be protected by a regulatory framework applicable to listed companies in Hong Kong. In particular, the Company would cease to be subject to the relevant provisions under the Listing Rules, including Chapters 14 and 14A of the Listing Rules regarding notifiable transactions and connected transactions, which currently provides certain safeguards to minority shareholders. In relation to dilution of shareholdings, under the Listing Rules, the issue of new shares is subject to limits imposed by general mandates or requires specific shareholders' approval to prevent undue dilution of minority shareholdings. These protections would no longer apply once the Company is delisted. The Takeovers Code may also cease to apply upon it is determined that the TopCo has ceased to be a public company in Hong Kong. After delisting, the rights of the remaining shareholders would primarily be governed by the TopCo's constitutional documents and the provisions of the Companies Act relating to minority shareholder's protection, which may not provide an equivalent level of protection as the Listing Rules and the Takeovers Code. In addition, the absence of a public market for the Shares would significantly reduce the liquidity of their investment and make it difficult for them to realise their shareholdings.

In this context, we note that the Rollover Agreement does not preserve any of these listed-company protections for the EIP Trustee, nor does it allow the EIP Trustee to retain listed Shares following the privatisation. The EIP Trustee will hold unlisted TopCo Class A Shares under the same private-company framework that would apply to any Share Alternative Electing Shareholders post-privatisation. Accordingly, the Rollover Agreement does not place the EIP Trustee in a more favourable position than the Disinterested Shareholder; and

- (iv) the approval of the Rollover Agreement by the Disinterested Shareholders at the EGM is a condition precedent to the implementation of the Proposal. If the Rollover Agreement is not approved, the Proposal will not be implemented, and the Scheme will not take effect. Having considered that the Proposal and the Scheme are fair and reasonable (please refer to section headed "V. CONCLUSIONS AND RECOMMENDATION" below in this letter), we are of the view that the approval of the Rollover Agreement, which is one of the prerequisites for the implementation of the Proposal, is in the interests of the Company and the Disinterested Shareholders,

taking into account the factors set out in (i) to (iv) above, in particular that (a) the Rollover Agreement only involves the rollover of Shares already held by the EIP Trustee, (b) no additional economic rights or consideration are granted to the EIP Trustee beyond what is available to other Shareholders under the Proposal, and (c) the EIP Trustee will hold unlisted TopCo Class A Shares subject to the same private company framework and associated risks that

would apply to any Share Alternative Electing Shareholders post-privatisation, we consider the Rollover Agreement cannot be interpreted as having extended of any favourable terms to the EIP Trustee, and we are of the opinion that the terms of the Rollover Agreement are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the relevant resolution which will be proposed at the Court Meeting and the EGM to approve the Rollover Agreement.

Special Deal relating to the Management Incentive Plan

As set out in the section headed “10. SPECIAL DEALS – Special Deal relating to the Management Incentive Plan” in the Explanatory Memorandum, upon the Scheme becoming effective, TopCo intends to adopt the Management Incentive Plan, typical of private equity owned businesses, to retain top talent and align the interests of senior management with the overall success of the TopCo Group by giving them economic exposure to the performance of the TopCo Group.

The Management Incentive Plan shall have a pool size of initially up to 10% of the total issued share capital of TopCo, of which awards representing up to 2.5% of the total issued share capital of TopCo shall be reserved for grants to eligible MIP Participants in recognition of their contributions to the Group during the financial year ending 31 December 2025, with such grants to be made after the consolidated financial results of the Group for that financial year become available and upon completion of the Proposal. The MIP Participants will comprise senior management, employees, directors, advisers and consultants of the TopCo Group. The awards granted to any individual MIP Participant during each financial year of TopCo shall not exceed 0.5% of the total issued share capital of TopCo.

We note from the Explanatory Memorandum that (i) as at the Latest Practicable Date, the structure of the Management Incentive Plan was still being discussed. It is contemplated that the MIP Participants may be entitled to acquire certain MIP Shares or receive payments calculated by reference to the value of the MIP Shares, upon exercise of the grants issued under the Management Incentive Plan; (ii) the grants under the Management Incentive Plan may be issued subject to a strike price to be determined by the TopCo Board or TopCo’s remuneration committee and the strike price may also be zero; (iii) grants under the Management Incentive Plan are expected to be made subject to time vesting from date of grant (subject to an ability to vary this on a case-by-case basis, including by determining there to be an earlier grant date and for the TopCo Board to accelerate vesting); (iv) the majority of the awards to be granted under the Management Incentive Plan are expected to be subject to TopCo reaching certain performance targets and/or certain return hurdles on the initial public offering of TopCo or the disposal of all or substantially all of the shares in or assets of TopCo; and (v) the Potential MIP Participants are senior management of the Group and have extensive operational expertise and in-depth understanding of the Group’s business and industry.

In addition, we note the implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to, among other conditions, the fulfilment of the passing of an ordinary resolution by the Disinterested Shareholders at the General Meeting to approve the Management Incentive Plan. Since the approval of the Management Incentive Plan by the Disinterested Shareholders at the EGM is a condition precedent to the implementation of the Proposal. If the Management Incentive Plan is not approved, the Proposal will not be implemented, and the Scheme will not take effect. Having considered that the Proposal and the Scheme are fair and reasonable (please refer to section headed “V. CONCLUSIONS AND RECOMMENDATION” below in this letter), we are of the view that the approval of the Management Incentive Plan, which is one of the prerequisites for the implementation of the Proposal, is in the interests of the Company and the Disinterested Shareholders.

As the Management Incentive Plan is not offered to all Shareholders, the Management Incentive Plan constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror has therefore made an application to the Executive for its consent to the Management Incentive Plan as a special deal under Rule 25 of the Takeovers Code, conditional on (i) the Independent Financial Adviser publicly stating that in its opinion that the terms of the Management Incentive Plan are fair and reasonable; and (ii) the Management Incentive Plan is approved at the EGM. The Mr. Qin Parties, the Mr. Jin Parties and the EIP Trustee are considered to be acting in concert with the Offeror as a result of the Special Deals, and are therefore not Disinterested Shareholders and will not be voting on the Special Deals at the EGM. For the avoidance of doubt, the Potential MIP Participants (other than Mr. Qin and Mr. Jin) will be deemed to be Disinterested Shareholders as they may ultimately not benefit from an allocation under the Management Incentive Plan.

We are of the view that the Management Incentive Plan is broadly consistent with the incentive arrangement commonly adopted by companies, such as the Company, (i) transitioning from public to private ownership; and (ii) with a sizeable scale. Given the Group’s position as one of the leading express freight network in China’s LTL market, the Group’s continued success is expected to depend on its ability to maintain management stability and operational execution in a highly competitive industry, we concur that the rationale of the Management Incentive Plan that retaining top talent and aligning the interest of senior management are critical to sustaining long-term growth of the TopCo Group after privatisation.

Furthermore, we consider the initial pool size of up to 10% of the total issued share capital of TopCo under the Management Incentive Plan is fair and reasonable, as it is consistent with the scheme mandate limit of 10% under the Listing Rules. In addition, the implementation of the Management Incentive Plan is subject to the constitutional documents of the TopCo Group and all applicable regulatory requirements, similar to the issuance of other TopCo Class A Shares under the Share Alternative.

Given that the majority of the awards to be granted under the Management Incentive Plan are expected to be subject to TopCo reaching certain performance target and/or certain return hurdles on the initial public offering of TopCo or the disposal of all or substantially all of the shares in or assets of TopCo, we consider such structure serves as a mechanism that helps align the participants' awards with the performance of the TopCo Group and is intended to provide a reasonable balance between the risk and return associated with the equity incentives.

As at the Latest Practicable Date, the Offeror had not yet finalised the list of the proposed MIP Participants or their respective allocations, which will only be finalised after completion of the Proposal. We note that all of the existing senior management of the Group who hold Shares in the Company (including Mr. Qin and Mr. Jin) are Potential MIP Participants. We note that Mr. Qin and Mr. Jin possess extensive and relevant experience in the Group's business and operations. As set out in the Explanatory Memorandum, Mr. Qin has been the chief executive officer and president of the Company since 2010 and is appointed as the co-chairman of the Board since 9 January 2023. Mr. Qin has over 25 years of experience in the logistics industry, and is responsible for the overall strategic planning, organisational development and overseeing the business operations of the Group. Mr. Jin has been working in a principal subsidiary of the Company since February 2012, where he currently works as the general manager. Mr. Jin was also appointed as the executive Director in September 2022 and has served as the chief growth officer and the chief operating officer, from September 2022 to July 2023 and since July 2023, respectively. Given their relevant industry experience, we concur with the Company's view that it is beneficial to the Company to retain Mr. Qin and Mr. Jin as shareholders of TopCo after completion of the Proposal so that Mr. Qin and Mr. Jin can continue to contribute to, and share their resources and business network with, the Company's business operations, which will enhance the Company's competitiveness in the market and benefit the Group's long-term sustainable development and growth.

Based on the above factors and taking into account that (i) we consider that the approval of the Management Incentive Plan, which is one of the prerequisites for the implementation of the Proposal, is in the interest of the Company and the Disinterested Shareholders; (ii) the Management Incentive Plan is broadly consistent with the incentive arrangement commonly adopted by companies like the Company; (iii) the initial pool size of up to 10% of the total issued share capital of TopCo under the Management Incentive Plan is considered fair and reasonable; and (iv) the Management Incentive Plan serves as a mechanism that helps align the participants' awards with the performance of the TopCo Group and is intended to provide a reasonable balance between the risk and return associated with the equity incentives, we do not consider the Management Incentive Plan can be interpreted as having extended any favourable terms to the MIP Participants. In forming this view, we note in particular that (a) the grants under the Management Incentive Plan are discretionary, and are expected to be subject to vesting, certain performance targets and/or return hurdles, and therefore do not guarantee any immediate economic benefit to the MIP Participants; (b) the awards will be granted in an unlisted form and will carry the same illiquidity and reduced regulatory protections that would apply to any other Share Alternative Electing Shareholders, meaning that the MIP Participants are not insulated from the risks borne by other Share Alternative Electing Shareholders post-privatisation; and (c) the Management Incentive Plan does not grant any additional rights,

protections or economic advantages beyond what is typical for private-equity-style incentive arrangements. Accordingly, the Management Incentive Plan does not, in our view, place the MIP Participants in a more advantageous position relative to the Disinterested Shareholders.

Accordingly, we are of the view that the terms of the Management Incentive Plan are fair and reasonable so far as the Disinterested Shareholders are concerned. Our assessment is based on the current proposed terms, which are preliminary and are subject to potential alterations upon the formal agreement by the TopCo.

V. CONCLUSIONS AND RECOMMENDATION

Recommendations for the Disinterested Shareholders

In making our recommendations, we have considered the foregoing and, in particular, the following principal reasons:

- (i) the slowdown of the growth rate of the Group's revenue, gross profit and net profit, together with the contraction in gross profit margin, which is generally in line with the overall downtrend observed in the wider China logistics industry and reflects intensifying market competition and pricing pressure arising from the fragmented industry in which the Group operates, please refer to the section headed "III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Information on the Group – (iv) Industry overview" in this letter for further details;
- (ii) the Cash Alternative represents (i) premia ranging from approximately 47.28% to 64.59% over the (average) closing prices of the Shares for different periods prior to the Undisturbed Date, (ii) a premium of approximately 20.52% over the closing price on the last trading day prior to the date of the Rule 3.7 Announcement; (iii) premia ranging from approximately 28.75% to 60.05% over the (average) closing prices of the Shares for different periods prior to the Last Trading Day; (iv) a premium of approximately 289.14% over the Group's net asset value attributable to the Shareholders pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024; (v) a premium of approximately 241.18% over the Group's net asset value attributable to the Shareholders as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025; and (vi) a premium of approximately 261.42% over the Group's adjusted net asset value attributable to the Shareholders as shown in the latest unaudited consolidated financial statements of the Company as at 30 June 2025 adjusted with reference to the Interim Dividend and Special Dividend;
- (iii) the Shares had generally underperformed the broader market during the Post-IPO Period and the Cash Alternative of HK\$12.18 exceeds every closing price of the Shares after 12 November 2021 (i.e. the second trading day after listing of the Shares). Other than the first two trading days of the Shares, the Shares had never closed at or above HK\$12.18 during the Post-IPO Period;

- (iv) the trading volume of the Shares had been generally low throughout the Post-IPO Period. The generally low level of liquidity in the Shares may make it difficult for the Scheme Shareholders to dispose of a significant number of the Shares within a short period in the market without exerting downward pressure on the market prices of the Shares;
- (v) the implied P/E Ratios of the Cash Alternative is above the mean and median, and maximum P/E Ratios of the Comparable Companies (after excluding the outlier) and the implied P/B Ratio of the Cash Alternative is above the mean and median, and is close to the higher end of the Comparable Companies;
- (vi) the premia represented by the Cash Alternative of HK\$12.18 per Scheme Share are within the ranges of the Privatisation Precedents (excluding the outlier) premia over the closing price on the last trading day and the average closing prices for the last 5, 30, 60 and 90 trading days. The premia represented by the Cash Alternative of HK\$12.18 per Scheme Share is higher than the median premia of the Privatisation Precedents over the average closing prices for the last 60 and 90 trading days, but lower than the other mean and median premia of the Privatisation Precedents as set out in table 5 above. In addition, the premium represented by the Cash Alternative of HK\$12.18 per Scheme Share over audited net asset value per share and the adjusted net asset value per share is above both the mean and median premia of the corresponding Privatisation Precedents and are close to and above the maximum observed level, respectively;
- (vii) it is considered that the Share Alternative has been tailored principally for large and sophisticated Shareholders and is not necessarily suitable for other Disinterested Shareholders, please refer to the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Share Alternative – (iv) Analysis on the Share Alternative” for further details; and
- (viii) as discussed in the sections headed “Special Deals – Special Deal relating to the Rollover Agreement” and “Special Deals – Special Deal relating to the Management Incentive Plan”, we consider, as far as the interests of the Disinterested Shareholder are concerned, that the Rollover Agreement and the Management Incentive Plan cannot be interpreted as having extended any favourable terms to the EIP Trustee and the MIP Participants (please refer to the section headed “IV. SPECIAL DEALS” for further details).

In light of the above analysis, we are of the opinion that the Proposal, the Scheme and the Special Deals to be fair and reasonable so far as the Disinterested Shareholders are concerned and in the interest of the Disinterested Shareholders. We advise the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and/or implement the Proposal, the Scheme and the Special Deals.

If the market price of the Shares exceeds HK\$12.18, the Disinterested Shareholders should consider selling their Shares in the market if the sales proceeds, net of transaction costs, exceed HK\$12.18 per Share. The expected withdrawal of the listing of the Shares on the Stock Exchange is 9 February 2026 upon the Scheme becoming effective.

In general, we recommend the Disinterested Shareholders to elect the Cash Alternative and not to elect the Share Alternative. We consider the Share Alternative has been tailored principally for large and sophisticated Shareholders and is not necessarily suitable for other Disinterested Shareholders. In our opinion, only those Disinterested Shareholders who are particularly attracted by the prospects of the Company and are familiar with holding unlisted investments should consider the Share Alternative. If so, they should carefully study the risks of holding the TopCo Class A Shares. Please refer to the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED – Share Alternative – (iv) Analysis on the Share Alternative” for further details.

Recommendations for the Optionholders

Having considered the basis that, the Option Offer represents the “see-through” Option Offer Price (being the Cash Alternative minus the relevant exercise price of the outstanding Share Option) for every Share Option subject to the Option Offer, we consider that the Option Offer to be fair and reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders to accept the Option Offer.

Should the market price of the Shares exceed HK\$12.18, Optionholders should consider exercising their Options in accordance with the relevant schemes and selling in the market the Shares issued to them, if the net proceeds after deducting the expenses from such sale would exceed HK\$12.18 per Share.

Recommendations for the RSU-holders

Having considered the basis that, the RSU Offer represents an amount equal to the Cash Alternative (i.e. HK\$12.18) for the cancellation of each RSU under the RSU Offer, we consider that the RSU Offer to be fair and reasonable so far as the RSU-holders are concerned. Accordingly, we recommend the Independent Board Committee to advise the RSU-holders to accept the RSU Offer.

Should the market price of the Shares exceed HK\$12.18, RSU-holders should consider exercising their RSU in accordance with the relevant schemes and selling in the market the Shares issued to them, if the net proceeds after deducting the expenses from such sale would exceed HK\$12.18 per Share.

Yours faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited



Stephen Clark
Managing Director



Brandon Li
Director

Mr. Stephen Clark is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has over 40 years of experience in corporate finance.

Mr. Brandon Li is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 11 years of experience in corporate finance.