Ignite Capital

20 August 2026

To: The Independent Board Committee and the Independent Shareholders of Sinofortune Financial Holdings Limited

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY ASIAN CAPITAL LIMITED FOR AND ON BEHALF OF MR. WANG TO ACQUIRE ALL THE ISSUED SHARES OF SINOFORTUNE FINANCIAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. WANG AND PARTIES ACTING IN CONCERT WITH HIM (EXCLUDING MS. LAI))

INTRODUCTION

We, Ignite Capital (Asia Pacific) Limited ("Ignite Capital"), refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the Composite Document dated 20 August 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement of the Company in relation to, among others, the Offer. On 15 June 2026 (after trading hours), the Company and the Offeror entered into the Subscription Agreement, pursuant to which, the Company has conditionally agreed to allot and issue, and the Offeror has conditionally agreed to subscribe for, 215,499,000 Capitalisation Shares at the Capitalisation Issue Price of HK$0.1 per Capitalisation Share. The subscription price in the amount of HK$21,549,900 payable by the Offeror under the Subscription Agreement shall be satisfied by setting off against all the shareholder loans owing by the Company to the Offeror on a dollar-to-dollar basis.

The Subscription Completion took place on 13 August 2026. Immediately upon the Subscription Completion, the Offeror and parties acting in concert with him will be interested in 253,353,877 Shares in aggregate, representing approximately 73.51% of the total issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares.

Pursuant to Rule 26.1 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him (excluding Ms. Lai)). Asian Capital is making the Offer, for and on behalf of the Offeror, in compliance with the Takeovers Code.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely, Professor Zhang Benzheng, Mr. Li Jianxing, Professor Chen Shu Wen and Mr. Lee Kwun Kwan who have no direct or indirect interest in the transactions contemplated under the Debt Capitalisation and the Offer, has been established to make recommendations to the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer.

We, Ignite Capital, have been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Ignite Capital was engaged as independent financial adviser in respect of the Debt Capitalisation as set out in the Circular dated 20 July 2026. Notwithstanding the aforesaid engagement, we were not aware of any relationship or interest between Ignite Capital, the Company and the Offeror and his concert parties or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Ignite Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders. Accordingly, we consider that we are independent pursuant to Rule 2.1 of the Takeovers Code and Rule 17.92 of the GEM Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) the Company's annual report for the year ended 31 December ("**FY**") 2024 (the "**2024 Annual Report**");

(ii) the Company's annual report for FY2025 (the "**2025 Annual Report**");

(iii) the Company's interim results announcement for the six months ended 30 June ("**HY**") 2026 (the "**2026 Interim Results Announcement**");

(iv) the Joint Announcement; and

(v) other information as set out in the Composite Document.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Composite Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of any material changes to our opinion, advice and/or recommendation, the information and representations provided and made to us and the information contained in this letter after the Latest Practicable Date and up to the close of the Offer as soon as possible pursuant to Rule 9.1 of the Takeovers Code.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Composite Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Composite Document, the omission of which makes any such statement contained in the Composite Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than that relating to the Offeror and parties acting in concert with him) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

The Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than information relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than those expressed by the Directors (except the Offeror)) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

We have not considered the taxation implications, if any, on the Independent Shareholders as a result of the acceptance or non-acceptance of the Offer. We will not accept responsibility for any tax effect or liability that may potentially be incurred by the Independent Shareholders as a result of the Offer. In particular, Independent Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek advice from their own professional advisers on tax matters.

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Offer, we have taken into consideration the following principal factors and reasons:

1. Background and terms of the Offer

With reference to the Composite Document, Asian Capital will, for and on behalf of Mr. Wang, make the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share . . . . **HK$0.1 in cash**

The Offer Price of HK$0.1 per Offer Share under the Offer is the same as the Capitalisation Issue Price per Capitalisation Share under the Subscription Agreement.

With reference to the Composite Document, as at the Latest Practicable Date, there were 344,648,302 Shares in issue.

The Offer is extended to all Shareholders other than Mr. Wang and parties acting in concert with him (excluding Ms. Lai) in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and interests attaching thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. As at the Latest Practicable Date, the Company does not have any dividend or distribution recommended, declared or made but unpaid and has no intention to make any distribution or declare dividends before the Closing Date.

For further details of the Offer, please refer to Appendix I to the Composite Document.

2. Information of the Group

2.1 Business profile

With reference to the Letter from the Board, the Company was incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange. The Group is principally engaged in (i) trading of motor vehicles and provision of agency services and accessories sourcing (the "**Vehicle Business**"); and (ii) provision of digital marketing services (the "**Digital Marketing Business**").

2.2 *Financial information*

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2025 and HY2026, together with the comparative figures for HY2025, as extracted from the 2024 Annual Report, the 2025 Annual Report and 2026 Interim Results Announcement:

Table 1: Highlights of the financial results of the Group

	HY2026	HY2025	FY2025	FY2024	FY2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)	(audited and restated Note 1)
Revenue from continuing operations	**46,061**	**4,501**	**29,054**	**32,148**	**149,684**
– Vehicle Business (Note 2)	13,683	4,501	29,054	32,148	149,684
– Digital Marketing Business	32,378	Nil	Nil	Nil	Nil
Profit /(Loss) attributable to owners of the Company from continuing operations for the year/period	**(5,909)**	**6,975**	**(14,652)**	**(98,752)**	**(15,777)**

Note:

1. With reference to the 2024 Annual Report, on 9 July 2024, the Company entered into an agreement with certain independent third parties to dispose of its 100% equity interest in Sinofortune Financial Holdings (BVI) Limited. As the operations of Sinofortune Financial Holdings (BVI) Limited were classified as discontinued operations, the comparative figures for FY2023, including the revenue and loss attributable to owners of the Company from continuing operations presented in Table 1 above, were restated to conform with the presentation for FY2024.

2. With reference to the 2026 Interim Results Announcement, prior to HY2026, the Group was principally engaged in the trading of motor vehicles, the provision of agency services and accessories sourcing, which constituted the Group's continuing business operations. During HY2026, the chief operation decision maker considered the Digital Marketing Business to be a new and separate operating and reportable segment. As a result, two operating and reportable segments were identified by the chief operating decision maker. The Vehicle Business was defined to comprise the combined revenue from (i) the trading of motor vehicles; and (ii) the provision of agency services and accessories sourcing.

HY2026 vs HY2025

As shown in Table 1 above, the Group's revenue from continuing operations for HY2026 increased by approximately 923% from approximately HK$4.5 million for HY2025 to approximately HK$46.1 million for HY2026.

According to the 2026 Interim Results Announcement, the sizable increase was mainly attributable to (i) growth in the Vehicle Business; and (ii) the commencement of the Digital Marketing Business.

By segment, the Vehicle Business recorded revenue of approximately HK$13.7 million for HY2026, representing an increase of approximately 204% from approximately HK$4.5 million for HY2025. With reference to the 2026 Interim Results Announcement, such increase in revenue was primarily attributable to the increase in sales volume following the reduction in the selling prices of motor vehicles amid intense price competition in the PRC market. The gross profit margin of the Vehicle Business remained broadly stable during HY2026 as compared with HY2025, as the adverse impact of the reduction in selling prices was offset by the contribution from newly introduced vehicle models with relatively higher gross profit margins. Nevertheless, the gross profit generated during HY2026 remained insufficient to cover the relevant segment expenses, resulting in a segment loss of approximately HK$1.2 million for HY2026. As compared with a segment profit of approximately HK$16.8 million for HY2025, we note that the segment profit for HY2025 included impairment loss reversals of approximately HK$19.4 million in aggregate, comprising approximately HK$18.6 million in respect of advance payments for the purchase of trading motor vehicles and approximately HK$0.8 million in respect of trade receivables. Excluding such impairment loss reversals, the Vehicle Business would have recorded an adjusted segment loss of approximately HK$2.6 million for HY2025. On this basis, although the Vehicle Business remained loss-making, its adjusted segment loss narrowed by approximately HK$1.5 million, or approximately 55.6%, during HY2026. The Digital Marketing Business, which commenced operations in February 2026, recorded revenue of approximately HK$32.4 million for HY2026 and became the largest contributor to the Group's revenue during HY2026. The Digital Marketing Business recorded a segment profit of approximately HK$0.4 million for HY2026. Further details of the Digital Marketing Business are set out in 2026 Interim Results Announcement.

The Group reported loss attributable to owners of the Company from continuing operations of approximately HK$5.9 million for HY2026, as compared with profit attributable to owners of the Company from continuing operations of approximately HK$7.0 million for HY2025. With reference to the 2026 Interim Results Announcement and as confirmed by the Management, the change from profit to loss was mainly attributable to the absence during HY2026 of impairment loss reversals of approximately HK$19.4 million recognised during HY2025, comprising approximately HK$18.6 million in respect of advance payments for the purchase of trading motor vehicles and approximately HK$0.8 million in respect of trade receivables, partially offset by (i) reversal of impairment loss on other receivables of approximately HK$3.5 million for HY2026; and (ii) the increase in revenue and segment results contributed by the Digital Marketing Business.

FY2025 vs FY2024

As shown in Table 1 above, the Group's revenue from continuing operations for FY2025 declined by approximately 9.6% from approximately HK$32.1 million for FY2024 to approximately HK$29.1 million for FY2025. According to the 2025 Annual Report, the decrease was primarily driven by the weak macroeconomic environment and intense price competition in the motor vehicle trading industry. By segment, the Vehicle Business recorded revenue of approximately HK$28.9 million for FY2025, representing a decrease of approximately 6.2% from approximately HK$30.8 million in FY2024, reflecting subdued consumer sentiment and pricing pressures in the motor vehicle market in the PRC.

The Group reported loss attributable to owners of the Company from continuing operations of approximately HK$14.7 million for FY2025, as compared with approximately HK$98.8 million for FY2024, representing a significant decrease of approximately 85.2%. According to the 2025 Annual Report and as confirmed by the Management, such decrease in net loss was mainly attributable to (i) the turnaround from the recognition of an impairment loss on advance payments for the purchase of trading motor vehicles of approximately HK$75.8 million for FY2024 to the one-off reversal of such impairment loss of approximately HK$18.8 million for FY2025, representing a year-on-year positive impact of approximately HK$94.6 million; and (ii) the one-off gain on disposal of a subsidiary (the "**Disposal**") of approximately HK$14.3 million for FY2025, partially offset by (iii) the impairment loss on other receivables of approximately HK$25.1 million for FY2025 following the annual impairment assessment. Details of the Disposal are set out in the Company's announcements dated 22 July 2025 and 8 October 2025. The impairment loss on other receivables of approximately HK$25.1 million was recognised mainly in respect of the nature of the receivables and relevant debtor(s), after taking into account the overdue status of the receivables, the financial condition of the relevant debtor(s), the latest recovery progress and other relevant factors. As advised by the Management, the impairment related to the specific circumstances of the relevant debtor(s) and did not reflect a general deterioration in the recoverability of the Group's receivables as a whole. The reversal of impairment loss on advance payments and the gain on the Disposal were non-recurring in nature. Accordingly, the substantial reduction in the Group's loss for FY2025 did not necessarily represent a corresponding improvement in the Group's underlying operating performance. Notwithstanding such improvement in the loss position, the Group remained loss-making for FY2025, and its revenue continued to decline, indicating that the Group's operating performance remained under pressure.

FY2024 vs FY2023

The Group's revenue from continuing operations for FY2024 decreased significantly by approximately 78.5% from approximately HK$149.7 million for FY2023 to approximately HK$32.1 million for FY2024. Such decrease was primarily attributable to a significant decrease in revenue from the Vehicle Business in the PRC, with segment revenue decreasing from approximately HK$148.3 million in FY2023 to approximately HK$30.8 million in FY2024, representing a decrease of approximately 79.2%. According to the 2024 Annual Report and as confirmed by the Management, the decrease in revenue from the Vehicle Business was mainly attributable to (i) a significant reduction in the number and aggregate value of vehicle trading orders; (ii) intensified competition from new energy vehicle manufacturers and the expansion of local government subsidies for new energy vehicles which encouraged price reductions in the PRC automobile market and adversely affected the market demand and pricing competitiveness of the traditional fuel-powered passenger vehicles offered by the Group; and (iii) the Group's strategic reduction in lower-margin vehicle trading activities amid weakened market demand and challenging operating conditions.

The Group recorded loss attributable to owners of the Company from continuing operations of approximately HK$98.8 million for FY2024, as compared with that of approximately HK$15.8 million for FY2023, representing an increase of approximately 525.9%. According to the 2024 Annual Report and as confirmed by the Management, the increase in loss was principally attributable to (i) the substantial decrease in revenue; and (ii) the recognition of an impairment loss of approximately HK$75.8 million on advance payments made for the purchase of trading motor vehicles. The impairment loss was recognised after taking into account, among other things, the non-refundable nature of the relevant deposits, the status of delivery of the underlying motor vehicles and the recoverability of the relevant advance payments. Such impairment loss arose from the specific circumstances relating to the relevant advance payments and was non-recurring in nature. The significant decline in revenue and the widened loss position in FY2024 reflected the challenging operating conditions faced by the Group and the pressure on the Group's financial performance during FY2024.

2.3 Financial position

Set out below is a summary of the consolidated financial position of the Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, as extracted from the 2024 Annual Report and the 2025 Annual Report and the 2026 Interim Results Announcement:

Table 2: Highlights of the financial position of the Group

	As at 30 June 2026 *HK$'000* (unaudited)	As at 31 December 2025 *HK$'000* (audited)	As at 31 December 2024 *HK$'000* (audited)	As at 31 December 2023 *HK$'000* (audited)
Non-current assets	**3,387**	**4,507**	**67,430**	**23,930**
– Prepayments, deposits and other receivables (non-current portion)	Nil	Nil	47,128	1,531
Current assets	**134,902**	**107,396**	**50,320**	**220,349**
– Bank balances and cash	33,477	20,444	13,532	24,830
– Trade receivables	19,719	158	Nil	340
– Prepayments, deposits and other receivables (current portion)	81,666	86,755	36,751	178,433
Total assets	**138,289**	**111,903**	**117,750**	**244,279**
Non-current liabilities	**1,894**	**1,990**	**2,017**	**2,647**
Current liabilities	**141,385**	**109,010**	**100,963**	**123,413**
– Trade payables	17,858	Nil	Nil	5,457
– Amount due to a Director, being the Offeror	21,540	8,000	Nil	Nil
Total liabilities	**143,279**	**111,000**	**102,980**	**126,060**
Equity attributable to owners of the Company	**(4,849)**	**1,034**	**14,870**	**118,052**

30 June 2026 vs 31 December 2025

As at 30 June 2026, the Group's total assets amounted to approximately HK$138.3 million, representing an increase of approximately 23.6% from approximately HK$111.9 million as at 31 December 2025. Meanwhile, the Group's total liabilities amounted to approximately HK$143.3 million, representing an increase of approximately 29.1% from approximately HK$111.0 million as at 31 December 2025. Mainly as a result of the loss attributable to owners of the Company from continuing operations of approximately HK$5.9 million for HY2026, the Group's equity attributable to owners of the Company deteriorated from approximately HK$1.0 million as at 31 December 2025 to a deficit attributable to owners of the Company of approximately HK$4.8 million as at 30 June 2026. The Group recorded net current liabilities of approximately HK$6.5 million as at 30 June 2026, representing an increase of approximately HK$4.9 million from that of approximately HK$1.6 million as at 31 December 2025.

As at 30 June 2026, the Group had (i) bank balances and cash of approximately HK$33.5 million; and (ii) trade receivables of approximately HK$19.7 million; (iii) prepayments, deposits and other receivables of approximately HK$81.7 million. Although the Group's bank balances and cash increased from approximately HK$20.4 million as at 31 December 2025 to approximately HK$33.5 million as at 30 June 2026, the Group's net current liabilities increased mainly due to (i) the substantial increase in the amount due to a Director, being the Offeror, from approximately HK$8.0 million to approximately HK$21.5 million during HY2026; and (ii) the recognition of trade payables of approximately HK$17.9 million, mainly arising from the commencement of the Digital Marketing Business. As advised by the Management, the increase in the amount due to the Offeror was attributable to additional advances provided by the Offeror to supplement the Group's liquidity and working capital for its business operations. The relevant advances represented principal amounts, were unsecured, interest-free and repayable on demand. Further details of the Debt Capitalisation are set out in the Joint Announcement and the Circular. During HY2026, the Group's prepayments, deposits and other receivables decreased from approximately HK$86.8 million as at 31 December 2025 to approximately HK$81.7 million as at 30 June 2026, mainly due to the utilisation of certain prepayments and deposits following the delivery of motor vehicles and completion of the relevant transactions under the Vehicle Business. During the same period, the increase in trade receivables was mainly due to the commencement of the Digital Marketing Business, while the increase in bank balances and cash was mainly due to the increase in the amount due to the Offeror. The increases in trade receivables and bank balances and cash partially offset the increase in current liabilities during HY2026.

In addition, as advised by the Management, a significant portion of the Group's current assets comprised prepayments, deposits and other receivables, as well as trade receivables, which may not be readily available for immediate debt repayment. We further understand from the Management that a substantial portion of the Group's bank balances and cash was maintained in the PRC and was not readily available for remittance outside the PRC, having regard to the applicable foreign exchange and cross-border remittance procedures. Such cash resources were also required to support the development and ongoing operations of the Existing Businesses, including the settlement of operating expenses, supplier payments and other working capital requirements. Such cash resources should not be regarded as surplus cash readily available for repayment of the amount due to a Director, being the Offeror. Accordingly, notwithstanding the increase in the Group's bank balances and cash, the Group's overall financial position deteriorated during HY2026, as evidenced by the increase in net current liabilities and the change from a positive equity position to an equity deficit attributable to owners of the Company as at 30 June 2026.

31 December 2025 vs 31 December 2024

As at 31 December 2025, the Group's total assets amounted to approximately HK$111.9 million, representing a decrease of approximately 5.0% from that of HK$117.8 million as at 31 December 2024. Meanwhile, the Group's total liabilities amounted to approximately HK$111.0 million, representing an increase of approximately 7.8% from approximately HK$103.0 million as at 31 December 2024. Mainly as a result of the loss attributable to owners of the Company from continuing operations of approximately HK$14.7 million for FY2025, equity attributable to owners of the Company decreased significantly from approximately HK$14.9 million as at 31 December 2024 to approximately HK$1.0 million as at 31 December 2025, representing a decrease of approximately 93.0%. The Group recorded net current liabilities of approximately HK$1.6 million as at 31 December 2025, representing a decrease of approximately HK$49.0 million from that of approximately HK$50.6 million as at 31 December 2024.

As at 31 December 2025, the Group had (i) bank balances and cash of approximately HK$20.4 million; and (ii) prepayments, deposits and other receivables (including both current and non-current portions) of approximately HK$86.8 million. Although the Group's net current liabilities position as at 31 December 2025 improved as compared with 31 December 2024, the Group remained in a net current liabilities position as at 31 December 2025, and its equity base had substantially reduced due to loss attributable to the owners of the Company for FY2025. In addition, as advised by the Management, a significant portion of the Group's current assets comprised prepayments, deposits and other receivables, which may not be readily available for immediate debt repayment.

31 December 2024 vs 31 December 2023

As at 31 December 2024, the Group's total assets and total liabilities were approximately HK$117.8 million and approximately HK$103.0 million, respectively, as compared to approximately HK$244.3 million and approximately HK$126.1 million as at 31 December 2023. This represented a decrease in total assets of approximately 51.8% and a decrease in total liabilities of approximately 18.3%. Mainly as a result of the loss attributable to owners of the Company from continuing operations of approximately HK$98.8 million for FY2024, equity attributable to owners of the Company decreased from approximately HK$118.1 million as at 31 December 2023 to that of approximately HK$14.9 million as at 31 December 2024, representing a decrease of approximately 87.4%. The Group recorded net current liabilities of approximately HK$50.6 million as at 31 December 2024, as compared to net current assets of approximately HK$96.9 million as at 31 December 2023. As advised by the Management, such deterioration was mainly attributable to (i) the significant decrease in prepayments, deposits and other receivables due to the impairment loss of approximately HK$75.8 million recognised on non-refundable advance payments made to vehicle suppliers. Due to the prolonged transaction period and the economic downturn, the relevant customers did not proceed further with the transactions. As the Group was required to take follow-up actions, including issuing demand letters/legal letters to the relevant customers, and the recoverability of such advance payments to vehicle suppliers could only be conclusively determined after the relevant legal proceedings or court judgments in relation to the transactions of the relevant customers, where applicable, resulting in uncertainty over the recoverability of the advance payments, including (1) expected time taken for recovery; and (2) expected recovered amount and relevant cost; and (ii) the loss recorded by the Group of approximately HK$99.0 million during FY2024.

Going concern

It was noted from the 2025 Annual Report that the Auditor, CCTH CPA Limited, drew attention to the material uncertainty related to the Group's going concern. These relevant conditions included the facts that (i) the Group incurred a net loss of approximately HK$14.7 million for FY2025; and (ii) the total current liabilities of the Group as at 31 December 2025 exceeded the Group's total current assets as at that date by approximately HK$1.6 million. These conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, having considered certain measures and arrangements, including (i) optimising its overall sales network and implementing effective cost control measures to improve the profit margin and operating cash flows of its business;

(ii) liaising with debtors in order to recover the outstanding other receivables on or before the agreed settlement dates; (iii) continuing to seek alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; and (iv) obtaining loan facilities from Mr. Wang in the amounts of HK$1,500,000 and RMB10,500,000 (approximately HK$11,635,000) as stated in the consolidated financial statements for FY2025, the Directors were of the opinion that the Group would be able to finance its future working capital and financial requirements for at least twelve months from 31 December 2025.

We have considered the above measures and arrangements in assessing the Group's financial position and going concern. However, given that certain measures remain subject to their successful implementation, including the recovery of outstanding receivables and the availability of alternative financing, we consider that uncertainty remains as to the effectiveness of such measures in strengthening the Group's operations and liquidity position.

Our views

Taking into account (i) the Group's financial results for FY2023, FY2024, FY2025 and HY2026 against a challenging macroeconomic and industry environment; and (ii) the continued deterioration in the Group's financial position, with equity attributable to owners of the Company decreasing from approximately HK$118.1 million as at 31 December 2023 to approximately HK$1.0 million as at 31 December 2025 and further deteriorating to a deficit attributable to owners of the Company of approximately HK$4.8 million as at 30 June 2026, we consider that the Group's historical financial performance and balance sheet position remained weak during the periods under review.

Although the Group's revenue increased substantially from approximately HK$4.5 million for HY2025 to approximately HK$46.1 million for HY2026, mainly due to the increase in revenue from the Vehicle Business and the commencement of the Digital Marketing Business, the Group recorded loss attributable to owners of the Company from continuing operations of approximately HK$5.9 million for HY2026, as compared with the profit attributable to owners of the Company from continuing operations of approximately HK$7.0 million for HY2025. The Digital Marketing Business recorded segment revenue and segment results of approximately HK$32.4 million and HK$0.4 million, respectively, for HY2026, while the Vehicle Business recorded a segment loss of approximately HK$1.2 million for HY2026. Accordingly, the substantial increase in revenue during HY2026 did not result in a corresponding improvement in the Group's overall financial results.

Moreover, the material uncertainty relating to going concern highlighted by the Auditor in the 2025 Annual Report, the Group's net current liability position as at 30 June 2026 and the significant portion of its current assets comprising prepayments, deposits and other receivables and trade receivables, which may not be readily available for immediate debt repayment, further highlight the Group's liquidity constraints. Notwithstanding the increase in the Group's bank balances and cash during HY2026, a substantial portion of such cash was maintained in the PRC and was required to support the development and ongoing operations of the Existing Businesses and meet its working capital requirements. Accordingly, such cash should not be regarded as surplus cash readily available for repayment of the amount due to a Director, being the Offeror.

We acknowledge that the Group's historical financial performance and weakened financial position do not, on a standalone basis, establish the fairness and reasonableness of the Offer Price. Nevertheless, the Group's historical financial results, weakened balance sheet, material uncertainty relating to going concern and liquidity constraints are relevant to the risks associated with retaining the Shares. We have therefore taken these factors into account, together with the other factors discussed in this letter, in assessing the fairness and reasonableness of the Offer.

2.4 Prospects of the Group

To assess the operating environment of the Group's principal business, namely the Vehicle Business and the Digital Marketing Business, we have reviewed relevant market data and regulatory developments in the passenger vehicle market and digital marketing market in the PRC.

The Vehicle Business

China Automobile Dealers Association Passenger Car Market Information Joint Branch* (中國汽車流通協會乘用車市場信息聯席分會)(the "**CPCA**"), the predecessor of which was established in 1994 and which is currently a professional branch of the China Automobile Dealers Association* (中國汽車流通協會), is a passenger vehicle market information exchange and research platform in the PRC. According to the websites of the CPCA and the China Automobile Dealers Association, the CPCA's members cover all passenger vehicle manufacturers in the PRC, certain commercial vehicle manufacturers and most of the emerging automobile manufacturers in the PRC. Its passenger vehicle market data and analyses have also been cited or referenced in reports published on the websites of government authorities, including the Ministry of Industry and Information Technology (工業和信息化部) of the PRC, in published documents of Hong Kong-listed companies, and in reports published by major international media organisations. Having regard to the CPCA's long-standing history, broad industry participation and the wide citation of its data by the above sources, we consider that the CPCA's data are representative of the passenger vehicle market in the PRC and provide a reasonable basis for our analysis. According to the data from the CPCA, the cumulative retail sales in the passenger car market in the PRC reached approximately 23.7 million units in 2025, representing a year-on-year increase of approximately 3.8%. Within this total, retail sales of new energy passenger vehicles increased by approximately 17.6% to approximately 12.8 million units, driving the market penetration rate to approximately 57%. By contrast, retail sales of traditional fuel-powered passenger vehicles fell approximately 9% year-on-year to approximately 10.9 million units, reducing their market share to approximately 43%. These figures indicate that the passenger vehicle market in the PRC has continued to shift towards new energy vehicles, with new energy vehicles becoming an increasingly important segment of the passenger vehicle market in the PRC. This trend appeared to have continued in 2026, as cumulative retail sales of traditional fuel passenger vehicles for the HY2026 were only 4.0 million units in total, marking a sharp year-on-year decline of approximately 26.4%.

We understand from the Management that the Vehicle Business exclusively involves the trading of fuel vehicles and that the Group currently has no plan to expand the Vehicle Business to include the trading of new energy vehicles, having regard to uncertainties arising from international trade tensions. As such, the rising penetration of new energy vehicles and intensified price competition in the automobile market of the PRC, particularly the continuing price reductions and promotional activities in the new energy vehicle sector, may continue to affect the marketability and pricing competitiveness of the Vehicle Business. In our view, such market trend is relevant to the Group as the Vehicle Business is principally exposed to demand for imported fuel vehicles, which may face increasing pressure from changing consumer preferences and the growing availability of competitively priced new energy vehicles in the PRC market.

In addition to market competition, regulatory requirements relating to vehicle emissions have also affected the operating environment of importers of motor vehicles. In May 2023, the Ministry of Ecology and Environment* of the PRC (中華人民共和國生態環境部), together with four other government departments, issued the "Limits and Measurement Methods for Emissions from Light-Duty Vehicles (China 6)*"(輕型汽車污染物排放限值及測量方法(中國第六階段))(the "**China 6 Emission Standard**"), mandating the nationwide implementation of the more stringent second stage of the China 6 Emission Standard starting from 1 July 2023, and prohibiting the production, import or sale of vehicles that do not meet these requirements. Such regulatory requirements require importers to ensure that the relevant imported motor vehicles comply with the applicable emission standards before they can be imported and sold in the PRC, which may increase the time and compliance requirements for introducing imported vehicle models into the PRC market.

With reference to the 2025 Annual Report and as confirmed by the Management, as at 31 December 2025, the Group obtained Ecological Environment Certification* (生態環境認證) for six types of imported motor vehicles under the China 6 Emission Standard, while the other models of imported motor vehicles that the Group intended to sell were still in the certification process. The Group has been closely monitoring the certification process for its imported motor vehicles under the China 6 Emission Standard. We understand from the Management that the certification process for imported motor vehicles can take more than a year, which may affect the Group's ability to introduce new models in a timely manner, limiting the models of motor vehicles that can be sold. Accordingly, the Group's ability to maintain a competitive product offering in its Vehicle Business may be constrained by, among others, the availability of certified vehicle models, market demand for fuel vehicles and intensified competition from new energy vehicles. In light of the above, we are of the view that there exists uncertainty regarding the outlook of the Vehicle Business.

In light of the above, we are of the view that the operating outlook of the Vehicle Business remains challenging in the foreseeable future. In particular, given the Group's focus on fuel vehicle trading, the increasing penetration of new energy vehicles, the continued price competition in the PRC automobile market and the compliance requirements for imported vehicle models are expected to continue to pose challenges to the Vehicle Business.

The Digital Marketing Business

We noted a market research report entitled "2026 China Digital Marketing Trend Report"* (《中國數字營銷趨勢報告2026》)(the "**Digital Marketing Trend Report**") published by Miaozhen Marketing Academy* (秒針營銷科學院) when considering the digital marketing industry in the PRC.

According to the Digital Marketing Trend Report and public information, (i) Miaozhen Marketing Academy* (秒針營銷科學院) is a marketing research institution established at the initiative of Miaozhen Systems* (秒針系統), a marketing technology and measurement service provider within the Mininglamp Technology group (明略科技), whose shares are listed on the Stock Exchange (stock code: 2718.HK); (ii) the Digital Marketing Trend Report was prepared based on quantitative surveys and qualitative interviews with advertisers, brand owners, agencies and marketing experts, with 198 respondents participating in the survey; and (iii) the relevant series of reports had been published for nine consecutive years as at the date of publication of the Digital Marketing Trend Report and provides industry participants with information on the development and trends of the digital marketing industry in the PRC. We also note that the relevant series of reports published by Miaozhen Marketing Academy has been cited or referenced in listing documents, circulars and annual reports published by companies listed or seeking a listing on the Stock Exchange. Having considered the background of Miaozhen Marketing Academy, the research methodology, sample size and publication history of the Digital Marketing Trend Report, as well as the citation or reference to the relevant series of reports in published listing documents, circulars and annual reports, we consider that we have conducted the works as required under paragraph 5.3 of the Corporate Finance Adviser Code of Conduct published in October 2013 and the Digital Marketing Trend Report can provide a reasonable basis for our analysis.

Based on our review of the Digital Marketing Trend Report, we noted that (i) the internet advertising market in the PRC amounted to approximately RMB725.7 billion in 2025, representing a year-on-year increase of approximately 11.5%; (ii) 30% of the surveyed advertisers indicated that their overall marketing expenditure would increase in 2026, representing an increase of 8 percentage points from 22% in the corresponding survey conducted in the preceding year; and (iii) the surveyed advertisers indicated an average anticipated increase of approximately 10% in their overall marketing expenditure for 2026 as compared with 2025.

However, the Digital Marketing Trend Report also indicated that (i) the digital marketing industry in the PRC was characterised by a highly concentrated media landscape, with the leading media platforms capturing a substantial portion of market growth while smaller media platforms faced increasing competitive pressure. According to the Digital Marketing Trend Report, the top four media platforms accounted for more than 70% of the relevant market; (ii) demographic changes, slower income growth and subdued consumer confidence continued to place pressure on consumer demand, with consumer confidence remaining at a relatively low level since 2022. In our view, weaker consumer demand may cause consumer-facing enterprises and advertisers to adopt a more cautious approach to their marketing expenditure, which may in turn affect the demand for digital marketing services; and (iii) advertisers and consumer-facing enterprises continued to face challenges in maintaining business growth and improving marketing effectiveness in a relatively low-growth economic environment. The Digital Marketing Trend Report further identified difficulties in measuring marketing effectiveness, improving marketing return on investment and addressing media fragmentation as major challenges faced by the surveyed advertisers.

Our views

Taking into account the industry information and regulatory developments discussed above, we consider that the operating environment of the Group's businesses is subject to uncertainties. The Vehicle Business is exposed to challenges arising from the accelerating shift towards new energy vehicles, intense competition in the PRC automobile market, the uncertainty surrounding demand for fuel vehicles, as well as the regulatory and certification requirements applicable to imported vehicles. The Digital Marketing Business is subject to uncertainties associated with the highly concentrated media platform landscape, subdued consumer demand, the marketing expenditure decisions of advertisers and the challenges faced by advertisers in measuring marketing effectiveness and improving marketing return on investment.

At the company level, we note that the Digital Marketing Business commenced operations in February 2026 and had an operating track record of only approximately five months as at 30 June 2026. It recorded revenue of approximately HK$32.4 million for HY2026, representing only approximately 1.2% of the average latest annual revenue of approximately HK$2,693.4 million for the Marketing Comparable Companies (as defined below). Although the respective revenue periods are not directly comparable, the substantial difference in scale indicates that the Digital Marketing Business remained at an early stage of development and was significantly smaller than the businesses operated by the Marketing Comparable Companies (as defined below). The Digital Marketing Business recorded a gross profit margin of approximately 1.87% for HY2026, which was below the latest reported group-level average gross profit margin for the Marketing Comparable Companies (as defined below) of approximately 13.6%. It also recorded segment results of approximately HK$0.4 million, representing approximately 1.4% of its segment revenue of approximately HK$32.4 million. In addition, following the commencement of the Digital Marketing Business, the Group's trade receivables increased from approximately HK$0.2 million as at 31 December 2025 to approximately HK$19.7 million as at 30 June 2026, while trade payables increased from nil to approximately HK$17.9 million. Having regard to its short operating history, relatively limited scale, low gross profit margin and associated working capital requirements, we consider that uncertainty remains as to whether the operating results recorded during HY2026 are representative of the performance of the Digital Marketing Business over a longer period.

Additionally, the Group's weakened balance sheet, as evidenced by equity attributable to owners of the Company decreasing from approximately HK$118.1 million as at 31 December 2023 to approximately HK$1.0 million as at 31 December 2025 and further deteriorating to a deficit attributable to owners of the

Company of approximately HK$4.8 million as at 30 June 2026, together with the Group's liquidity constraints, limits the Group's financial flexibility in responding to changes in the operating environment of its businesses.

We acknowledge that the above industry and financial factors do not, on a standalone basis, establish the fairness and reasonableness of the Offer Price. Nevertheless, the uncertainties associated with the operating environment of the Vehicle Business and the Digital Marketing Business, when considered together with the Group's weakened financial position and liquidity constraints, increase the risks associated with retaining the Shares. We have therefore taken these factors into account, together with the other factors discussed in this letter, in assessing the fairness and reasonableness of the Offer.

3. Information on the Offeror and its intention regarding the Group

(i) Information on the Offeror

With reference to the Composite Document, Mr. Wang, aged 39, was interested in 250,888,932 Shares, representing approximately 72.8% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, he is a Controlling Shareholder of the Company. Mr. Wang has been an executive Director, a member of nomination committee of the Company since May 2013. He was also appointed as the chairman and chief executive officer of the Company and a member of remuneration committee of the Company with effect from 22 September 2015. He is a director of various subsidiaries of the Group.

(ii) Intention of the Offeror regarding the Group

With reference to the Composite Document, Mr. Wang will continue to support the independent operation of the Company and maintain the Company's listing status in the Hong Kong capital market. It is the intention of Mr. Wang that the Company will continue to focus on the development of its Existing Businesses. Mr. Wang does not intend to introduce any major changes to the existing operations and business of the Group (including any redeployment of the fixed assets of the Group) upon the close of the Offer.

Given that Mr. Wang has served as a Director since 2013, he possesses a deep understanding of the Group's operations and market environment. Mr. Wang believes that the Offer will reinforce this long-standing commitment and provide a stable foundation to support the steady, organic development of the Existing Businesses. By leveraging Mr. Wang's extensive institutional experience alongside the existing management team, the Group will focus on gradually enhancing operational efficiencies and optimizing long-term corporate value.

Mr. Wang has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment or to dispose of or re-allocate the Group's fixed assets other than relate to the ordinary and usual course of business of the Group as a result of the close of the Offer. However, Mr. Wang reserves the right to make such changes that he deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has Mr. Wang entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

(iii) Composition of the Board

With reference to the Composite Document, as at the Latest Practicable Date, the Board comprises two executive Directors, including Mr. Wang (Chairman and Chief Executive Officer) and Ms. Lai; four independent non-executive Directors, namely Professor Zhang Benzheng, Mr. Li Jianxing, Professor Chen Shu Wen and Mr. Lee Kwun Kwan.

None of the Directors intend to resign from his/her offices as a Director. Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and/or the GEM Listing Rules as and when appropriate.

4. Evaluation of the key terms of the Offer

4.1 Share price comparisons

The Offer Price of HK$0.1 per Offer Share represents:

(i) a discount of approximately 25.9% to the closing price of HK$0.135 per Share as quoted on the Stock Exchange on 9 June 2026, being the last Business Day before the Offer Period;

(ii) a discount of approximately 29.1% to the closing price of HK$0.141 per Share as quoted on the Stock Exchange on 15 June 2026, being the Last Trading Day;

(iii) a discount of approximately 32.9% to the average closing price of approximately HK$0.149 per Share based on the daily closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 18.7% to the average closing price of approximately HK$0.123 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 39.4% to the average closing price of approximately HK$0.165 per Share based on the daily closing prices as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;

(vi) a discount of approximately 32.7% to the benchmarked price of HK$0.1486 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of (i) the closing price of HK$0.141 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK$0.1486 per Share;

(vii) a premium of approximately 3,233% over the audited consolidated net asset value attributable to the Shareholders of approximately HK$0.003 per Share as at 31 December 2025, calculated by dividing the Group's audited consolidated net assets value attributable to the Shareholders of approximately HK$1.0 million as at 31 December 2025 by 344,648,302 Shares in issue as at the Latest Practicable Date;

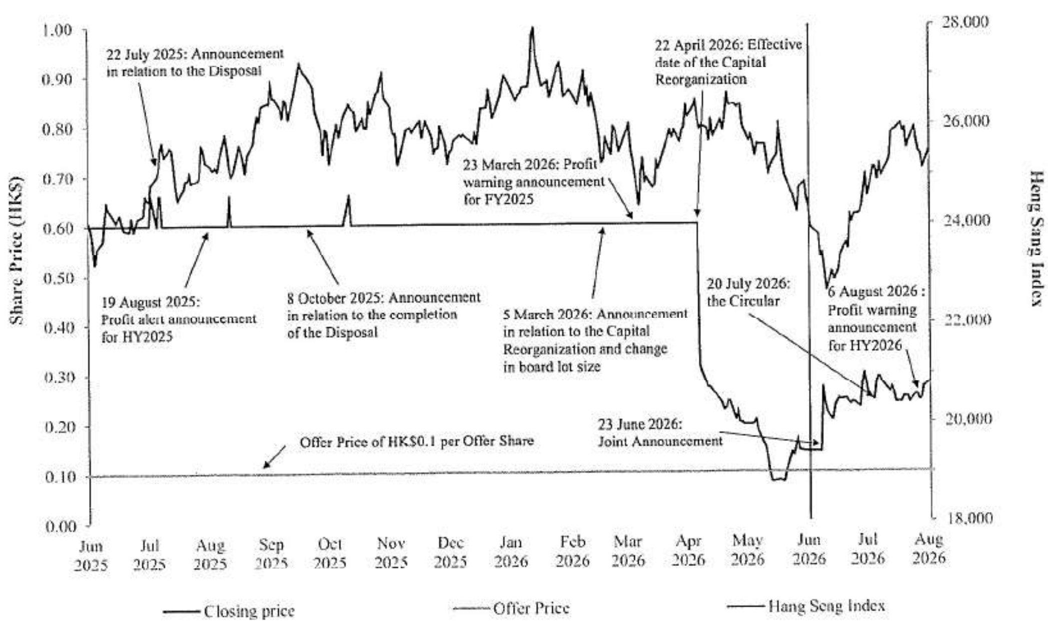
(viii) the Offer Price of HK$0.1 per Share exceeds the net liabilities position attributable to the Shareholders of approximately HK$0.014 per Share as at 30 June 2026, calculated by dividing the Group's unaudited consolidated net liabilities attributable to the Shareholders of approximately HK$4.8 million as at 30 June 2026 by 344,648,302 Shares in issue as at the Latest Practicable Date; and

(ix) a discount of approximately 64.29% to the closing price of HK$0.28 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

4.2 Historical price performance of the Share

In order to assess the fairness and reasonableness of the Offer Price, we have reviewed the daily closing prices of the Shares, after taking into account the effects of the Capital Reorganisation, during the period from 16 June 2025 (being approximately one year prior to date of the Joint Announcement) up to and including the Latest Practicable Date (the "**Review Period**"). We consider that the Review Period, being a period of more than one year up to and including the Latest Practicable Date, is adequate to illustrate the recent price movement of the Shares and provides a reasonable basis for assessing the Offer Price against the historical market performance of the Shares. The following chart sets out the daily closing prices of the Shares after taking into account the effects of the Capital Reorganisation, together with (i) the Offer Price; and (ii) the Hang Seng Index, during the Review Period:

Chart: Movement of the closing prices of the Shares during the Review Period



Source: the Stock Exchange's website

Note: Trading in the Shares was suspended from 16 June 2026 to 23 June 2026.

As illustrated in the chart above, the highest closing price of the Shares after taking into account the effect of the Capital Reorganisation was HK$0.660, which was recorded on multiple occasions between July and October 2025. The lowest closing price was HK$0.081, which was recorded on 29 May 2026 and 4 June 2026. The average closing price of Shares during the Review Period was HK$0.496. The Offer Price of HK$0.1 per Offer Share represents (i) a discount of approximately 84.8% and a premium of approximately 23.5% to the highest closing price and the lowest closing price, respectively, during the Review Period; and (ii) a discount of approximately 79.8% to the average closing price of the Shares during the Review Period. The Offer Price of HK$0.1 per Offer Share falls within the aforesaid historical closing price range of the Shares during the Review Period. We note that the Offer Price of HK$0.1 per Offer Share is lower than the closing prices of Shares for 283 trading days out of the total of 289 trading days during the Review Period.

From 16 June 2025 to 20 April 2026, the closing price of the Shares, after taking into account the effects of the Capital Reorganisation, remained largely at HK$0.60 per Share. Prior to the Capital Reorganisation becoming effective on 23 April 2026, the Shares were traded at HK$0.01 per Share, being the minimum trading price level. As such, the downward movement of the Share price prior to the Capital Reorganisation was technically constrained at such level. Following the Capital Reorganisation, the Shares were no longer subject to the same minimum price constraint on an adjusted basis. The market performance of the Shares during such period did not generally move in line with the Hang Seng Index.

During the Review Period, the closing price of the Shares decreased from HK$0.60 on 16 June 2025 to HK$0.28 on the Latest Practicable Date. Prior to the Capital Reorganisation becoming effective on 23 April 2026, the Shares were traded at HK$0.01 per Share, representing the minimum trading price level accepted on the Stock Exchange's trading system and equivalent to HK$0.60 per Share after adjusting for the effects of the Capital Reorganisation. Accordingly, the downward movement of the Share price prior to the Capital Reorganisation was, to a certain extent, technically constrained at such level.

Following the Capital Reorganisation, the closing price of the Shares was HK$0.315 on 23 April 2026 and subsequently trended downward, reaching HK$0.081 on 29 May 2026 and 4 June 2026. We have therefore placed less weight on the adjusted closing prices prior to the Capital Reorganisation and greater weight on the Share prices following the Capital Reorganisation, which were no longer subject to the same minimum quotation price constraint on an adjusted basis.

During the period from the commencement of the Offer Period on 10 June 2026 up to and including the Latest Practicable Date, the closing prices of the Shares ranged from HK$0.141 to HK$0.300 per Share and were higher than the Offer Price on all 47 trading days during such period. Accordingly, the Offer Price represented discounts ranging from approximately 29.1% to 66.7% to the closing prices of the Shares during such period. The closing price of the Shares was HK$0.28 per Share on the Latest Practicable Date.

Apart from the customary announcements made by the Company in terms of its interim and/or annual results announcements, and the issue of interim and/or annual reports and circular for its annual general meeting during the Review Period, other notable events/publication included:

(i) announcement dated 22 July 2025 in relation to the Disposal;

(ii) profit alert announcement dated 19 August 2025 for HY2025;

(iii) announcement dated 5 March 2026 in relation to the Capital Reorganisation and change in board lot size;

(iv) profit warning announcement dated 23 March 2026 for FY2025;

(v) voluntary announcement dated 22 April 2026 in relation to the commencement of the Digital Marketing Business;

(vi) the Joint Announcement;

(vii) profit warning announcement dated 6 August 2026 for HY2026; and

(viii) the Circular.

As advised by the Management, save for the events mentioned above, the Management is not aware of any other material events during the Review Period which may have contributed to the movements in the closing prices of the Shares.

Our views

After taking into consideration the trading data and events outlined above, the Offer Price of HK$0.10 per Offer Share is lower than the historical closing prices of the Shares on 283 out of 289 trading days during the Review Period. While past performance cannot be relied upon as a predictor of future movements, the Offer Price compares unfavourably with the historical closing prices observed during the Review Period. Accordingly, Independent Shareholders should note that the Offer compares unfavourably with the historical market performance of the Shares, which represents an unfavourable factor in our assessment of the Offer Price and has been considered together with the other principal factors discussed in this letter.

4.3 Liquidity

Set out below are (i) the number of trading days; (ii) the percentage of the Shares' average daily trading volume during each month (the "**Average Trading Volume**"), after taking into account the effects of the Capital Reorganisation where applicable, as compared to the total number of issued Shares held by the public as at the Latest Practicable Date; and (iii) the percentage of the Average Trading Volume as compared to the total number of issued Shares as at the Latest Practicable Date, during the Review Period:

Table 3: Trading liquidity of the Shares

Month	No. of trading days in each month *(Note 1)*	% of the Average Trading Volume to total number of issued Shares held by the public Shareholders as at the Latest Practicable Date *(Note 2)*	% of the Average Trading Volume to total number of issued Shares as at the Latest Practicable Date *(Note 3)*
		%	%
2025			
June	11	0.000	0.000
July	22	0.179	0.047
August	21	0.051	0.013
September	22	0.051	0.013
October	20	0.121	0.032
November	20	0.006	0.002
December	21	0.000	0.000
2026			
January	21	0.002	0.000
February	17	0.012	0.003
March	22	0.002	0.001
April	19	0.084	0.022
May	19	0.492	0.130
June *(Note 4)*	16	2.273	0.602
July	22	0.395	0.105
August (including and up to the Latest Practicable Date)	11	0.201	0.053

Source: the Stock Exchange's website

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day

2. Based on 91,294,425 Shares held by the other public Shareholders as at the Latest Practicable Date

3. Based on 344,648,302 Shares as at the Latest Practicable Date

4. Trading of the Shares was halted from 16 June 2026 to 23 June 2026

We noted from the above table that the Average Trading Volume of the Shares was generally thin during the Review Period. Save for June 2026, the Average Trading Volume for each month during the Review Period was below (i) 1.0% of the total number of issued Shares held by the public Shareholders; and (ii) 0.5% of the total number of issued Shares as at the Latest Practicable Date. This indicates that the Shares were traded with relatively low liquidity during the Review Period.

Along with the surge in Average Trading Volume following the commencement of the Offer Period, the closing price of Shares also surged and maintained at prices significantly higher than the Offer Price during the period from the commencement of the Offer Period up to the Latest Practicable Date.

Our views

Given the overall thin historical daily trading volume of the Shares during the Review Period, the Independent Shareholders may find it difficult to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the price of the Shares. The prevailing market price may not accurately reflect the actual proceeds that could be realised through open market transactions, especially when accounting for transaction costs and the potential price impact of large block sales. The Offer, therefore, represents an opportunity for the Independent Shareholders, particularly for those who hold a large volume of Shares, to dispose of at least part of their shareholdings at the Offer Price if they so wish. Shareholders are also advised to consider to sell their Shares in the open market instead of accepting the Offer if the closing price of the Shares is above the Offer Price, after taking into account the possible downward pressure on the Share price when selling in bulk.

4.4 Comparable companies

To further assess the fairness and reasonableness of the Offer Price and provide the Independent Shareholders with a more comprehensive analysis, we have conducted separate comparable companies analyses for the Vehicle Business and the Digital Marketing Business. The Vehicle Business was the principal revenue-contributing business of the Group for FY2025, while the Digital Marketing Business, which commenced operations during HY2026, became the principal revenue-contributing business of the Group for HY2026. Accordingly, we consider it appropriate to assess the valuation implied by the Offer Price by reference to comparable companies for each of the two business segments.

We considered various trading multiples, including book-based, earnings-based and sales-based multiples. Given that the Group (i) recorded negative financial results for FY2025 and HY2026; (ii) had negative earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") for FY2025 and HY2026; and (iii) had an exceptionally small equity attributable to owners of the Company as at 31 December 2025 and recorded an equity deficit attributable to owners of the Company as at 30 June 2026, we consider that earnings-based, EBITDA-based and book-based multiples would not provide meaningful valuation benchmarks and are therefore not applicable to our analysis. For the purpose of the comparable companies analyses, we have adopted the price-to-sales ratio (the "**PSR**"), which enables a comparison based on the historical revenue of the Company and the comparable companies, notwithstanding their respective financial results or net asset positions.

We calculated the implied PSR of the Company by dividing the market capitalisation implied by the Offer Price by the Group's revenue for the latest twelve-month period ended 30 June 2026 (the "**LTM Revenue**"). The Group's LTM Revenue was calculated based on its published revenue for FY2025, plus its published revenue for HY2026, less its published revenue for HY2025. Based on the Group's revenue of approximately HK$29.1 million for FY2025, approximately HK$46.1 million for HY2026 and approximately HK$4.5 million for HY2025, the Group's LTM Revenue amounted to approximately HK$70.6 million. Accordingly, based on the market capitalisation implied by the Offer Price of approximately HK$34.5 million, the implied PSR of the Company was approximately 0.49 times.

For consistency, the PSR of each comparable company is calculated by dividing its respective market capitalisation as at the Latest Practicable Date by its revenue for the latest twelve-month period calculated based on its latest published financial information. Where the relevant comparable company has published both its latest full-year and subsequent interim financial information, its latest twelve-month revenue is calculated based on its latest published full-year revenue, plus its latest published interim revenue, less its revenue for the corresponding comparative interim period.

Given that the Group's LTM Revenue comprised revenue generated from both the Vehicle Business and the Digital Marketing Business, the implied PSR of the Company represents a blended valuation multiple of the Group's two business segments. We have therefore considered the implied PSR of the Company against both the Vehicle Comparable Companies and the Marketing Comparable Companies (as defined below), taking into account their respective business nature and business mix, and the limitations of the respective comparable companies analysis.

The Vehicle Business

For the purpose of identifying comparable companies for the Vehicle Business, we initially searched for listed companies which (i) were principally engaged in businesses similar to the Vehicles Trading Business and derived more than 50% of their revenue from such businesses in aggregate during their latest twelve-month period, as determined based on their latest published annual and interim financial information; (ii) generated more than 50% of their revenue from the PRC; (iii) were listed on the Stock Exchange; and (iv) trading in their respective shares was not suspended as at the Latest Practicable Date. Based on the above selection criteria, only one comparable company was identified. Given the limited number of comparables, we (i) broadened the geographic coverage to include listed companies that generated more than 50% of their revenue from Hong Kong and Macau; and (ii) included companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange that satisfied the same business and revenue criteria. As a result, two additional comparable companies were identified, resulting in a total of three comparable companies (the "**Vehicle Comparable Companies**"), which represent an exhaustive list of companies meeting the above selection criteria.

Table 4: Analysis of the Vehicle Comparable Companies

Company name (Stock code)	Principal business	Market capitalisation as at the Latest Practicable Date[Note 1] *Approximate HK$ million*	PSR[Note 2] *(x)*
Sinomach Automobile Co., Ltd. (600335.SH)	Automobile distribution service and automotive engineering systems service in the PRC	8,669	0.21
Optima Automobile Group Holdings Limited (8418.HK)	Provision of automotive services and automotive supply business in the PRC	434	1.44
China Environmental Resources Group Limited (1130.HK)	Trading of motor vehicles and related accessories in Hong Kong and Macau	335	5.75
	Maximum:		5.75
	Minimum:		0.21
	Average:		2.47
	Median:		1.44
The Company		34.5[Note 3]	0.49

Source: the website of the Stock Exchange and Shanghai Stock Exchange

Notes:

1. The capitalization of each of the Vehicle Comparable Companies is calculated based on the respective closing price of its shares and its respective total number of issued shares as at the Latest Practicable Date.

2. The PSR of each of the Vehicle Comparable Companies is calculated by dividing its respective market capitalisation as at the Latest Practicable Date by its revenue for the latest twelve-month period based on its latest published annual and interim financial information. Where the relevant Vehicle Comparable Company has published interim financial information subsequent to its latest published annual financial information, its latest twelve-month revenue is calculated based on its latest published full-year revenue, plus its latest published interim revenue, less its revenue for the corresponding comparative interim period.

   The implied market capitalisation of the Company based on the Offer Price is calculated based on (i) the Offer Price of HK$0.10 per Offer Share; and (ii) 344,648,302 Shares in issue as at the Latest Practicable Date.

3. The implied PSR of the Company is calculated by dividing the market capitalisation implied by the Offer Price of approximately HK$34.5 million by the Group's LTM Revenue of approximately HK$70.6 million.

4. For illustration purposes, the market capitalisation and/or latest twelve-month revenue of the relevant Vehicle Comparable Companies are converted into Hong Kong dollars, where applicable, based on the exchange rates of (i) HK$1 = RMB0.8696; and (ii) S$1 (Singapore dollar) = HK$6.09, as quoted by The Hong Kong Association of Banks as at the Latest Practicable Date.

As depicted in the Table 4 above, (i) the PSR of the Vehicle Comparable Companies ranged from approximately 0.21 times to approximately 5.75 times, with an average of approximately 2.47 times and a median of approximately 1.44 times. The implied PSR of the Company based on the Offer Price and the Group's LTM Revenue is approximately 0.49 times, which falls within the PSR range of the Vehicle Comparable Companies and is lower than their average and median PSRs.

The Digital Marketing Business

For the purpose of identifying comparable companies for the Digital Marketing Business, we initially searched for companies which (i) were principally engaged in digital marketing businesses, including the provision of marketing planning and strategy formulation, advertising creative and content production, online advertising placement and related digital marketing services, and derived more than 50% of their revenue from such businesses during their latest twelve-month period, as determined based on their latest published financial information; (ii) generated more than 50% of their revenue from the PRC; (iii) were listed on the Stock Exchange; and (iv) trading in their respective shares was not suspended as at the Latest Practicable Date. Based on the above selection criteria, seven comparable companies were identified (the "**Marketing Comparable Companies**"), which represent an exhaustive list of companies meeting such criteria as at the Latest Practicable Date.

Table 5: Analysis of the Marketing Comparable Companies

Company name (Stock code)	Principal business	Market capitalisation as at the Latest Practicable Date[Note 1] *Approximate HK$ million*	PSR[Note 2] *(x)*
UJU Holding Limited (1948.HK)	Provision of all-in-one online marketing solutions services and advertisement distribution services	2,130	0.16
Easou Technology Holdings Limited (2550.HK)	Provision of online reading platform services, digital marketing services, online games publishing services and other digital content services	879	0.98
Lesi Group Limited (2540.HK)	Provision of comprehensive mobile advertising solutions services and advertisement distribution services	450	0.25
360 Ludashi Holding Limited (3601.HK)	Online advertising services, online game platforms and operation of exclusive licensed online game business	183	0.15
Doumob Co., Ltd. (1917.HK)	Provision of marketing services and other sales	186	3.46
Bright Future Technology holdings Limited (1351.HK)	Provision of intelligent marketing solutions services, comprised of influential placement services and integrated intelligent marketing solutions services	146	0.13
Ta Yang Group Holding Limited (1991.HK)	(i) Provision of international digital marketing services; (ii) design and production of silicone rubber products; (iii) operation of retail businesses; and (iv) provision of healthcare and hotel services	137	0.18
	Maximum:		3.46
	Minimum:		0.13
	Average:		0.76
	Median:		0.18
The Company		34.5[Note 3]	0.49

Source: the website of the Stock Exchange

Notes:

1. The market capitalisation of each of the Marketing Comparable Companies is calculated based on the respective closing price of its shares and its respective total number of issued shares as at the Latest Practicable Date.

2. The PSR of each of the Marketing Comparable Companies is calculated by dividing its respective market capitalisation as at the Latest Practicable Date by its revenue for the latest twelve-month period based on its latest published annual and interim financial information. Where the relevant Marketing Comparable Company has published interim financial information subsequent to its latest published annual financial information, its latest twelve-month revenue is calculated based on its latest published full-year revenue, plus its latest published interim revenue, less its revenue for the corresponding comparative interim period.

3. The implied market capitalisation of the Company based on the Offer Price is calculated based on (i) the Offer Price of HK$0.10 per Offer Share; and (ii) 344,648,302 Shares in issue as at the Latest Practicable Date. The implied PSR of the Company is calculated by dividing the market capitalisation implied by the Offer Price of approximately HK$34.5 million by the Group's LTM Revenue of approximately HK$70.6 million.

4. For illustration purposes, the market capitalisation and/or latest twelve-month revenue of the relevant Marketing Comparable Companies are converted into Hong Kong dollars, where applicable, based on the exchange rate of HK$1 = RMB0.8696, as quoted by The Hong Kong Association of Banks as at the Latest Practicable Date.

As depicted in Table 5 above, the PSRs of the Marketing Comparable Companies ranged from approximately 0.13 times to approximately 3.46 times, with an average of approximately 0.76 times and the median of approximately 0.18 times. The implied PSR of the Company based on the Offer Price and the Group's LTM Revenue is approximately 0.49 times, which (i) falls within the PSR range of the Marketing Comparable Companies; and (ii) is lower than their average but higher than their median PSR.

Our views

In light of the above, we consider that the implied PSR of the Company based on the Offer Price and the Group's LTM Revenue of approximately 0.49 times, which falls within the PSR ranges of both the Vehicle Comparable Companies and the Marketing Comparable Companies, constitutes one of the factors supporting the fairness and reasonableness of the Offer Price.

Nevertheless, the comparable companies analyses are subject to limitations, including the small sample sizes, the blended nature of the implied PSR of the Company, and differences in business nature, business mix, scale and operating history between the Group and each of (i) the Vehicle Comparable Companies; and (ii) the Marketing Comparable Companies. We have therefore not relied solely on the comparable companies analyses in assessing the fairness and reasonableness of the Offer Price, but have considered the results together with the other factors relating to the Group, including its financial position, business outlook, Share price performance and trading liquidity, as set out in the other sections of this letter.

OPINION AND RECOMMENDATION

Although the Offer Price (1) is lower than the closing prices of the Shares for 283 trading days out of the total of 289 trading days during the Review Period; (2) is lower than the closing prices of the Shares for all trading days during the period from the commencement of the Offer Period up to the Latest Practicable Date following the increase in the market price of the Shares after the publication of the Joint Announcement; and (3) represents discounts ranging from approximately 29.1% to 66.7% to the closing prices of the Shares for the period from the commencement of the Offer Period up to the Latest Practicable Date, such that the Independent Shareholders may be able to sell their Shares in the open market at prices higher than the Offer Price, we consider the Offer Price to be fair and reasonable after taking into account the following factors as a whole:

(i) the Group's weak business performance, loss-making position for three consecutive financial years from FY2023 to FY2025 and for HY2026, the ongoing decline in net assets, together with the material uncertainty related to going concern raised by the Auditor and the Group's liquidity constraints, after taking into account the measures and arrangements adopted or proposed by the Management to strengthen the Group's operations, operating cash flows and liquidity position, as discussed in the sections headed "2. Information of the Group – 2.2 Financial information" and "2. Information of the Group – 2.3 Financial position" in this letter;

(ii) the uncertainties associated with the operating environment of the Group's businesses. The Vehicle Business is exposed to challenges arising from the accelerating shift towards new energy vehicles, intense competition in the PRC automobile market, the uncertainty surrounding demand for fuel vehicles, as well as the regulatory and certification requirements applicable to imported vehicles. The Digital Marketing Business is subject to uncertainties arising from the media platform landscape, consumer demand and advertiser spending trends, both as discussed in the section headed "2. Information of the Group – 2.4 Prospects of the Group" in this letter;

(iii) the overall thin historical daily trading volume of the Shares during the Review Period. The Independent Shareholders may find it difficult to dispose of a large volume of Shares in the open market at the quoted market price within a short period of time without exerting downward pressure on the Share price, as discussed in the section headed "4. Evaluation of the key terms of the Offer – 4.3 Liquidity" in this letter; and

(iv) the implied PSR of the Company based on the Offer Price and the Group's LTM Revenue of approximately 0.49 times falls within the PSR ranges of both the Vehicle Comparable Companies and the Marketing Comparable Companies. We have considered such comparison as one of the reference factors, subject to the limitations of the comparable companies analyses as discussed in the section headed "4. Evaluation of the key terms of the Offer – Comparable companies" in this letter,

We acknowledge that the Group's weak financial performance, uncertain prospects and the historically low trading liquidity of the Shares do not, on a standalone basis, establish the fairness and reasonableness of the Offer Price. Nevertheless, these factors are relevant to the risks associated with retaining the Shares, the sustainability of the prevailing market prices and the practical ability of the Independent Shareholders, particularly those holding a large volume of Shares, to realise their investments at the quoted market prices.

In arriving at our conclusion, we have also taken into account that (i) as discussed in the section headed "Historical price performance of the Share" above, the adjusted closing prices of the Shares prior to the Capital Reorganisation were, to a certain extent, affected by the Shares having traded at the minimum quotation price accepted by the trading system of the Stock Exchange, which technically constrained the downward movement of the Share price during such period; (ii) following the Capital Reorganisation, the Offer Price falls within the range of closing prices of the Shares and represents a premium of approximately 23.5% over the lowest closing price recorded during the Review Period; and (iii) the increase in the market price and trading volume of the Shares following the publication of the Joint Announcement may have reflected the market's reaction to the Offer, and there is no assurance that the prevailing market price and trading volume of the Shares will be sustained following the close of the Offer.

Given the historically low trading liquidity of the Shares, the Offer provides the Independent Shareholders with an assured opportunity to realise all or part of their investments at a fixed cash price without being exposed to the execution risk, market price volatility and potential downward pressure on the Share price associated with an open-market disposal of a large volume of Shares.

Having considered the above factors as a whole, notwithstanding that the Offer Price compares unfavourably with the historical and prevailing market prices of the Shares, we consider that the Group's weak financial position and uncertain prospects affect the sustainability of the prevailing market valuation and increase the risks associated with retaining the Shares. Together with the historically low trading liquidity of the Shares, the uncertainty as to whether the prevailing market price and trading volume will be sustained after the close of the Offer, the assured exit provided by the Offer, and the fact that the implied PSR of the Company based on the Offer Price and the Group's LTM Revenue of approximately 0.49 times falls within the PSR ranges of both the Vehicle Comparable Companies and the Marketing Comparable Companies, these factors collectively support our view that the Offer is fair and reasonable.

Accordingly, we are of the view that the Offer (including the Offer Price) is fair and reasonable so far as the Independent Shareholders are concerned. We therefore recommend the Independent Board Committee to advise, and we ourselves recommend, the Independent Shareholders to accept the Offer.

Notwithstanding our opinion and recommendation above, given that the closing price of HK$0.28 per Share as quoted on the Stock Exchange on the Latest Practicable Date is higher than the Offer Price of HK$0.10 per Offer Share, Independent Shareholders who wish to realise part or all of their investments in the Company are reminded to closely monitor the market price and trading liquidity of the Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market, after deducting all transaction costs, would exceed the net proceeds receivable under the Offer.

Independent Shareholders should note that the increase in the market price and trading volume of the Shares following the publication of the Joint Announcement may have reflected the market's reaction to the Offer. There is no assurance that such market price and trading volume will be sustained during or after the Offer Period or that the Independent Shareholders, particularly those holding a large volume of Shares, will be able to dispose of all their Shares at the quoted market prices without exerting downward pressure on the Share price.

As different Independent Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

For and on behalf of

Ignite Capital (Asia Pacific) Limited

Li Lan	Tin Ming Kit
Managing Director	*Director*

Mr. Li Lan is a Managing Director of Ignite Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Li has over 20 years of corporate finance experience in Hong Kong and has participated in and completed various financial advisory and independent financial advisory transactions.

Mr. Tin Ming Kit is a Director of Ignite Capital and is licensed under the SFO as a licensed person to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Tin has over 20 years of investment banking and corporate finance experience in Hong Kong and has participated in and completed various initial public offerings, corporate financial advisory and independent financial advisory transactions.

* *For identification purposes only*