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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, or registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China ZhengTong Auto Services Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, or registered institutions in securities, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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# China ZhengTong Auto Services Holdings Limited 中國正通汽車服務控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)  
(Stock Code: 1728)

## (1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND AUTOMOBILE SALES AND EXPORT BUSINESS (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

### Financial adviser



Independent Financial Adviser to the Independent Board Committee  
and Independent Shareholders



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A letter from the Board is set out on pages 6 to 27 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 28 to 29 of this circular. A letter from Somerley, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 30 to 61 of this circular.

A notice convening the EGM to be held at Large Conference Room, 12th Floor, Guomao Business Center, No. 669 Sishui Road, Huli District, Xiamen, Fujian Province, PRC on Tuesday, 20 January 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:00 a.m. on Sunday, 18 January 2026) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“Acquisition”	Acquisition (PRC) and Acquisition (Thailand)
“Acquisition (PRC)”	the proposed acquisition of 100% of the equity interest of Xindeco ITG Automobile pursuant to the terms and conditions of the Acquisition Agreement (PRC)
“Acquisition (Thailand)”	the proposed acquisition of 100% of the issued share capital of ITG Auto (Thailand) pursuant to the terms and conditions of the Acquisition Agreement (Thailand)
“Acquisition Agreement (PRC)”	the sale and purchase agreement dated 5 December 2025 entered into between Xiamen ZhengTong as purchaser, Xiamen Xindeco as seller and Xindeco ITG Automobile as target company in relation to the Acquisition (PRC)
“Acquisition Agreement (Thailand)”	the sale and purchase agreement dated 5 December 2025 entered into between Tongda Group and Rising Wave as purchasers and Sindanol and Xindeco (Singapore) as sellers and ITG Auto (Thailand) as target company in relation to the Acquisition (Thailand)
“Acquisition Price (PRC)”	the provisional amount of approximately RMB793.49 million, subject to the adjustment to reflect the changes to the consolidated total equity of Xindeco ITG Automobile attributable to its equity shareholders for the Transitional Period (PRC), payable by Xiamen ZhengTong to Xiamen Xindeco under the Acquisition Agreement (PRC) for the Acquisition (PRC)
“Acquisition Price (Thailand)”	the provisional amount of approximately RMB22.13 million, subject to the adjustment to reflect the changes to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand), payable by Tongda Group and Rising Wave to Sindanol and Xindeco (Singapore) under the Acquisition Agreement (Thailand) for the Acquisition (Thailand)
“Announcement”	the announcement of the Company dated 5 December 2025 in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

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## DEFINITIONS

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“Company”	China ZhengTong Auto Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1728.HK)
“Completion (PRC)”	the completion of the transfer (including all governmental and regulatory registration thereof) of 100% equity interest of Xindeco ITG Automobile from Xiamen Xindeco to Xiamen ZhengTong
“Completion (Thailand)”	the completion of the transfer (including all governmental and regulatory registration thereof) of 100% of the issued share capital of ITG Auto (Thailand) from Sindanol and Xindeco (Singapore) to Tongda Group and Rising Wave
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at Large Conference Room, 12th Floor, Guomao Business Center, No. 669 Sishui Road, Huli District, Xiamen, Fujian Province, PRC on Tuesday, 20 January 2026 at 10:00 a.m. to consider, and if thought fit, to approve the Acquisition
“Enlarged Group”	the Group immediately after completion of the Acquisition, including, among others, the Xindeco ITG Automobile Group and ITG Auto (Thailand)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Company and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO

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## DEFINITIONS

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“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, which has been established to advise the Independent Shareholders on the terms of the Acquisition and to make recommendation as to voting
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition and to make recommendation as to voting
“Independent Shareholders”	Shareholders other than Shareholders who are interested or involved in the Acquisition, including but not limited to ITG Holding, Sindanol and Xinda Motors
“ITG Auto (Thailand)”	ITG Auto (Thailand) Co., Ltd., a company incorporated in Thailand with limited liability
“ITG Finance”	Xiamen ITG Holding Group Finance Co., Ltd.* (廈門國貿控股集團財務有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of ITG Holding
“ITG Group”	ITG Holding and its subsidiaries (excluding the Group)
“ITG Holding”	Xiamen ITG Holding Group Co., Ltd.* (廈門國貿控股集團有限公司), a state-owned enterprise directly controlled by the State-owned Assets Supervision and Administration Commission of Xiamen Municipal People’s Government (廈門市人民政府國有資產監督管理委員會) and a controlling shareholder of the Company
“Latest Practicable Date”	19 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular excludes Hong Kong, Macao Special Administrative Region, and Taiwan Region
“PRC GAAP”	PRC Generally Accepted Accounting Principles

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## DEFINITIONS

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“Rising Wave”	Rising Wave Development Limited, a company incorporated in Hong Kong with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sindanol”	Hong Kong Sindanol Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand
“Tongda Group”	Tongda Group (China) Co., Ltd., a company incorporated in Hong Kong with limited liability
“Transitional Period (PRC)”	the period from 1 April 2025 and ending on (a) the last day of the calendar month immediately preceding the date of Completion (PRC), if Completion (PRC) takes place on the first 15 days of a calendar month; or (b) the last day of the calendar month in the calendar month the Completion (PRC) takes place, if Completion (PRC) takes place on or after the 16th day of a calendar month
“Transitional Period (Thailand)”	the period from 1 July 2025 and ending on (a) the last day of the calendar month immediately preceding the date of Completion (Thailand), if Completion (Thailand) takes place on the first 15 days of a calendar month; or (b) the last day of the calendar month in the calendar month the Completion (Thailand) takes place, if Completion (Thailand) takes place on or after the 16th day of a calendar month
“Valuer”	Xiamen Academic Practice Valuer Co., Ltd.* (廈門嘉學資產評估房地產估價有限公司), an independent qualified valuer, is a professional firm providing valuation services in the PRC
“Xiamen Xindeco”	Xiamen Xindeco Ltd.* (廈門信達股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000701.SZ)

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## DEFINITIONS

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“Xiamen Xindeco Group”	Xiamen Xindeco and its subsidiaries
“Xiamen ZhengTong”	Xiamen ZhengTong Motors Group Co., Ltd.* (廈門正通汽車集團有限公司), a company incorporated in the PRC with limited liability
“Xinda Motors”	Xinda Motors Co., Limited (信達汽車(香港)有限公司), a company incorporated in Hong Kong with limited liability, and a wholly owned subsidiary of ITG Holding
“Xindeco ITG Automobile”	Xiamen Xindeco ITG Automobile Group Co., Ltd.* (廈門信達國貿汽車集團股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Xindeco ITG Automobile Group”	Xindeco ITG Automobile and its subsidiaries
“Xindeco (Singapore)”	Xindeco Resources (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability
“%”	per cent

English translations of names in Chinese in this circular which are marked with “\*” are for identification purposes only.



# China ZhengTong Auto Services Holdings Limited

## 中國正通汽車服務控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1728)

*Executive Directors:*

Mr. HUANG Junfeng (黃俊鋒)

(Chairman)

Mr. WANG Mingcheng (王明成)

Mr. SU Yi (蘇毅)

Mr. ZHUANG Zhibo (莊智博)

Mr. WU Xiaoqiang (吳曉強)

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY 1-1111

Cayman Islands

*Independent Non-Executive Directors:*

Dr. TSUI Wai Ling Carlye (徐尉玲)

Mr. SHEN Jinjun (沈進軍)

Ms. YU Jianrong (于建榕)

*Principal Place of business*

*in Hong Kong:*

Flat C, 32/F

Lippo Centre Tower 1

89 Queensway

Hong Kong

24 December 2025

*To the Shareholders*

Dear Sir/Madam,

**(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO  
ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND  
AUTOMOBILE SALES AND EXPORT BUSINESS**

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**I. INTRODUCTION**

We refer to the Announcement in relation to the Acquisition.

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## LETTER FROM THE BOARD

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The purpose of this circular is to:

- (a) provide further details of the Acquisition;
- (b) set out (i) the letter from Somerley to the Independent Board Committee (comprising all independent non-executive Directors) and the Independent Shareholders in relation to the Acquisition; and (ii) the recommendation and opinion of the Independent Board Committee to the Independent Shareholders after having considered the advice of Somerley in relation to the Acquisition; and
- (c) give you notice of the EGM to consider and, if thought fit, approve the Acquisition.

### II. THE ACQUISITION

On 5 December 2025, Xiamen ZhengTong (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (PRC) with the Xiamen Xindeco and Xindeco ITG Automobile for the acquisition of 100% of the equity interest of Xindeco ITG Automobile for the provisional Acquisition Price (PRC) of approximately RMB793.49 million. Xindeco ITG Automobile is the holding company of Xiamen Xindeco's 4S dealership and automobile sales and export business in the PRC.

On the same day, Tongda Group (a wholly-owned subsidiary of the Company) and Rising Wave (another wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (Thailand) with Sindanol, Xindeco (Singapore) and ITG Auto (Thailand) for the acquisition of 100% of the issued share capital of ITG Auto (Thailand) for the provisional Acquisition Price (Thailand) of approximately RMB22.13 million. ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

Collectively, Xindeco ITG Automobile Group and ITG Auto (Thailand) represent the entire 4S dealership and automobile sales and export business of Xiamen Xindeco. The proposed Acquisition (PRC) and Acquisition (Thailand) will only be proceeded if all conditions precedent of the Acquisition (PRC) and Acquisition (Thailand) are fulfilled, including obtaining the approval of the Independent Shareholders.

#### **The Acquisition Agreement (PRC)**

Subject to the terms of the Acquisition Agreement (PRC), Xiamen ZhengTong has conditionally agreed to purchase, and Xiamen Xindeco has conditionally agreed to sell, 100% of the equity interest of Xindeco ITG Automobile.

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## LETTER FROM THE BOARD

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The principal terms of the Acquisition Agreement (PRC) are as follows:

<b>Date:</b>	5 December 2025
<b>Parties:</b>	Xiamen ZhengTong (as purchaser)
	Xiamen Xindeco (as seller)
	Xindeco ITG Automobile (as target company)
<b>Subject matter to be acquired:</b>	100% of the equity interest of Xindeco ITG Automobile
<b>Consideration:</b>	The provisional Acquisition Price (PRC) is RMB793,493,700.

The parties agreed that any change to the total equity of Xindeco ITG Automobiles attributable to its equity shareholders for the Transitional Period (PRC) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (PRC) to 31 December 2025, be for the benefit of or borne by Xiamen Xindeco; and
- (b) for the remaining period of the Transitional Period (PRC) after 31 December 2025, be for the benefit of or borne by Xiamen ZhengTong as to 50% and by Xiamen Xindeco as to 50%.

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## LETTER FROM THE BOARD

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Accordingly, the provisional Acquisition Price (PRC) shall be subject to an adjustment to reflect the above as follows:

Acquisition Price (PRC) = PP + (Total Equity<sub>T1</sub> – Total Equity<sub>T0</sub>) + 50% × (Total Equity<sub>T3</sub> – Total Equity<sub>T2</sub>), where:

PP	=	Provisional Acquisition Price (PRC) of RMB793,493,700
Total Equity <sub>T0</sub>	=	Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 1 April 2025
Total Equity <sub>T1</sub>	=	Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 31 December 2025
Total Equity <sub>T2</sub>	=	Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 1 January 2026
Total Equity <sub>T3</sub>	=	Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at the last day of the Transitional Period (PRC)

*Note:* As at 31 March 2025, the day immediately before the commencement of the Transitional Period (PRC), the audited total equity of Xindeco ITG Automobile attributable to its equity shareholders in the consolidated financial statements prepared in accordance with PRC GAAP was approximately RMB811.17 million.

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## LETTER FROM THE BOARD

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**Payment terms:**

The Acquisition Price (PRC) is payable in two tranches and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (PRC), i.e. RMB396,746,900, be payable within 15 calendar days upon the obtaining or completion of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings reporting, review, or other procedures for the transaction; and
- (b) the balance of the Acquisition Price (PRC) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (PRC).

**Conditions precedent:**

The Acquisition Agreement (PRC) will only become effective upon, and hence Completion (PRC) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by Xiamen Xindeco and the Company of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document to fulfill the Acquisition Agreement (PRC) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (PRC) and the transactions contemplated thereunder.

**Completion:**

Completion (PRC) shall take place on the day Xiamen Xindeco receives the first tranche of payment, being 50% of the provisional Acquisition Price (PRC), from Xiamen ZhengTong (or such other date as the parties to the Acquisition Agreement (PRC) may agree in writing).

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## LETTER FROM THE BOARD

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**Others:**

Xiamen Xindeco and Xindeco ITG Automobile shall settle all non-operating payables and receivables between Xiamen Xindeco and Xindeco ITG Automobile Group by Completion (PRC). Xindeco ITG Automobile Group shall also settle all external liabilities, which Xiamen Xindeco has provided and owes guarantee liabilities to third parties, by Completion (PRC).

***The Consideration***

The Acquisition Price (PRC) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (PRC), the following factors had been taken into consideration: (i) the valuation of the entire equity interest of Xindeco ITG Automobile at approximately RMB793.49 million as at 31 March 2025 as appraised by the Valuer (as further detailed below), (ii) the financial results of Xindeco ITG Automobile for 2024 and first six months of 2025, and its total equity attributable to its equity shareholders as at 30 June 2025 in the consolidated financial statements prepared in accordance with PRC GAAP, and (iii) the benefits of the Acquisition to the Group (as further elaborated below).

Based on information provided by Xiamen Xindeco and Xiamen ITG Automobile, Xindeco ITG Automobile's unaudited total equity attributable to its equity shareholders as at 30 September 2025 was approximately RMB764.54 million, representing a decrease of approximately RMB46.63 million when compared to its audited total equity attributable to its equity shareholders (prepared in accordance with PRC GAAP) as at 31 March 2025. Pursuant to the terms of the Acquisition Agreement (PRC), the decrease in Xindeco ITG Automobile's audited total equity attributable to its equity shareholders from 1 April 2025 to 31 December 2025 will be borne by Xiamen Xindeco, leading to a downward adjustment to the provisional Acquisition Price (PRC). As at the Latest Practicable Date and based on the information available to the Company, the Company did not expect Xindeco ITG Automobile's audited total equity attributable to its equity shareholders as at the end of the Transitional Period (PRC) to be materially different when compared to the same as at 30 September 2025.

The consideration will be funded by the Group's internal resources, including 20% of the net proceeds from the fund raised by way of the Connected Subscription set aside for strategic investments or merger and acquisition. As at the Latest Practicable Date, the net proceeds raised from the Connected Subscription set aside for strategic investments or merger and acquisition was approximately RMB183 million.

***Information on the parties to the Acquisition Agreement (PRC)***

Xiamen ZhengTong is a company incorporated in PRC with limited liability and its principal activity is automobile dealership and sales of automobile parts.

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## LETTER FROM THE BOARD

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Xiamen Xindeco is a joint stock company incorporated in PRC with limited liability and a company listed on the Shenzhen Stock Exchange (stock code: 000701.SZ) and is principally engaged in digital technology, electronic technology, supply chain and automobile distribution businesses. Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding.

### *The Xindeco ITG Automobile Group*

Xindeco ITG Automobile was incorporated in the PRC and is wholly owned by Xiamen Xindeco. It is principally engaged in 4S traditional automobile dealership business which aims to create an automobile service ecosystem which is customer centric, and its operations also include servicing new energy vehicles, sale and export of second-hand vehicles, and sale of parallel import vehicles, etc.. As at 30 June 2025, Xindeco ITG Automobile Group operated nearly 50 automotive dealership 4S stores, new energy vehicles experience centres and body and paint centres, and distributed 29 brands including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Alfa Romeo, Hongqi, Volkswagen, Toyota, Honda, IM, brands under Huawei HIMA, EXEED and Chery iCAR, and was one of the 4S dealership leaders in Fujian province of the PRC.

To the best knowledge, information and belief of the Company, Xiamen Xindeco (together with one of its wholly owned subsidiaries) acquired 100% of the equity interest of Xindeco ITG Automobile (which at the time was named Xiamen ITG Automobile Co., Ltd.\* (廈門國貿汽車股份有限公司)) with a cash consideration of approximately RMB246.77 million in 2018, after which the Xindeco ITG Automobile Group has undertaken various corporate transactions including (but not limited to) corporate transactions that increased its registered and paid up capital (please see pages VI-9 to VI-11 of Appendix VI to this circular) and/or integrated other 4S automobile related operation of the Xiamen Xindeco Group into the Xindeco ITG Automobile Group. The management's discussion and analysis of Xindeco ITG Automobile Group for each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025 is set out at Appendix IV to this circular.

Based on the accountants' report and audited financial statements of Xindeco ITG Automobile prepared in accordance with HKFRS as set out in Appendix II to this circular, the audited consolidated net profits before and after tax of Xindeco ITG Automobile and its subsidiaries for the years ended 31 December 2022, 2023 and 2024 and for the 6 months ended 30 June 2025 are set out below:

	For the 6 months ended			
	For the year ended		30 June	
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>Profit/(loss) before tax</b>	66.07	(149.22)	(70.68)	3.10
<b>Profit/(loss) after tax</b>	51.22	(138.63)	(76.03)	(9.74)

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## LETTER FROM THE BOARD

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The audited consolidated total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 30 June 2025 was approximately RMB803.88 million. The provisional Acquisition Price (PRC) therefore represents approximately 1.29% deficit under the audited consolidated total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 30 June 2025. The audited consolidated net asset value of Xindeco ITG Automobile as at 30 June 2025 was approximately RMB774.51 million. The provisional Acquisition Price (PRC) therefore represents approximately 2.45% premium over the audited consolidated net asset value of Xindeco ITG Automobile as at 30 June 2025. For further financial information of Xindeco ITG Automobile Group, please refer to the accountants' report and audited financial statements in Appendix II to this circular.

Xindeco ITG Automobile will become a wholly owned subsidiary of the Company after the completion of the Acquisition (PRC).

### *Valuation of the entire equity interest of Xindeco ITG Automobile*

The valuation of the entire equity interest of Xindeco ITG Automobile by the Valuer adopted the assets-based approach and made certain assumptions, including but not limited to the following principal assumptions:

#### *General assumptions*

- (a) Transaction assumption: it is assumed that the subject to be appraised is in the process of transaction and the valuer makes estimations simulating the transaction conditions of the assets to be appraised.
- (b) Open market assumption: it is assumed that the subject to be appraised can be freely transacted in the market and the market is fully developed with willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and will conduct transaction in a voluntary and rational manner under no compulsion nor restrictions.
- (c) Going concern assumption: it is assumed that the appraised asset is and will be continuously used according to its current purpose and usage method.

#### *Special assumptions*

- (d) No material change assumption: it is assumed that there will be no material change to the social, political, legal and regulatory and economic environment in which the Xindeco ITG Automobile Group operates. It is also assumed that there will be no material change to the fiscal policy, monetary policy, taxation policy, interest rates, exchanges rates, governmental fees and charges, and industrial specific policies, entry barrier, regulatory requirements and competition environment in which the

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## LETTER FROM THE BOARD

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Xindeco ITG Automobile Group operates, and there will be no material change to the strategic positioning, scope of operation, business model and credit policy of the Xindeco ITG Automobile Group.

- (e) Compliant operation assumption: it is assumed that the operation of Xindeco ITG Automobile Group is in compliance with all applicable laws and regulations, its assets were obtained and used in compliance with all applicable laws and regulations, and the financial information provided to the valuer complies with relevant laws, regulations and accounting policies.
- (f) Continuing operation assumption: it is assumed that all leases for the premises used by Xindeco ITG Automobile Group, all governmental licences and permits required for its operation, and the relevant automobile brand distributorship reported by Xindeco ITG Automobile Group can and will be renewed.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the entire equity interest of Xindeco ITG Automobile, the Valuer excluded the market approach as there are insufficient business in the market which are comparable to Xindeco ITG Automobile Group, taking into account, among others, its business structure and business model, such that there is insufficient information to adopt the market approach.

As to the income approach, the Valuer considered that given the automobile distribution business is heavily influenced and affected by, among others, policies of the automobile manufacturers, market environment and sentiment, changes in consumers' preference, and the quality of forecasting future income depends on macroeconomics factors, industry specific development situation, the methodology and assumptions used to forecast such income, and the judgment of and estimation made by individual appraiser, which cumulatively may bring adverse effects on the reliability to the valuation result using the income approach. Accordingly, the Valuer decided not to adopt the valuation result appraised by the income approach. Pursuant to applicable PRC law and regulation, the Valuer included its valuation using the income approach in its valuation report. As advised by the Valuer:

*Key assumptions and input in using the income approach*

Having considered the historical financial results, business plans and operations of Xindeco ITG Automobile Group, including the transition and focus on new energy vehicles, export of used cars, and after sale services (such as maintenance and motor insurance), and the conditions and trends of the automobile market in the PRC, and with reference to future earning projections provided to the Valuer by Xindeco ITG Automobile, the Valuer made the

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## LETTER FROM THE BOARD

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following assumptions as to Xindeco ITG Automobile Group's revenue growth rate and gross profit in appraising the entire equity interest of Xindeco ITG Automobile using the income approach:

	9 months ending 31 December 2025	Year ending 31 December			2030 and beyond	
		2026	2027	2028	2029	beyond
<b>Revenue growth rate</b>	0.44%	1.35%	2.04%	2.63%	1.07%	0.00%
<b>Gross Profit Margin</b>	5.84%	6.40%	6.54%	6.79%	6.98%	6.98%

The key input to the valuation using income approach was the discount rate, and the method for determining the discount rate has been set out by the Valuer in the summary of its valuation report at pages VI-54 to VI-57 of this circular, where the Valuer used the weighted average capital cost ("WACC") as the discount rate. The WACC determined by the Valuer were as follows:

	9 months ending 31 December 2025	Year ending 31 December			2030 and beyond	
		2026	2027	2028	2029	beyond
<b>WACC</b>	7.42%	7.46%	7.61%	7.75%	7.93%	8.10%

*The difference between the final appraised value and the valuation results derived by the income approach*

Using the income approach, the Valuer appraised the entire equity interest of Xindeco ITG Automobile at approximately RMB811.47 million. This is higher than the Valuer's final appraised value of the entire equity interest of Xindeco ITG Automobile of approximately of RMB793.49 million (which was appraised based on the asset-based approach), with the difference being approximately RMB17.98 million.

For the reasons more thoroughly set out in the summary of the Valuer's report at page VI-63 of this circular, the Valuer was of the view that the results derived from the income approach is less reliable as its reliability may be adversely affected by, among others, external environmental factors (such as macroeconomic factors) and external actors (such as policies of automobile manufacturers and changes in consumer preferences), and estimates and judgments made by the valued entity and the Valuer which may lack sufficient supporting information or evidence. Accordingly, the Valuer did not select the valuation results derived by the income approach and only adopted the valuation results derived by the asset-based approach.

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## LETTER FROM THE BOARD

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Given the valuation results derived by the income approach was not selected by the Valuer, no sensitivity analysis has been prepared by the Valuer in reaching the valuation conclusion of the entire equity interest of Xindeco ITG Automobile at approximately RMB793.49 million.

Given the above and as the Valuer is able to appraise the assets and liabilities of the Xindeco ITG Automobile Group as shown in its financial statements, and has not identified any material asset nor liability which it is not able to appraise, the Valuer decided to adopt the asset-based approach.

The Valuer made an undertaking to the Group that its valuation of the entire equity interest of Xindeco ITG Automobile was conducted independently and was not unlawfully interfered. For further information on the valuation of the entire equity interest of Xindeco ITG Automobile, please see a summary of the valuation report prepared by the Valuer at Appendix VI to this circular.

### **The Acquisition Agreement (Thailand)**

Subject to the terms of the Acquisition Agreement (Thailand), Tongda Group and Rising Wave have conditionally agreed to purchase, and Sindanol and Xindeco (Singapore) have conditionally agreed to sell, 100% of the issued share capital of ITG Auto (Thailand).

The principal terms of the Acquisition Agreement (Thailand) are as follows:

<b>Date:</b>	5 December 2025
<b>Parties:</b>	Tongda Group (as purchaser of 90% of the issued share capital of ITG Auto (Thailand))  Rising Wave (as purchaser of 10% of the issued share capital of ITG Auto (Thailand))  Sindanol (as seller of 90% of the issued share capital of ITG Auto (Thailand))  Xindeco (Singapore) (as seller of 10% of the issued share capital of ITG Auto (Thailand))  ITG Auto (Thailand) (as target company)
<b>Subject matter to be acquired:</b>	100% of the issued share capital of ITG Auto (Thailand)
<b>Consideration:</b>	The provisional Acquisition Price (Thailand) is RMB22,134,900, of which RMB19,921,400 is payable by Tongda Group to Sindanol and RMB2,213,500 is payable by Rising Wave to Xindeco (Singapore).

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## LETTER FROM THE BOARD

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The parties agreed that any change to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (Thailand) to 31 December 2025, be for the benefit of or borne by Sindanol and Xindeco (Singapore); and
- (b) for the remaining period of the Transitional Period (Thailand) after 31 December 2025, be for the benefit of or borne by Tongda Group and Rising Wave as to 50%, and by Sindanol and Xindeco (Singapore) as to 50%.

Accordingly, the provisional Acquisition Price (Thailand) shall be subject to an adjustment to reflect the above as follows:

Acquisition Price (Thailand) = PP + (Net Asset<sub>T1</sub> – Net Asset<sub>T0</sub>) + 50% × (Net Asset<sub>T3</sub> – Net Asset<sub>T2</sub>), where:

PP	=	Provisional Acquisition Price (Thailand) of RMB22,134,900
Net Asset <sub>T0</sub>	=	Net asset value of ITG Auto (Thailand) as at 1 July 2025
Net Asset <sub>T1</sub>	=	Net asset value of ITG Auto (Thailand) as at 31 December 2025
Net Asset <sub>T2</sub>	=	Net asset value of ITG Auto (Thailand) as at 1 January 2026
Net Asset <sub>T3</sub>	=	Net asset value of ITG Auto (Thailand) as at the last day of the Transitional Period (Thailand)

*Note:* As at 30 June 2025, the day immediately before the commencement of the Transitional Period (Thailand), the audited net asset value of ITG Auto (Thailand) in the financial statements prepared in accordance with PRC GAAP was approximately RMB22.13 million.

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## LETTER FROM THE BOARD

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**Payment terms:**

The Acquisition Price (Thailand) is payable in two tranches by each of Tongda Group and Rising Wave and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (Thailand), i.e. RMB11,067,450, be payable within 15 calendar days upon the obtaining or completion of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings, reporting, review, or other procedures for the transaction; and
- (b) the balance of the Acquisition Price (Thailand) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (Thailand).

**Conditions precedent:**

The Acquisition Agreement (Thailand) will only become effective upon, and hence Completion (Thailand) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by each of Xiamen Xindeco, the Company, Sindanol, Xindeco (Singapore), Tongda Group and Rising Wave of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document to fulfil the Acquisition Agreement (Thailand) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (Thailand) and the transactions contemplated thereunder.

**Completion:**

Completion (Thailand) shall take place on the day both Sindanol and Xindeco (Singapore) receive the first tranche of payment, being 50% of the provisional Acquisition Price (Thailand), from Tongda Group and Rising Wave, respectively (or such other date as the parties to the Acquisition Agreement (Thailand) may agree).

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## LETTER FROM THE BOARD

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**Others:**

Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) shall settle all non-operating payables and receivables between Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) by Completion (Thailand). ITG Auto (Thailand) shall also settle all external liabilities, which Sindanol or Xindeco (Singapore) has provided and owes guarantee liabilities to third parties, by Completion (Thailand).

***The Consideration***

The Acquisition Price (Thailand) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (Thailand), the following factors had been taken into consideration: (i) the valuation of the entire issued share capital of ITG Auto (Thailand) at approximately RMB22.13 million as at 30 June 2025 as appraised by the Valuer (as further detailed below), (ii) the net asset value of ITG Auto (Thailand) of approximately RMB22.13 million as at 30 June 2025 in the financial statements prepared in accordance with PRC GAAP, (iii) the fact that ITG Auto (Thailand) has not commenced substantive operation, and (iv) the benefits of the Acquisition to the Company. As further elaborated below, upon completion of the Acquisition (Thailand), the Group will be able to leverage on the existing platform of ITG Auto (Thailand) and this will contribute to the expansion of the Group's international business.

As at the Latest Practicable Date, no material adjustment to the provisional Acquisition Price (Thailand) was expected since ITG Auto (Thailand) is expected to commence substantive operations after Completion (Thailand).

The consideration will be funded by the Group's internal resources.

***Information on the parties to the Acquisition Agreement (Thailand)***

Tongda Group is a company incorporated in Hong Kong with limited liability and its principal activity is trading, investment and car rental.

Rising Wave is a company incorporated in Hong Kong with limited liability and its principal activity is trading and investment.

Sindanol is a company incorporated in Hong Kong with limited liability and its principal activity is international trade of bulk commodities such as coal, iron and steel and other metals and export and re-export of automobile.

Xindeco (Singapore) is a company incorporated in Singapore with limited liability and its principal activity is international trade of bulk commodities including coal, iron and steel and other metals.

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## LETTER FROM THE BOARD

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### *ITG Auto (Thailand)*

ITG Auto (Thailand) was incorporated in Thailand in May 2025 and, as at the Latest Practicable Date, is owned as to 90% by Sindanol and 10% by Xindeco (Singapore). ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation. To the best knowledge, information and belief of the Company, Sindanol and Xindeco (Singapore), together with two other individual shareholders, were the founding shareholders of ITG Auto (Thailand) and each of Sindanol and Xindeco (Singapore) provided THB90 million (approximately RMB19.96 million) and THB9,999,990 (approximately RMB2.21 million) to ITG Auto (Thailand) as paid-up capital while the two individual shareholders provided THB10 to ITG Auto (Thailand) as paid-up capital; subsequent to the incorporation of ITG Auto (Thailand), Xindeco (Singapore) acquired all issued shares held by the two individual founding shareholders with THB10.

Based on the accountants' report and audited financial statements of ITG Auto (Thailand) prepared in accordance with HKFRS as set out in Appendix III to this circular, the audited net profits before and after tax of ITG Auto (Thailand) for the period from 14 May 2025 (date of incorporation) to 30 June 2025 are set out below:

	<b>For the period from 14 May 2025 (date of incorporation) to 30 June 2025</b>	<i>RMB'000</i>
<b>Profit before tax</b>		207
<b>Profit after tax</b>		166

The audited net asset value of ITG Auto (Thailand) as at 30 June 2025 was approximately RMB22.13 million. The provisional Acquisition Price (Thailand) is therefore equivalent to the audited net asset value of ITG Auto (Thailand) as at 30 June 2025. For further financial information of ITG Auto (Thailand), please refer to the accountants' report and audited financial statements in Appendix III to this circular.

ITG Auto (Thailand) will become a wholly owned subsidiary of the Company after the completion of the Acquisition (Thailand).

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## LETTER FROM THE BOARD

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### ***Valuation of the entire issued share capital of ITG Auto (Thailand)***

The valuation of the entire issued share capital of ITG Auto (Thailand) by the Valuer adopted the assets-based approach and made certain assumptions, including but not limited to the following principal assumptions:

#### *General assumptions*

- (a) Transaction assumption: it is assumed that the subject to be appraised is in the process of transaction and the valuer makes estimations simulating the transaction conditions of the assets to be appraised.
- (b) Open market assumption: it is assumed that the subject to be appraised can be freely transacted in the market and the market is fully developed with willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and will conduct transaction in a voluntary and rational manner under no compulsion nor restrictions.
- (c) Going concern assumption: it is assumed that the appraised asset is and will be continuously used according to its current purpose and usage method.

#### *Special assumption*

- (d) No material change assumption: it is assumed that there will be no material change to the social, political, legal and regulatory and economic environment in which the ITG Auto (Thailand) operates.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the entire issued share capital of ITG Auto (Thailand) and in view of the fact that it has not commenced substantive operation, the Valuer excluded the market approach as there are insufficient business in the market which are comparable, taking into account, among others, its business structure and business model, and as a result there is insufficient information to adopt the market approach.

As to the income approach, given ITG Auto (Thailand) has not commenced substantive operation, its future revenue cannot be reasonably forecasted and Valuer therefore considered inappropriate to adopt the income approach.

Given the above and as the Valuer is able to appraise the assets and liabilities of ITG Auto (Thailand), and has not identified any material asset nor liability which it is not able to appraise, the Valuer decided to adopt the asset-based approach.

The Valuer made an undertaking to the Group that its valuation of the entire issued share capital of ITG Auto (Thailand) was conducted independently and was not unlawfully interfered. For further information on the valuation of the entire issued share capital of ITG Auto (Thailand), please see a summary of the valuation report prepared by the Valuer at Appendix VII to this circular.

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## LETTER FROM THE BOARD

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### ***Information on the Company and the Group***

The Group is principally engaged in 4S dealership business, automotive supply chain business and comprehensive properties business in the PRC.

### **Reasons for and Benefits of the Acquisition**

The Acquisition is in line with the Company's strategy of focusing on its principal and core business of 4S dealership and automobile sales business in the PRC. In the Company's circular dated 31 March 2025, it was stated that the Group continues to seek strategic investments or mergers and acquisitions (M&A) opportunities that may arise in the future to improve economies of scale.

Xindeco ITG Automobile Group primarily engages in 4S dealership of traditional automobiles and new energy vehicles, as well as import and export of automobile (including used cars), and is one of the 4S dealership leaders in Fujian province of the PRC. Xindeco ITG Automobile Group made early strategic moves in new energy vehicles and international operations, and it distributes multiple new energy brands such as HIMA, and is accelerating its automobile export supply chain and local distribution networks overseas, resulting in its core advantage of having self-operated overseas warehouses and deep involvement in local market distribution, which significantly contributes to its competitive edge. Established in May 2025, ITG Auto (Thailand) represents the first overseas 4S dealership network established by Xiamen Xindeco's 4S dealership business, marking a breakthrough in its international distribution footprint. Upon completion of the Acquisition, the Group will be able to rapidly expand its regional coverage, operational scale, and market share, and achieve complementary advantages in its new energy brand portfolio and international business expansion. At the same time, the Group will be able to fully integrate Xindeco ITG Automobile Group's overseas channels, customer networks, and operational capabilities, and leverage on the platform of ITG Auto (Thailand) to enter international markets quickly. This will drive the development of the Group's new business such as used car exports and new vehicle transshipment, and accelerate the Group's internationalisation.

### ***Financial effect of the Acquisition***

Upon completion of the Acquisition, both Xindeco ITG Automobile and ITG Auto (Thailand) will become wholly owned subsidiaries of the Group. Accordingly, their financial results, assets and liabilities will be consolidated into the consolidated financial statements of the Company. The unaudited pro forma financial information of the Enlarged Group is set out and included in Appendix V to this circular.

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## LETTER FROM THE BOARD

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### *Effect of the Acquisition on the net asset value of the Group*

For the preparation of the unaudited pro forma consolidated financial information of the Enlarged Group as set out in Appendix V to this circular, it was assumed that the completion of the Acquisition took place on 30 June 2025. On that basis, as at 30 June 2025, the unaudited pro forma total assets of the Enlarged Group would be approximately RMB29,632.0 million (representing an increase of approximately RMB2,516.7 million when compared with the audited consolidated total assets of the Group of approximately RMB27,115.3 million), and the unaudited pro forma total liabilities of the Enlarged Group would be approximately RMB28,013.0 million (representing an increase of approximately RMB2,543.7 million when compared with the audited consolidated total liabilities of the Group of approximately RMB25,469.2 million).

### *Effect of the Acquisition on the earnings of the Group*

Upon the completion of the Acquisition, the financial results of both Xindeco ITG Automobile and ITG Auto (Thailand) will be consolidated into the consolidated financial statements of the Company. It is expected that the Company will be able to record additional revenue stream from both Xindeco ITG Automobile and ITG Auto (Thailand) upon completion of the Acquisition.

### ***Listing Rules Implications***

As the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (PRC) is more than 25% but less than 100%, the Acquisition (PRC) itself constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

While the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (Thailand) is less than 5%, given each of Sindanol and Xindeco (Singapore) is a wholly owned subsidiary of Xiamen Xindeco, and Acquisition (PRC) and Acquisition (Thailand) together constitute the Group's acquisition of the entire 4S dealership and automobile sales and export business of Xiamen Xindeco, Acquisition (Thailand) will be aggregated with Acquisition (PRC) and they will be treated as if they were one transaction.

Upon aggregation, the highest applicable percentage ratios calculated pursuant to the Listing Rules for the Acquisition (comprising Acquisition (PRC) and Acquisition (Thailand) is more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules. For the reasons set out in this letter from the Board, while it was not expected that the final Acquisition Price (PRC) and Acquisition Price (Thailand) will have material upward adjustment from the provisional Acquisition Price (PRC) and Acquisition Price (Thailand) as at the Latest Practicable Date, in the event that the adjustment to the provisional Acquisition Price (PRC) and provisional Acquisition Price (Thailand) pursuant to the terms of the Acquisition Agreement (PRC) and Acquisition Agreement (Thailand) will alter the highest applicable percentage ratios such

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## LETTER FROM THE BOARD

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that the Acquisition will be classified into a different category of notifiable transaction (such as a very substantial acquisition), the Company will only proceed with the Acquisition after complying with all applicable requirements under the Listing Rules, including seeking shareholders' approval in another general meeting before completing the Acquisition.

As at the Latest Practicable Date and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ITG Holding is a controlling shareholder of the Company, and Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding. Xiamen Xindeco, and both Sindanol and Xindeco (Singapore) as its wholly owned subsidiaries, are therefore associates of ITG Holding and is each a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

### *Waiver from strict compliance with the profit forecast requirements under the Listing Rules*

The valuation of the entire equity interest of Xindeco ITG Automobile at approximately RMB793.49 million as at 31 March 2025 was apprised by the Valuer based only on the assets-based approach. However, as required under applicable PRC laws and regulation, the Valuer also included the valuation of the entire equity interest of Xindeco ITG Automobile using the income approach in its valuation report (a summary of which is set out in Appendix VI to this circular). As stated above, the Valuer has decided not to select the valuation results derived from the income approach and disregarded such results because, in the opinion of the Valuer, the results derived from the income approach is less reliable. Accordingly, the inclusion of the valuation by income approach was only included in the Valuer's report for the sole purpose of complying with the relevant PRC laws and regulations.

Having considered that (1) using two valuation approaches is a general requirement under PRC laws and regulations, (2) the valuation results derived by income approach was not selected because it is less reliable, (3) no weight was placed by the Company on the valuation result derived from the income approach in determining the Acquisition Price (PRC), and (4) strict compliance with the relevant Listing Rules is unduly burdensome and impractical since the future earnings projections which formed the basis of the valuation results derived by the income approach were provided by Xindeco ITG Automobile and the Company was not involved in the preparation of such projections and, in the Company's view, would not achieve the regulatory purpose for which such rules were made because the Valuer has clearly stated that they do not consider the income approach to be reliable, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the profit forecast requirements under Rules 14.60A, 14.66(2), 14A.68(7), 14A.70(13) and paragraph 29(2) of Appendix D1B of the Listing Rules for the Announcement and for this circular in respect of Acquisition (PRC).

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## LETTER FROM THE BOARD

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### **III. FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Huatai has been appointed as the Company's financial adviser in relation to the Acquisition.

The Independent Board Committee comprising all of the Company's independent non-executive Directors has been formed to advise on the terms of the Acquisition and to make recommendation as to voting.

Somerley has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition and to make recommendation as to voting.

### **IV. GENERAL**

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve the Acquisition Agreement (PRC), the Acquisition Agreement (Thailand) and the transactions contemplated thereunder.

Resolutions approving the Acquisition will be proposed at the EGM to be approved by the Independent Shareholders by way of resolution(s) to be passed by more than 50%, of the votes cast by the Independent Shareholders that are cast either in person or by proxy, respectively, at the EGM.

The voting at the EGM will be conducted by way of poll. Shareholders who are involved in or interested in the Acquisition and their close associates will be required to abstain from voting in respect of the resolution(s) to approve the Acquisition at the EGM.

As at the Latest Practicable Date, given ITG Holding is a controlling shareholder of the Company, and Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding, Sindanol (which held 22,359,500 Shares as at the Latest Practicable Date, representing approximately 0.22% of the issued share capital of the Company) and Xinda Motors (which held 9,062,857,236 Shares as at the Latest Practicable Date, representing approximately 90.49% of the issued share capital of the Company), being subsidiaries of ITG Holding, will abstain from voting on the resolutions approving the Acquisition at the EGM.

Save as disclosed above, as at the Latest Practicable Date, no other Shareholder had any material interest in the Acquisition, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving the Acquisition.

A notice convening the EGM to be held at Large Conference Room, 12th Floor, Guomao Business Center, No. 669 Sishui Road, Huli District, Xiamen, Fujian Province, PRC on Tuesday, 20 January 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

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## LETTER FROM THE BOARD

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A proxy form for use in connection with the EGM is accompanied with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 15 January 2026 to Tuesday, 20 January 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 14 January 2026.

### V. RECOMMENDATION

Your attention is drawn to: (i) the letter from the Independent Board Committee set out on pages 28 to 29 of this circular, containing its recommendation to the Independent Shareholders in respect of the Acquisition and (ii) the letter from Somerley set out on pages 30 to 61 of this circular, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

The Directors (including the members of the Independent Board Committee, whose views are set out in the letter from the Independent Board Committee) consider that the terms and conditions of the Acquisition Agreement (PRC) as well as the Acquisition Agreement (Thailand) are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of all resolutions to be proposed at the EGM.

As (1) Mr. WANG Mingcheng, Mr. SU Yi, Mr. Zhuang Zhibo and Mr. WU Xiaoqiang are currently serving roles within the ITG Group and/or the Xiamen Xindeco Group and (2) each of Mr. HUANG Junfeng and Mr. WANG Mingcheng is beneficially interested in 0.05% and 0.06% shares, respectively, of Xiamen Xindeco, they have abstained from voting on the relevant Board resolutions so as to avoid the perception of a conflict of interest. Save as disclosed above, none of the Directors had a material interest in the Acquisition and no Director has abstained from voting on the relevant resolutions of the Board.

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## LETTER FROM THE BOARD

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**Independent Shareholders are reminded to review the letter from the Independent Board Committee and the letter from the Independent Financial Adviser which are included in this circular.**

### **VI. ADDITIONAL INFORMATION**

Your attention is also drawn to the information set out in the appendices to this circular.

**The completion of each of the Acquisition (PRC) and Acquisition (Thailand) is subject to the fulfilment of the conditions precedent under the Acquisition Agreement (PRC) and Acquisition Agreement (Thailand), respectively, including being approved by the Independent Shareholders, and each of them may or may not proceed.**

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

Yours faithfully,  
By order of the Board  
**China ZhengTong Auto Services Holdings Limited**  
中國正通汽車服務控股有限公司  
**HUANG Junfeng**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the full text of a letter from the Independent Board Committee setting out its recommendation for the purpose of inclusion in this circular.*



### China ZhengTong Auto Services Holdings Limited 中國正通汽車服務控股有限公司

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1728)**

24 December 2025

*To the Independent Shareholders*

Dear Sir or Madam,

#### **MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND AUTOMOBILE SALES AND EXPORT BUSINESS**

We refer to the circular dated 24 December 2025 of the Company (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Acquisition and to advise the Independent Shareholders as to whether, in our opinion, the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

Somerley has been appointed as the independent financial adviser with the Independent Board Committee’s approval to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

We wish to draw your attention to the letter from the Board set out on pages 6 to 27 of the Circular which contains, among others, information on the Acquisition as well as the letter from Somerley set out on pages 30 to 61 of the Circular which contains its advice in respect of the Acquisition.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the principal factors and reasons and the advice of Somerley as set out in the letter from Somerley, we consider that (i) the terms of the Acquisition are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Acquisition.

Yours faithfully  
For and on behalf of  
the Independent Board Committee of  
**China ZhengTong Auto Services Holdings Limited**

**Dr. TSUI Wai Ling Carlye**

**Mr. SHEN Jinjun**

**Ms. YU Jianrong**

*Independent Non-Executive Directors*

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## LETTER FROM SOMERLEY

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*The following is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



### SOMERLEY CAPITAL LIMITED

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

24 December 2025

*To: the Independent Board Committee and the Independent Shareholders*

Dear Sir/Madam,

### MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND AUTOMOBILE SALES AND EXPORT BUSINESS

#### INTRODUCTION

We refer to our appointment to advise the independent board committee and the independent shareholders of China ZhengTong Auto Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the acquisition of 100% of the equity interest of Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司) and ITG Auto (Thailand) Co., Ltd. (the “**Acquisition**”). Details of the Acquisition are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company dated 24 December 2025 (the “**Circular**”), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 5 December 2025, Xiamen ZhengTong (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (PRC) with Xiamen Xindeco and Xindeco ITG Automobile for the acquisition of 100% of the equity interest of Xindeco ITG Automobile, which is the holding company of Xiamen Xindeco's 4S dealership and automobile sales and export business in the PRC. On the same day, Tongda Group (a wholly-owned subsidiary of the Company) and Rising Wave (another wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (Thailand) with Sindanol, Xindeco (Singapore) and ITG Auto (Thailand) for the acquisition of 100% of the issued share capital of ITG Auto (Thailand), which is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation. Xindeco ITG Automobile Group and ITG Auto (Thailand) represent the entire 4S dealership and automobile sales and export business of Xiamen Xindeco.

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As set out in the Board Letter, while the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (Thailand) is less than 5%, given each of Sindanol and Xindeco (Singapore) is a wholly owned subsidiary of Xiamen Xindeco, and Acquisition (PRC) and Acquisition (Thailand) together constitute the Group's acquisition of the entire 4S dealership and automobile sales and export business of Xiamen Xindeco, Acquisition (Thailand) will be aggregated with Acquisition (PRC) and they will be treated as if they were one transaction. As the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (PRC) is more than 25% but less than 100%, the Acquisition (PRC) itself constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Upon aggregation, the highest applicable percentage ratios calculated pursuant to the Listing Rules for the Acquisition (comprising Acquisition (PRC) and Acquisition (Thailand)) is more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules. As at the Latest Practicable Date and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ITG Holding is a controlling shareholder of the Company, and Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding. Xiamen Xindeco, and both Sindanol and Xindeco (Singapore) as its wholly owned subsidiaries, are therefore associates of ITG Holding and is each a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

The Independent Board Committee comprising all independent non-executive Directors, namely Dr. TSUI Wai Ling Carlye, Mr. SHEN Jinjun and Ms. YU Jianrong, has been formed to advise the Independent Shareholders in relation to the Acquisition. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard (the "**Engagement**").

As at the Latest Practicable Date, Somerley Capital Limited did not have any relationships or interests with the Company that could reasonably be regarded as a hindrance to the independence of Somerley Capital Limited as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the Engagement. In the past two years, there has been no other engagement between the Company and Somerley Capital Limited. During the past two years preceding the Latest Practicable Date, apart from normal professional fees paid or payable to us in connection with the Engagement, no arrangement exists whereby we will receive any fees or benefits from the Company.

In formulating our opinion, we have relied on the information as contained in the Circular and the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (the "**Management**"). We have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects. We have also assumed that all representations contained or referred to in the Circular were true at the time they were made and at the date of the Circular and will continue to be true up to the time of the EGM. We have also sought and

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received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. However, we have not conducted any independent investigation into the business and affairs of the Group, Xiamen Xindeco, Sindanol or Xindeco (Singapore), nor have we carried out any independent verification of the information supplied.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the Acquisition, we have taken into account the following principal factors and reasons:

#### 1. Information on the Group

The Group is principally engaged in 4S dealership business, automobile supply chain business and comprehensive properties business in the PRC.

##### *(a) Financial performance*

Set out below is a summary of the audited consolidated financial information of the Group for each of the year ended 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”) and the unaudited consolidated financial information of the Group for each of the six months ended 30 June 2024 (“HY2024”) and 30 June 2025 (“HY2025”) as extracted from the 2024 annual report (the “**2024 Annual Report**”) and the 2025 interim report (the “**2025 Interim Report**”) of the Company respectively:

	For the six months ended		For the year ended	
	30 June		31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	8,891,028	9,875,622	20,746,774	24,131,975
— <i>4S dealership business</i>	8,731,928	9,682,250	20,342,814	23,464,573
— <i>Supply chain business</i>	155,438	180,775	378,393	667,402
— <i>Comprehensive properties business</i>	3,662	12,597	25,567	Nil
Gross profit	297,524	177,158	779,069	1,008,593
Net (loss) for the period	(887,537)	(634,840)	(1,529,086)	(820,480)

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During FY2024, the Group recorded revenue of approximately RMB20.75 billion, representing a decrease of approximately 14.03% as compared to that for FY2023. According to the 2024 Annual Report and as advised by the Management, such decrease in revenue was mainly due to the decreases in the selling price (mainly as a result of market competition) and sales volume of new automobiles (mainly as a result of the closure of certain underperforming 4S stores for tradition fuel-powered automobiles to increase operation efficiency and the adjustment in the sales plan of the Group due to market condition) during the period. The Group recorded gross profit of approximately RMB779.07 million for FY2024, representing a decrease of approximately 22.76% as compared to that for FY2023. As set out in the 2024 Annual Report, such decrease in gross profit was mainly due to the decrease in the average selling price of new automobiles. The Group recorded net loss of approximately RMB1.53 billion for FY2024, representing an increase of approximately 86.36% as compared to that for FY2023. According to the 2024 Annual Report, such increase in loss was mainly due to the decreases in revenue from the sales of new automobiles and gross profit margin from sales of new automobiles as discussed above.

During HY2025, the Group recorded revenue of approximately RMB8.89 billion, representing a decrease of approximately 9.97% as compared to that for HY2024. According to the 2025 Interim Report and as advised by the Management, such decrease in revenue was mainly due to the decrease in selling price of new automobiles during the period as a result of market competition, while sales volume remained at similar level during HY2025 as compared to that for HY2024 as a result of the proactive efforts by the Group in driving sales and accurate business focus in sales and operation. The Group recorded gross profit of approximately RMB297.52 million for HY2025, representing an increase of approximately 67.94% as compared to that for HY2024. As set out in the 2025 Interim Report and as advised by the Management, such increase in gross profit was mainly due to the income generated from the provision of mortgage facilitation services, which has a relatively higher gross profit margin as compared to other income streams, being presented as revenue (as recorded in the 4S dealership business segment) starting from 1 April 2024, while mortgage facilitation services income earned during the period from 1 January 2024 to 31 March 2024 was included in “service income” under “other income”. The Group recorded net loss of approximately RMB887.54 million for HY2025, representing an increase of approximately 39.80% as compared to that for HY2024. According to the 2025 Interim Report and as advised by the Management, such increase in loss was mainly due to the decline in selling price of new automobiles during HY2025, the impairment losses on goodwill and intangible assets of approximately RMB115.00 million recorded during HY2025 relating to the car dealership operation rights, and the impairment losses on property, plant and equipment of approximately RMB126.38 million recorded during HY2025 as a result of the closure of certain underperforming 4S stores for tradition fuel-powered automobiles.

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### *(b) Financial position*

Set out below is a summary of the financial position of the Group as at 31 December 2023 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited) as extracted from the 2024 Annual Report and the 2025 Interim Report respectively:

	As at 30 June 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
Total assets	27,115,255	29,218,236	29,514,801
— <i>Current assets</i>	13,644,453	15,321,305	14,426,280
— <i>Non-current assets</i>	13,470,802	13,896,931	15,088,521
Total liabilities	25,469,212	28,148,498	28,227,741
— <i>Current liabilities</i>	20,212,460	23,654,203	22,644,392
— <i>Non-current liabilities</i>	5,256,752	4,494,295	5,583,349
Net assets	1,646,043	1,069,738	1,287,060

The Group recorded total assets of approximately RMB27.12 billion as at 30 June 2025, and major assets of the Group included property, plant and equipment of approximately RMB5.64 billion, prepayments, deposits and other receivables of approximately RMB4.72 billion, pledged bank deposits of approximately RMB3.41 billion, rights-of-use assets of approximately RMB2.41 billion and intangible assets of approximately RMB2.16 billion.

The Group recorded total liabilities of approximately RMB25.47 billion as at 30 June 2025, and major liabilities of the Group included loans and borrowings of approximately RMB17.95 billion and trade and other payables of approximately RMB5.00 billion.

As at 30 June 2025, the Group had net assets of approximately RMB1.65 billion.

## **2. Information on the purchasers and vendors of the Acquisition**

### ***2.1 Information on Xiamen ZhengTong (purchaser of the Acquisition (PRC))***

Xiamen ZhengTong is a company incorporated in PRC with limited liability and its principal activity is automobile dealership and sales of automobile parts.

### ***2.2 Information on Xiamen Xindeco (vendor of the Acquisition (PRC))***

Xiamen Xindeco is a joint stock company incorporated in PRC with limited liability and a company listed on the Shenzhen Stock Exchange (stock code: 000701.SZ). It is principally engaged in digital technology, electronic technology, supply chain and automobile distribution businesses, and is owned as to approximately 39.93% by ITG Holding.

### **2.3 *Information on Tongda Group and Rising Wave (purchasers of the Acquisition (Thailand))***

Tongda Group is a company incorporated in Hong Kong with limited liability and its principal activity is trading, investment and car rental.

Rising Wave is a company incorporated in Hong Kong with limited liability and its principal activity is trading and investment.

### **2.4 *Information on Sindanol and Xindeco (Singapore) (vendors of the Acquisition (Thailand))***

Sindanol is a company incorporated in Hong Kong with limited liability and its principal activity is international trade of bulk commodities such as coal, iron and steel and other metals and export and re-export of automobile.

Xindeco (Singapore) is a company incorporated in Singapore with limited liability and its principal activity is international trade of bulk commodities including coal, iron and steel and other metals.

## **3. Information on the target companies**

### ***Information on the Xindeco ITG Automobile Group***

#### ***(a) Business and background information***

Xindeco ITG Automobile was incorporated in the PRC and is wholly owned by Xiamen Xindeco. Xindeco ITG Automobile Group is principally engaged in 4S traditional automobile dealership business which aims to create an automobile service ecosystem which is customer centric, and its operations also include servicing new energy vehicles, sale and export of second-hand vehicles, and sale of parallel import vehicles, etc.. As at 30 June 2025, Xindeco ITG Automobile Group operated nearly 50 automotive dealership 4S stores, new energy vehicles experience centres and body and paint centres, and distributed 29 brands including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Alfa Romeo, Hongqi, Volkswagen, Toyota, Honda, IM, brands under Huawei HIMA, EXEED, and Chery iCAR, and was one of the 4S dealership leaders in Fujian province of the PRC.

According to the Board Letter, Xiamen Xindeco (together with one of its wholly owned subsidiaries) acquired 100% of the equity interest of Xindeco ITG Automobile (which at the time was named Xiamen ITG Automobile Co., Ltd.\* (廈門國貿汽車股份有限公司)) with a cash consideration of approximately RMB246.77 million in 2018, after which the Xindeco ITG Automobile Group has undertaken various corporate transactions including (but not limited to) corporate transactions that increased its registered and paid up capital and/or integrated other 4S automobile related operation of the Xiamen Xindeco Group into the Xindeco ITG Automobile Group.

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### (b) Financial performance

Set out below is a summary of major items extracted from the audited consolidated financial information of Xindeco ITG Automobile Group for the year ended 31 December 2022 (“**FY2022**”), FY2023, FY2024, the six months ended 30 June 2024 (“**HY2024**”) (unaudited) and the six months ended 30 June 2025 (“**HY2025**”) (the “**Relevant Periods**”), prepared in accordance with the Hong Kong Financial Reporting Standards, details of which are included in Appendix II to the Circular:

	For the six months ended		For the year ended 31 December		
	30 June		2024 RMB'000	2024	
	2025 RMB'000	2024 RMB'000		2023 RMB'000	2022 RMB'000
(Unaudited)					
Revenue	3,574,337	4,126,741	8,642,815	8,130,132	7,367,993
Cost of sales	(3,352,289)	(3,882,535)	(8,197,138)	(7,719,907)	(6,942,448)
Gross profit	222,048	244,206	445,677	410,225	425,545
Other income	55,018	75,968	157,559	163,958	179,798
Selling and distribution expenses	(151,852)	(159,740)	(331,867)	(354,333)	(304,815)
Administrative expenses	(100,921)	(122,920)	(261,880)	(289,665)	(188,417)
Profit/(loss) and total comprehensive income/(loss)	(9,738)	(5,568)	(76,031)	(138,625)	51,217
Attributable to:					
— Equity shareholders	110	7,143	(48,657)	(114,293)	29,135
— Non-controlling interests	(9,848)	(12,711)	(27,374)	(24,332)	22,082

The following analysis is based on our review of the consolidated financial statements of Xindeco ITG Automobile Group as contained in Appendix II to the Circular and our discussion with the Management and the management of the Xindeco ITG Automobile Group.

#### FY2023 vs FY2022

Xindeco ITG Automobile Group recorded revenue of approximately RMB8.13 billion for FY2023, representing an increase of approximately 10.34% as compared to that for FY2022. Such increase in revenue was mainly due to the consolidation of the financial results of Poly Automobile Co., Ltd. (“**Poly Automobile**”) following the completion of the acquisition of Poly Automobile in 2023. Despite the consolidation of financial results of Poly Automobile, Xindeco ITG Automobile Group recorded gross profit of approximately RMB410.23 million for FY2023, representing a decrease of approximately 3.60% as compared to that for FY2022. Such decrease in gross profit was mainly due to the decrease in selling price of new automobiles as a result of market competition. Xindeco ITG Automobile Group recorded net loss of approximately RMB138.63 million for FY2023, as compared to net profit of

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approximately RMB51.22 million recorded for FY2022. Such change from net profit to net loss was mainly due to the aforesaid decrease in gross profit and the increase in selling and distribution expenses and administrative expense.

### FY2024 vs FY2023

Xindeco ITG Automobile Group recorded revenue of approximately RMB8.64 billion for FY2024, representing an increase of approximately 6.31% as compared to that for FY2023. Such increase in revenue was mainly due to the increase in sales volume of new energy vehicles. Xindeco ITG Automobile Group recorded gross profit of approximately RMB445.68 million for FY2024, representing an increase of approximately 8.64% as compared to that for FY2023. Such increase in gross profit was mainly due to the aforesaid increase in revenue. Xindeco ITG Automobile Group recorded net loss of approximately RMB76.03 million for FY2024, representing a decrease of approximately 45.15% as compared to that for FY2023. Such decrease in loss was mainly due to the aforesaid increase in gross profit and the decrease in selling and distribution expenses and administrative expenses as a result of the Xindeco ITG Automobile Group's cost control measures.

### HY2025 vs HY2024

Xindeco ITG Automobile Group recorded revenue of approximately RMB3.57 billion for HY2025, representing a decrease of approximately 13.39% as compared to that for HY2024. Such decrease in revenue was mainly due to the decrease in the sales volume of new vehicles as a result of market competition, which impacted the revenue contribution from the sales of passenger motor vehicles and the provision of after-sales services. Xindeco ITG Automobile Group recorded gross profit of approximately RMB222.05 million for HY2025, representing a decrease of approximately 9.07% as compared to that for HY2024. Such decrease in gross profit was mainly due to the aforesaid decrease in revenue. Xindeco ITG Automobile Group recorded net loss of approximately RMB9.74 million for HY2025, representing an increase of approximately 74.89% as compared to that for HY2024. Such increase in loss was mainly due to the increase in income tax of approximately RMB10.28 million for the recognition of deferred tax liabilities as a result of the closure of certain dealership stores and the turnaround from loss to profit of certain project companies of Xindeco ITG Automobile Group during the period.

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### (c) Financial position

Set out below is a summary of major items extracted from the audited consolidated statements of financial position of Xindeco ITG Automobile Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, prepared in accordance with the Hong Kong Financial Reporting Standards, details of which are included in Appendix II to the Circular:

	As at			
	30 June		As at 31 December	
	2025	2024	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	3,317,644	3,599,424	4,469,286	3,541,890
— <i>Non-current assets</i>	1,072,333	1,128,383	1,344,218	913,742
— <i>Current assets</i>	2,245,311	2,471,041	3,125,068	2,628,148
Total liabilities	2,543,135	2,814,614	3,541,147	2,366,303
— <i>Non-current liabilities</i>	336,028	320,764	451,051	224,832
— <i>Current liabilities</i>	2,207,107	2,493,850	3,090,096	2,141,471
Total equity	774,509	784,810	928,139	1,175,587
— <i>attributable to equity shareholders</i>	803,876	816,389	890,787	1,056,437
— <i>attributable to non-controlling interests</i>	(29,367)	(31,579)	37,352	119,150

As at 30 June 2025, the major assets of Xindeco ITG Automobile Group include prepayment, deposits and other receivables of approximately RMB964.35 million, inventories of approximately RMB728.10 million, property, plant and equipment of approximately RMB366.84 million, goodwill of approximately RMB334.19 million and pledged bank deposits of approximately RMB409.18 million.

The Xindeco ITG Automobile Group's total assets (comprising non-current assets and current assets) amounted to approximately RMB3.54 billion, RMB4.47 billion, RMB3.60 billion and RMB3.32 billion as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively. The year-on-year increase in total assets of Xindeco ITG Automobile Group as at 31 December 2023 was mainly due to the consolidation of the financial results of Poly Automobile following the completion of the acquisition of Poly Automobile in 2023. The year-on-year decrease in total assets of Xindeco ITG Automobile Group as at 31 December 2024 was mainly attributable to the decrease in property, plant and equipment as a result of depreciation, amortization and scrapping of assets as a result of the closure of certain dealership stores, the decrease in right-of-use assets as a result of the closure of certain dealership stores, the decrease in inventories as a result of the stock management effort by Xindeco ITG Automobile Group, and the decrease in prepayments, deposits and other receivables as a result of the decrease in other receivables from related parties. The decrease in total

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assets of Xindeco ITG Automobile Group as at 30 June 2025 (as compared to that as at 31 December 2024) was mainly attributable to the decrease in pledged bank deposits as a result of the settlement of the relevant bills payable.

As at 30 June 2025, Xindeco ITG Automobile Group had total liabilities of approximately RMB2.54 billion, and major liabilities of Xindeco ITG Automobile Group include trade and other payables of approximately RMB1.34 billion.

Xindeco ITG Automobile Group's total liabilities (comprising non-current and current liabilities) amounted to approximately RMB2.37 billion, RMB3.54 billion, RMB2.81 billion and RMB2.54 billion as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively. The year-on-year increase in total liabilities of Xindeco ITG Automobile Group as at 31 December 2023 was mainly due to the consolidation of the financial results of Poly Automobile following the completion of the acquisition of Poly Automobile in 2023. The year-on-year decrease in total liabilities of Xindeco ITG Automobile Group as at 31 December 2024 was mainly attributable to the decrease in loans and borrowings following the repayment and the decrease in lease liabilities as a result of the closure of certain dealership stores. The decrease in total liabilities of Xindeco ITG Automobile Group as at 30 June 2025 (as compared to that as at 31 December 2024) was mainly attributable to the decrease in trade and other payables as a result of the settlement of the bills payable.

As at 30 June 2025, Xindeco ITG Automobile Group had net assets of approximately RMB774.51 million and net assets attributable to equity shareholders of approximately RMB803.88 million.

### ***Information on ITG Auto (Thailand)***

#### ***(a) Business and background information***

ITG Auto (Thailand) was incorporated in Thailand in May 2025 and, as at the Latest Practicable Date, was owned as to 90% by Sindanol and 10% by Xindeco (Singapore). ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

According to the Board Letter, Sindanol and Xindeco (Singapore), together with two other individual shareholders, were the founding shareholders of ITG Auto (Thailand) and each of Sindanol and Xindeco (Singapore) provided THB90 million (approximately RMB19.96 million) and THB9,999,990 (approximately RMB2.21 million) to ITG Auto (Thailand) as paid-up capital while the two individual shareholders provided THB10 to ITG Auto (Thailand) as paid-up capital; subsequent to the incorporation of ITG Auto (Thailand), Xindeco (Singapore) acquired all issued shares held by the two individual founding shareholders with THB10.

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*(b) Financial performance*

The audited profits before and after tax of ITG Auto (Thailand) (prepared in accordance with the Hong Kong Financial Reporting Standards) for the period from 14 May 2025 (date of incorporation) to 30 June 2025 is set out as follows, details of which are included in Appendix III to the Circular:

	<b>For the period from 14 May 2025 (date of incorporation) to 30 June 2025 RMB'000</b>
Profit before tax	207
Profit after tax	166

For the period from 14 May 2025 (date of incorporation) to 30 June 2025, the ITG Auto (Thailand) did not record any revenue. The profit for the period was mainly attributable to foreign exchange gain during the period.

*(c) Financial position*

The audited net asset value of ITG Auto (Thailand) as at 30 June 2025 was approximately RMB22.13 million, comprised mainly of time deposits of RMB5 million and cash and cash equivalents of approximately RMB17.74 million.

#### **4. Reasons for and benefits of the Acquisition**

Financial performance of the Group has been affected by factors such as competition and change of consumers' appetite towards fuel-powered automobiles, resulting in deterioration of the Group's results and increases in the Group's net loss during FY2024 and HY2025. As advised by the Management, with the advent of electric vehicles, which has heralded a paradigm shift towards sustainability and environmental consciousness, away from traditional internal combustion engine (ICE) vehicles, the 4S dealership businesses in the PRC are at a crossroads in market development and subject to intense market competition. Despite intense industry competition and profit pressure, the leading dealerships are exhibiting a "Matthew effect", where larger dealerships have greater bargaining power in the market and leaders in the industry have been able to squeeze out smaller players by leveraging their economies of scale and stronger financial capabilities. Therefore, the Management considers that it is necessary to maintain its competitiveness and to secure its position in the industry through expansion of its business scale and improvement of its strategic layout.

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As part of the Group's development plan, the Company has carried out an equity fund raising through a subscription of 6,669,060,524 subscription shares for a total consideration of HK\$1,000,359,078.60 in cash (the “**Connected Subscription**”) by Xinda Motors. The Connected Subscription would help to supplement the Company's working capital requirements, enable the Company to better meet its operational cash flow needs during the time of market transition, support its plans to optimise its distribution footprint, adjust its brand portfolio, increase its inventory turnover and overall operational efficiency. The Connected Subscription was completed on 2 June 2025. As mentioned in the Company's circular dated 31 March 2025 in relation to the Connected Subscription (the “**Connected Subscription Circular**”), whilst the Company was reviewing its plans for its non-core businesses, the Company expected to focus more on M&A opportunities in this industry, be it upstream or downstream, and to increase its international presence as it expects market consolidation opportunities to present themselves. As advised by the Management, the Company intended to utilize the net proceeds of the Connected Subscription to support its development plan, in particular, as mentioned in the Connected Subscription Circular, the Group had intended to apply approximately 20% of the net proceeds from the Connected Subscription towards capitalising on market opportunities for strategic investments or mergers and acquisitions (M&A) as and when they arise. As at the Latest Practicable Date, the net proceeds raised from the Connected Subscription set aside for strategic investments or merger and acquisition was approximately RMB183 million. We have discussed with the Management and understand that mergers and acquisitions were considered by the Group as they will allow a quicker expansion than opening new stores by the Group itself, particularly in areas where there are already other well established competitors in the market.

According to the 2025 Interim Report, as of 30 June 2025, the Group had 92 dealership stores in 36 cities across 15 provinces in the PRC (including Guangdong, Hubei, Inner Mongolia, Jiangxi, Beijing, Hunan, Shanghai, Zhejiang, Sichuan, Shandong, Henan, Yunan, Anhui, Tianjin and Liaoning). On the other hand, the Management noticed that Xindeco ITG Automobile Group has already established its network of 4S dealership stores and is one of the 4S dealership leaders in Fujian area where the Group has yet to develop its business.. As at 30 June 2025, Xindeco ITG Automobile Group operated nearly 50 automotive dealership 4S stores, new energy vehicles experience centres and body and paint centres, and distributed 29 brands in the Fujian province and some other tier one cities in the PRC. The Management therefore considers that the Acquisition represent an opportunity for the Group to expand its business and anchor its position in the industry. In terms of traditional automobile, the Acquisition represents the Company's strategic move to expand its distribution footprint to more regions in the PRC, thereby also creating economies of scale and improving the Group's bargaining position with those automobile brands who wish to penetrate a wider geographical coverage and the PRC consumer market for automobiles. In terms of new energy automobile, Xindeco ITG Automobile Group has a relatively early presence in the new energy sector than the Group, and already established relationship with the leading new energy brands in the PRC. The acquisition of new energy brand dealership from Xindeco ITG Automobile Group will mean that the more experienced team at Xindeco ITG Automobile Group dealing with new energy brands (marketing, sales and after sales service) will join the Group to increase bench strength and bolster the less experienced team currently deployed by the Group in new energy sector. The

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Company believes that upscaling its business geographically, brand representation and increased management resources for new energy brands is key to emerging as a beneficiary from market consolidation during industry transition.

In addition, the Group has begun its international business expansion since 2024 and has formulated an internationalization strategy for its vehicle business by establishing a three-stage development model that includes comprehensive automotive supply chain services, overseas authorised dealerships, and investment in manufacturing facilities. According to the 2025 Interim Report, leveraging its long-standing cooperative relationships with major domestic OEMs, the Group actively pursued domestic OEMs export authorizations and dealership authorizations in overseas markets. The Group has also steadily advanced the localization of its store teams and engaged in deep collaborations with strong local partners overseas to jointly explore international cooperation opportunities. Xindeco ITG Automobile Group has accumulated a relatively mature overseas network over years of operation and continued to accelerate its expansion, in particular, its second-hand automobiles export business has already entered markets such as Colombia, Cambodia, Nigeria, the UAE, Poland and Spain. At the same time, Xindeco ITG Automobile Group has started the construction of its local distribution network in Southeast Asia. The relatively mature overseas network of Xindeco ITG Automobile Group would allow the Group to tap into such resources to accelerate the development of its international vehicles sales business.

Xindeco ITG Automobile Group already has a mature business model in the new energy sector and overseas market, while it would require many years for the Group to build brand authorization, qualifications, land, human resources and systems on its own for such sector/market. The Management considered that the Acquisition allows the Group to quickly expand its scale and seize competitive positions in the market. We also understand from the Management that the consideration of the Acquisition is intended to be partially settled by the aforesaid part of net proceeds of the Connected Subscription; and Acquisition is in line with Company's strategy on focusing on its principal and core business of 4S dealership and automobile sales business in the PRC and the development strategy as mentioned in the Connected Subscription Circular.

Having considered the benefits of the Acquisition as mentioned above and that the Acquisition is in line with the Company's development strategy, we consider that although the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM SOMERLEY

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### 5. Principal terms of the Acquisition (PRC)

Set out below are the principal terms of the Acquisition Agreement (PRC), further details of which are set out in the Board Letter.

<b>Date:</b>	5 December 2025
<b>Parties:</b>	Xiamen ZhengTong (as purchaser) Xiamen Xindeco (as vendor) Xindeco ITG Automobile (as target company)
<b>Subject Matter to be acquired:</b>	100% of the equity interest of Xindeco ITG Automobile
<b>Consideration:</b>	The provisional Acquisition Price (PRC) is RMB793,493,700.

The parties agreed that any change to the total equity of Xindeco ITG Automobile attributable to its equity shareholders for the Transitional Period (PRC) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (PRC) to 31 December 2025, be for the benefit of or borne by Xiamen Xindeco; and
- (b) for the remaining period of the Transitional Period (PRC) after 31 December 2025, be for the benefit of or borne by Xiamen ZhengTong as to 50% and by Xiamen Xindeco as to 50%.

Accordingly, the provisional Acquisition Price (PRC) shall be subject to an adjustment to reflect the above as follows:

Acquisition Price (PRC) = PP + (Total Equity<sub>T1</sub> – Total Equity<sub>T0</sub>) + 50% × (Total Equity<sub>T3</sub> – Total Equity<sub>T2</sub>), where

PP = Provisional Acquisition Price (PRC) of RMB793,493,700

Total Equity<sub>T0</sub> = Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 1 April 2025

Total Equity<sub>T1</sub> = Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 31 December 2025

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## LETTER FROM SOMERLEY

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Total Equity<sub>T2</sub> = Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 1 January 2026

Total Equity<sub>T3</sub> = Total equity of Xindeco ITG Automobile attributable to its equity shareholders as at the last day of the Transitional Period (PRC)

*Note:* As at 31 March 2025, the day immediately before the commencement of the Transitional Period (PRC), the audited total equity of Xindeco ITG Automobile attributable to its equity shareholders in the consolidated financial statements prepared in accordance with PRC GAAP was approximately RMB811.17 million.

**Payment terms:**

The Acquisition Price (PRC) is payable in two tranches and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (PRC), i.e. RMB396,746,900, be payable within 15 calendar days upon the obtaining of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings reporting, review or other procedures for the transaction;
- (b) the balance of the Acquisition Price (PRC) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (PRC).

**Condition precedent:**

The Acquisition Agreement (PRC) will only become effective upon, and hence Completion (PRC) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by Xiamen Xindeco and the Company of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document to fulfil the Acquisition Agreement (PRC) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (PRC) and the transactions contemplated thereunder.

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## LETTER FROM SOMERLEY

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**Completion:**

Completion (PRC) shall take place on the day Xiamen Xindeco receives the first tranche of payment, being 50% of the provisional Acquisition Price (PRC), from Xiamen ZhengTong (or such other date as the parties to the Acquisition Agreement (PRC) may agree in writing).

**Others:**

Xiamen Xindeco and Xindeco ITG Automobile shall settle all non-operating payables and receivables between Xiamen Xindeco and Xindeco ITG Automobile Group by Completion (PRC). Xindeco ITG Automobile Group shall also settle all external liabilities, which Xiamen Xindeco has provided and owes guarantee or other securities liabilities to third parties, by Completion (PRC).

### **6. Assessment of the consideration of the Acquisition (PRC)**

As mentioned in the Board Letter, the Acquisition Price (PRC) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (PRC), the Group had taken into consideration (i) the valuation of the entire equity interest of Xindeco ITG Automobile at approximately RMB793.49 million as at 31 March 2025 as appraised by the Valuer (as further detailed below), (ii) the financial results of Xindeco ITG Automobile for 2024 and first six months of 2025, and its total equity attributable to its equity shareholders as at 30 June 2025 in the consolidated financial statements prepared in accordance with PRC GAAP, and (iii) the benefits of the Acquisition to the Company.

The valuation report (the “**Acquisition (PRC) Valuation Report**”) on the valuation of the entire equity interest in Xindeco ITG Automobile as at 31 March 2025 (the “**Acquisition (PRC) Valuation**”) has been issued by the Valuer, details of which are set out in Appendix VI to the Circular. For our due diligence purpose, we have reviewed the Acquisition (PRC) Valuation Report prepared by the Valuer, and have discussed with the Valuer regarding the Acquisition (PRC) Valuation with details set out below.

We reviewed and enquired into (i) the terms of engagement of the Valuer; (ii) the Valuer's qualification in relation to the preparation of the Acquisition (PRC) Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Acquisition (PRC) Valuation. From the engagement letter and the relevant information provided by the Valuer and based on our interview with them, we were satisfied with the terms of engagement of the Valuer as well as their qualification for preparation of the Acquisition (PRC) Valuation and the Acquisition (PRC) Valuation Report. The Valuer also confirmed that they are independent to the Group, Xindeco ITG Automobile Group and Xiamen Xindeco.

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## LETTER FROM SOMERLEY

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Based on our discussion with the Valuer and review of the Acquisition (PRC) Valuation Report, it is noted that the Valuer selected the asset-based approach to conclude the Acquisition (PRC) Valuation. We understand that the Valuer has considered the three commonly used valuation approaches for valuation of a company, namely the asset-based approach, the market approach and the income approach:

***(i) Asset-based approach:***

Under the asset-based approach, the value of a company is appraised based on the value of individual assets and liabilities. As the Valuer could use appropriate specific valuation methods to assess and estimate each of the Xindeco ITG Automobile Group's assets and liabilities, and Xindeco ITG Automobile Group does not have any assets or liabilities that are difficult to identify or assess that would materially impact the valuation, the Valuer considers that the asset-based approach is appropriate for this case.

***(ii) Market approach:***

Under the market approach, the value of a company is appraised based on comparison with comparable companies and/or transactions. As at the valuation base date, while there were a number of listed companies in the industry in which Xindeco ITG Automobile resided, those listed companies differed significantly from Xindeco ITG Automobile based on factors such as business structure, operating model, enterprise scale, asset allocation and utilization, operating stage, growth potential, operating risk, and financial risk. Comparability between Xindeco ITG Automobile and listed companies in the same industry was poor, making the listed company comparison method unsuitable for valuation. In the rights exchange market, market information is limited. Recent equity transactions in the rights exchange market involving similar industry characteristics and business models to Xindeco ITG Automobile are rare, and the market for similar equity transactions is inactive. The Valuer was unable to obtain sufficient data on comparable business sales, acquisitions, or mergers, eliminating the prerequisites for applying the market approach. In summary, the market approach is not appropriate for this case.

***(iii) Income approach:***

Under the income-approach, the value of a company is appraised based on discounted future cash flows. Xindeco ITG Automobile Group is a automobile dealer, which distributes around various brands including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Infiniti, Alfa Romeo, and brands under Huawei AITO. Having considered the nature of the business, asset size, historical operating performance, predictability of future earnings, and the sufficiency of the assessment data, the Valuer considered that the Xindeco ITG Automobile Group's future earnings can be reasonably anticipated and measured in monetary terms, the risks corresponding to the expected earnings can be reasonably measured, and the earnings period can be reasonably anticipated. As the prerequisites for the application income approach is met, the Valuer considered that the income approach can be used for this case.

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## LETTER FROM SOMERLEY

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However, the operations of Xindeco ITG Automobile Group are greatly affected by factors such as automobile brands, manufacturer policies, market environment, and changes in consumer preferences, and the quality of future earnings forecasts is affected by macroeconomic factors, industry development conditions, earnings forecast methods, and forecast assumptions. Future earnings forecasts rely too much on the estimates or judgments of the assessed entity or the Valuer, and these estimates or judgments lack sufficient supporting information or basis. The above factors have an adverse impact on the reliability of the valuation results of the income approach. Therefore, the income approach was not selected by the Valuer.

Based on the above, and taking into account our discussions with the Valuer regarding their selection of valuation approach, we consider that the use of asset-based approach in valuing Xindeco ITG Automobile Group to be reasonable.

We understand from the Valuer that when performing the Acquisition (PRC) Valuation based on asset-based approach, the Valuer categorised the assets and liabilities of Xindeco ITG Automobile Group into different categories. Since the main operations of Xindeco ITG Automobile Group are carried out by Xindeco ITG Automobile and its subsidiaries, key assets of the Xindeco ITG Automobile Group include, among other things, long-term equity investment such as its subsidiaries and/or associates. We understand from the Valuer that when valuing long-term equity investments under the asset-based approach, the long-term equity investments will be classified into two categories, namely (1) controlling long-term equity investments; and (2) non-controlling long-term equity investments. In assessing the valuation of controlling long-term equity investments (i.e. subsidiaries of Xindeco ITG Automobile), the Valuer assessed the value of the entire equity of shareholders in the investees, which was derived at based on valuation of the underlying assets and liabilities of such investees, and then multiply such value by the shareholding percentage to arrive at the value of the long-term equity investments. In other words, under such approach, the valuation of the Xindeco ITG Automobile was derived from the individual assets and liabilities of the Target Company and its subsidiaries. We have reviewed the Acquisition (PRC) Valuation Report and discussed with the Valuer regarding its work done to arrive at the valuation of different items. Further details are set out below:

***(i) Current assets***

Cash and cash equivalents, including bank deposits and other cash and cash equivalents were appraised through checking of bank statements and reconciliation statements etc.

For prepayments, the Valuer has enquired the details of the prepayments and checked to the underlying contracts in relation to such prepayments, and market value was appraised based on verified carrying amount for those.

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## LETTER FROM SOMERLEY

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For trade receivables (such as vehicle payment, warranty payment, and maintenance payment) and other receivables, (including deposits, security deposits and balances due from related companies, the Valuer has analyzed the receivable amount, time and reason of the arrears, the status of recovery, the debtor's funds, credit, business management status, etc., based on the historical data and investigation; and has utilized specific identification and aging analysis to determine the credit loss.

The Valuer classified the inventories of the Xindeco ITG Automobile Group including goods in transit, finished goods, and shipped goods. Goods in transit were valued based on the acquisition and transportation costs. Finished goods were valued based on selling prices net of all tax and selling expenses. Shipped goods were valued based on selling prices net of all tax.

For other current assets, the Valuer has verified the value by obtaining original documents, tax return forms, tax payment receipts and other relevant materials. The verified carrying amount is used as the assessed value.

### ***(ii) Non-controlling long-term equity investments***

For non-controlling long-term equity investment, there is only one subject company and such company had total assets of approximately RMB1.25 million and total liabilities of approximately RMB6.15 million as at the valuation base date, and recorded net liabilities of approximately RMB4.90 million. The Valuer was unable to conduct a comprehensive asset valuation of such company, and was only able to obtain the corresponding financial statements of such company, and no other information was available. As the book value of owners' equity on the valuation base date was negative and the probability of significant asset appreciation or depreciation was low, the valuation of all shareholders' equity in such company was determined to be zero.

### ***(iii) Properties, machineries and equipment***

The properties, machineries and equipment were mainly appraised by the replacement cost method based on the nature and characteristics of the assets, data collection and other relevant conditions.

### ***(iv) Intangible assets***

The intangible assets mainly include software, land use rights and automobile dealership rights.

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## LETTER FROM SOMERLEY

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For software, the Valuer has reviewed relevant source materials to understand the composition of the original recorded value, the amortization method and period, and reviewed original vouchers. The Valuer has also checked the detailed ledgers, general ledgers, and balance sheets to verify their legitimacy and authenticity, as well as the expenditure and amortization status. The appraised value was based on book value.

The land use rights were valued by the benchmark land price coefficient correction method, under which the Valuer referred to the benchmark land price established by the local government and adjusted the land price based on analysis of various factors affecting the land price.

The Valuer has adopted the income approach to value the automobile dealership rights. A total of 38 automobile dealership rights (21 brands) were included in the valuation scope as at the valuation base date. All of such rights were held by members of Xindeco ITG Automobile Group and were not recognized on the financial statements of Xindeco ITG Automobile as at the valuation base date. The intangible dealership rights included in the valuation scope were agreements signed between subsidiaries of Xindeco ITG Automobile and automobile manufacturers.

In the valuation, the Valuer assumed that Xindeco ITG Automobile can continuously obtain distribution rights for 40 years, and therefore the forecast period corresponding to the dealership rights is determined to be 40 years. In determining forecast period of 40 years, the Valuer has considered the characteristics of licensing cycles and the policy risks and market environment faced by Xindeco ITG Automobile in continuing operation. The Valuer considers that 40-year forecast period covers multiple licensing renewal cycles and reflects the Xindeco ITG Automobile Group's long-term stable operating trend, and did not adopt an unlimited forecast period taking also into account a prudent consideration of the risks associated with brand licensing renewals. The valuation of the automobile dealership rights is based on the sum of the present values of the income in each period of the future income period. When performing the valuation of the automobile dealership rights, the income generated by automobile dealership rights are determined based on (i) the revenue that automobile dealership rights can generate for Xindeco ITG Automobile under certain scale conditions; and (ii) a sales revenue sharing rate to determine the benefits that automobile dealership rights can bring to the Xindeco ITG Automobile Group.

In determining the potential future revenue, the Valuer took into account the revenue of Xindeco ITG Automobile Group related to the operation of dealership rights during the forecast period as prepared by the management of the Xindeco ITG Automobile Group. In relation to the forecast of revenue, the Valuer had discussed with the management of the Xindeco ITG Automobile Group regarding the business, development plan and financial performance of Xindeco ITG Automobile Group. We understood from the Valuer that the forecasted revenue was determined based on historical business development trends, automobile market sales trends and development plans of each of the automobile brands involved. For our due diligence purpose, we have reviewed the breakdown of the aforesaid forecast and inquired into the management of Xindeco ITG Automobile Group for the reasonableness of the

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## LETTER FROM SOMERLEY

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same. We noted that for the sales of automobile vehicles, the income was mainly determined with reference to sales volume and selling price. For selling price, the historical selling price for the first quarter of 2025 was adopted in the whole forecast period having considered the cooperation relationship with the dealership brand and the recent market condition being relatively stable. For sales volume, considering the market development trend, the new energy automobile brands are expected to achieve gradual growth in sales volume while traditional fuel-power vehicles are expected to record gradual decrease in sales volume in general in the near future. Apart from the income from the sales of vehicles, there are other income attributable to the dealership rights, including other after-sales and related revenue. Such after-sales and related revenue was determined with reference to the scale of revenue from sales of automobile vehicles and the historical performance. During our discussion with the management of the Xindeco ITG Automobile Group, we did not identify any major factors which caused us to doubt the fairness and reasonableness of the forecasted revenue adopted in relation to the dealership rights.

For the revenue sharing rate, the Valuer has selected three listed companies that have similarities with Xindeco ITG Automobile (such as business, operating model, management control, etc.) as comparable companies, and has derived the revenue sharing rate (i.e. the proportion of revenue contributed by the dealership rights to the total revenue) of Xindeco ITG Automobile Group based on the financial performance of the comparable companies. Based on the above and after working out the income arising from the automobile dealership rights in each of the forecast period, the relevant incomes are discounted into the present values to determine the valuation as at the valuation base date.

### ***(v) Rights-of-use assets***

The right-of-use assets were related to the right-of-use assets formed by the Xindeco ITG Automobile Group's operating leases. The Valuer has obtained the relevant lease contracts and examined the main contents of the lease contracts, such as the lease amount, payment method, lease term and disposal of related assets after the end of the lease, to understand the book value composition of the right-of-use assets. After verification, the measurement of the right-of-use assets was appropriate and the depreciation of the right-of-use assets was in compliance with Xindeco ITG Automobile's accounting policies. The valuation of the right-of-use assets was determined as the verified carrying amount.

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## LETTER FROM SOMERLEY

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### *(vi) Long-term deferred expenses*

The long-term deferred expenses were related to renovation projects of Xindeco ITG Automobile Group. The Valuer has adopted the replacement cost method in the valuation of the long-term deferred expenses by estimating the total cost of repurchasing, building or renovating the property to a completely identical or substantially similar new state as the replacement cost, and then determining the value impairment of the renovation based on its useful life and newness condition.

### *(vii) Deferred tax assets*

In determining the appraised value of the deferred tax assets, the Valuer has reviewed the original documents and relevant account books to understand any discrepancies between Xindeco ITG Automobile's accounting policies and tax deduction policies. The Valuer has also checked the consistency of the detailed ledgers, general ledger, and report figures, and verified the basis for calculating income tax. Upon verification, the valuation was determined based on the verified carrying value.

### *(viii) Liabilities*

The Xindeco ITG Automobile Group's liabilities included employee salaries payable, tax payable, short-term loans, trade payables, other payables, non-current liabilities due within one year, long-term loans, lease liabilities and deferred income. The Valuer had verified the book value based on the details and relevant financial information provided by the Xindeco ITG Automobile. Upon verification, the valuation was determined based on the verified carrying value with no valuation gain/deficit.

Having discussed with the Valuer and reviewed with the Valuer the reasons for adopting the various valuation methodologies, the bases and assumptions used for the valuation and the valuation result, we are of the opinion that the chosen valuation methodologies, bases and assumptions in establishing the Acquisition (PRC) Valuation as at the valuation base date are in line with the industry practice. In assessing the fairness and reasonableness of the Acquisition Price (PRC), we consider it is appropriate to refer to the Acquisition (PRC) Valuation conducted by the Valuer. Having also considered that the provisional Acquisition Price (PRC) is the same as the Acquisition (PRC) Valuation, we are of the view that the consideration for the Acquisition (PRC) is fair and reasonable.

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## LETTER FROM SOMERLEY

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### 7. Assessment of the adjustment to the consideration of the Acquisition (PRC)

As mentioned above, the parties agreed that any change to the total equity of Xindeco ITG Automobile attributable to its equity shareholders for the Transitional Period (PRC) shall be apportioned as follows (the “**Acquisition Price (PRC) Adjustment Mechanism**”):

- (a) for the period from the commencement date of the Transitional Period (PRC) to 31 December 2025, be for the benefit of or borne by Xiamen Xindeco; and
- (b) for the remaining period of the Transitional Period (PRC) after 31 December 2025, be for the benefit of or borne by Xiamen ZhengTong as to 50% and by Xiamen Xindeco as to 50%.

The provisional Acquisition Price (PRC) shall be subject to an adjustment to reflect the Acquisition Price (PRC) Adjustment Mechanism.

According to the Board Letter, based on information provided by Xiamen Xindeco and Xiamen ITG Automobile, Xindeco ITG Automobile’s unaudited total equity attributable to its equity shareholders as at 30 September 2025 was approximately RMB764.54 million, representing a decrease of approximately RMB46.63 million when compared to its audited total equity attributable to its equity shareholders (prepared in accordance with PRC GAAP) as at 31 March 2025. Pursuant to the terms of the Acquisition Agreement (PRC), the decrease in Xindeco ITG Automobile’s audited total equity attributable to its equity shareholders from 1 April 2025 to 31 December 2025 will be borne by Xiamen Xindeco, leading to a downward adjustment to the provisional Acquisition Price (PRC). As at the Latest Practicable Date and based on the information available to the Company, the Company did not expect Xindeco ITG Automobile’s audited total equity attributable to its equity shareholders as at the end of the Transitional Period (PRC) to be materially different when compared to the same as at 30 September 2025. While it was not expected that the final Acquisition Price (PRC) and Acquisition Price (Thailand) (as further discussed in the section headed “10. Assessment of the adjustment to the consideration of the Acquisition (Thailand)” of this letter below) will have material upward adjustment from the provisional Acquisition Price (PRC) and Acquisition Price (Thailand) as at the Latest Practicable Date, in the event that the adjustment to the provisional Acquisition Price (PRC) and provisional Acquisition Price (Thailand) pursuant to the terms of the Acquisition Agreement (PRC) and Acquisition Agreement (Thailand) will alter the highest applicable percentage ratios such that the Acquisition will be classified into a different category of notifiable transaction (such as a very substantial acquisition), the Company will only proceed with the Acquisition after complying with all applicable requirements under the Listing Rules, including seeking shareholders’ approval in another general meeting before completing the Acquisition.

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## LETTER FROM SOMERLEY

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Nonetheless, for the Acquisition Price (PRC) Adjustment Mechanism, we have considered the followings:

- (i) that the Acquisition Price (PRC) is determined based on, among others, the Acquisition (PRC) Valuation, which we considered to be an appropriate reference for the Acquisition Price (PRC) taking into account our independent due diligence work performed in relation to Acquisition (PRC) Valuation as detailed in the section headed “6. Assessment of the consideration of the Acquisition (PRC)” above;
- (ii) that the Acquisition (PRC) Valuation is performed based on asset-based approach. Accordingly, the change to the total equity of Xindeco ITG Automobile attributable to its equity shareholders could affect its value; and
- (iii) as advised by the Management, the Acquisition Price (PRC) Adjustment Mechanism, serves to reflect the changes to the total equity of Xindeco ITG Automobile attributable to its equity shareholders for the Transitional Period (PRC) after the valuation base date, was determined after due and careful consideration and after arm's length negotiations.

Accordingly, we consider that the terms of the Acquisition (PRC) are on normal commercial terms and are fair and reasonable.

### 8. Principal terms of the Acquisition (Thailand)

Set out below are the principal terms of the Acquisition Agreement (Thailand), further details of which are set out in the Board Letter.

<b>Date:</b>	5 December 2025
<b>Parties:</b>	Tongda Group (as purchaser of 90% of the issued share capital of ITG Auto (Thailand))  Rising Wave (as purchaser of 10% of the issued share capital of ITG Auto (Thailand))  Sindanol (as vendor of 90% of the issued share capital of ITG Auto (Thailand))  Xindeco (Singapore) (as vendor of 10% of the issued share capital of ITG Auto (Thailand))  ITG Auto (Thailand) (as target company)
<b>Subject Matter to be acquired:</b>	100% of the issued share capital of ITG Auto (Thailand)

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## LETTER FROM SOMERLEY

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**Consideration:**

The provisional Acquisition Price (Thailand) is RMB22,134,900, of which RMB19,921,400 is payable by Tongda Group to Sindanol and RMB2,213,500 is payable by Rising Wave to Xindeco (Singapore).

The parties agreed that any change to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (Thailand) to 31 December 2025, be for the benefit of or borne by Sindanol and Xindeco (Singapore); and
- (b) for the remaining period of the Transitional Period (Thailand) after 31 December 2025, be for the benefit of or borne by Tongda Group and Rising Wave as to 50%, and by Sindanol and Xindeco (Singapore) as to 50%.

Accordingly, the provisional Acquisition Price (Thailand) shall be subject to an adjustment to reflect the above as follows:

Acquisition Price (Thailand) = PP + (Net Asset<sub>T1</sub> – Net Asset<sub>T0</sub>) + 50% × (Net Asset<sub>T3</sub> – Net Asset<sub>T2</sub>), where

PP = Provisional Acquisition Price (Thailand) of RMB22,134,900

Net Asset<sub>T0</sub> = Net asset value of ITG Auto (Thailand) as at 1 July 2025

Net Asset<sub>T1</sub> = Net asset value of ITG Auto (Thailand) as at 31 December 2025

Net Asset<sub>T2</sub> = Net asset value of ITG Auto (Thailand) as at 1 January 2026

Net Asset<sub>T3</sub> = Net asset value of ITG Auto (Thailand) as at the last day of the Transitional Period (Thailand)

*Note:* As at 30 June 2025, the day immediately before the commencement of the Transitional Period (Thailand), the audited net asset value of ITG Auto (Thailand) in the financial statements prepared in accordance with PRC GAAP was approximately RMB22.13 million.

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## LETTER FROM SOMERLEY

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**Payment terms:**

The Acquisition Price (Thailand) is payable in two tranches by each of Tongda Group and Rising Wave and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (Thailand), i.e. RMB11,067,450, be payable within 15 calendar days upon the obtaining or completion of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings, reporting, review, or other procedures for transaction; and
- (b) the balance of the Acquisition Price (Thailand) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (Thailand).

**Condition precedent:**

The Acquisition Agreement (Thailand) will only become effective upon, and hence Completion (Thailand) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by each of Xiamen Xindeco, the Company, Sindanol, Xindeco (Singapore), Tongda Group, Rising Wave and the Company of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document in respect of the Acquisition Agreement (Thailand) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (Thailand) and the transactions contemplated thereunder.

**Completion:**

Completion (Thailand) shall take place on the day both Sindanol and Xindeco (Singapore) receive the first tranche of payment, being 50% of the provisional Acquisition Price (Thailand), from Tongda Group and Rising Wave, respectively (or such other date as the parties to the Acquisition Agreement (Thailand) may agree).

**Others:**

Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) shall settle all non-operating payables and receivables between Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) by Completion (Thailand). ITG Auto (Thailand) shall also settle all external liabilities, which Sindanol or Xindeco (Singapore) has provided and owes guarantee or other securities liabilities to third parties, by Completion (Thailand).

### 9. Assessment of the consideration of the Acquisition (Thailand)

As mentioned in the Board Letter, the Acquisition Price (Thailand) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (Thailand), the Group had taken into consideration (i) the valuation of the entire issued share capital of ITG Auto (Thailand) at approximately RMB22.13 million as at 30 June 2025 as appraised by the Valuer, (ii) the net asset value of ITG Auto (Thailand) of approximately RMB22.13 million as at 30 June 2025 in the financial statements prepared in accordance with PRC GAAP, (iii) the fact that ITG Auto (Thailand) has not commenced substantive operation, and (iv) the benefits of the Acquisition to the Company.

The valuation report (the “**Acquisition (Thailand) Valuation Report**”) on the valuation of the entire equity interest in ITG Auto (Thailand) as at 30 June 2025 (the “**Acquisition (Thailand) Valuation**”) has been issued by the Valuer, details of which are set out in Appendix VII to the Circular. For our due diligence purpose, we have reviewed the Acquisition (Thailand) Valuation Report prepared by the Valuer, and have discussed with the Valuer regarding the Acquisition (Thailand) Valuation with details set out below.

We reviewed and enquired into (i) the terms of engagement of the Valuer; (ii) the Valuer's qualification in relation to the preparation of the Acquisition (Thailand) Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Acquisition (Thailand) Valuation. From the engagement letter and the relevant information provided by the Valuer and based on our interview with them, we were satisfied with the terms of engagement of the Valuer as well as their qualification for preparation of the Acquisition (Thailand) Valuation and the Acquisition (Thailand) Valuation Report. The Valuer also confirmed that they are independent to the Group, ITG Auto (Thailand), Sindanol and Xindeco (Singapore).

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## LETTER FROM SOMERLEY

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Based on our discussion with the Valuer and review of the Acquisition (Thailand) Valuation Report, it is noted that the Valuer selected the asset-based approach to conclude the Acquisition (Thailand) Valuation. We understand that the Valuer has considered the three commonly used valuation approaches for valuation of a company, namely the asset-based approach, the market approach and the income approach:

***(i) Asset-based approach:***

As the Valuer could use appropriate specific valuation methods to assess and estimate each of the ITG Auto (Thailand)'s assets and liabilities, and ITG Auto (Thailand) does not have any assets or liabilities that are difficult to identify or assess that would materially impact the valuation, the Valuer considers that the asset-based approach is appropriate for this case.

***(ii) Market approach:***

As there were insufficient comparable listed companies or comparable transaction cases in the market that are identical or similar to ITG Auto (Thailand) in terms of business structure, operating model, enterprise scale, asset allocation and utilization, enterprise stage of operation, growth potential, operating risk, financial risk, etc., the Valuer considered that the conditions for adopting the market approach were not met.

***(iii) Income approach:***

ITG Auto (Thailand) was established in May 2025 and has not yet commenced actual operations or generated any revenue. Its future earnings cannot be reasonably predicted, and the risks associated with its expected earnings are difficult to measure. This does not meet the basic requirements of an income-based valuation. Therefore, the Valuer considered that the income approach was not appropriate.

Based on the above, and taking into account our discussions with the Valuer regarding their selection of valuation approach, we consider that the use of asset-based approach in valuing the ITG Auto (Thailand) to be reasonable.

We have reviewed the Acquisition (Thailand) Valuation Report and discussed with the Valuer regarding its work done to arrive at the valuation of different items. We understand from the Valuer that when performing the Acquisition (Thailand) Valuation based on asset-based approach, the Valuer categorised the assets and liabilities of the ITG Auto (Thailand) into different categories. Further details are set out below:

***(i) Assets***

ITG Auto (Thailand)'s assets consisted of cash and cash equivalents only. The valuation was determined based on the verified carrying value.

### *(ii) Liabilities*

ITG Auto (Thailand)'s liabilities consisted of income tax payables and other payables. The Valuer had verified the book value based on the details and relevant financial information provided by ITG Auto (Thailand). Upon verification, the valuation was determined based on the verified carrying value with no valuation gain/deficit.

Having discussed with the Valuer and reviewed with the Valuer the reasons for adopting the various valuation methodologies, the bases and assumptions used for the valuation and the valuation result, we are of the opinion that the chosen valuation methodologies, bases and assumptions in establishing the Acquisition (Thailand) Valuation as at the valuation base date are in line with the industry practice. In assessing the fairness and reasonableness of the Acquisition Price (Thailand), we consider it is appropriate to refer to the Acquisition (Thailand) Valuation conducted by the Valuer. Having also considered that the provisional Acquisition Price (Thailand) is the same as the Acquisition (Thailand) Valuation, we are of the view that the consideration for the Acquisition (Thailand) is fair and reasonable.

### **10. Assessment of the adjustment to the consideration of the Acquisition (Thailand)**

As mentioned above, the parties agreed that any change to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand) shall be apportioned as follows (the “**Acquisition Price (Thailand) Adjustment Mechanism**”):

- (a) for the period from the commencement date of the Transitional Period (Thailand) to 31 December 2025, be for the benefit of or borne by Sindanol and Xindeco (Singapore); and
- (b) for the remaining period of the Transitional Period (Thailand) after 31 December 2025, be for the benefit of or borne by Tongda Group and Rising Wave as to 50%, and by Sindanol and Sindeco (Singapore) as to 50%.

The provisional Acquisition Price (Thailand) shall be subject to an adjustment to reflect the Acquisition Price (Thailand) Adjustment Mechanism.

According to the Board Letter, as at the Latest Practicable Date, no material adjustment to the provisional Acquisition Price (Thailand) was expected since ITG Auto (Thailand) is expected to commence substantive operations after Completion (Thailand). While it was not expected that the final Acquisition Price (PRC) and Acquisition Price (Thailand) will have material upward adjustment from the provisional Acquisition Price (PRC) and Acquisition Price (Thailand) as at the Latest Practicable Date, in the event that the adjustment to the provisional Acquisition Price (PRC) and provisional Acquisition Price (Thailand) pursuant to the terms of the Acquisition Agreement (PRC) and Acquisition Agreement (Thailand) will alter the highest applicable percentage ratios such that the Acquisition will be classified into a different category of notifiable transaction

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## LETTER FROM SOMERLEY

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(such as a very substantial acquisition), the Company will only proceed with the Acquisition after complying with all applicable requirements under the Listing Rules, including seeking shareholders' approval in another general meeting before completing the Acquisition.

Nonetheless, for the Acquisition Price (Thailand) Adjustment Mechanism, we have considered the followings:

- (iv) that the Acquisition Price (Thailand) is determined based on, among others, the Acquisition (Thailand) Valuation, which we considered to be an appropriate reference for the Acquisition Price (Thailand) taking into account our independent due diligence work performed in relation to Acquisition (Thailand) Valuation as detailed in the section headed "9. Assessment of the consideration of the Acquisition (Thailand)" above;
- (v) that the Acquisition (Thailand) Valuation is performed based on asset-based approach. Accordingly, the change to the net asset value of ITG Auto (Thailand) could affect its value; and
- (vi) as advised by the Management, the Acquisition Price (Thailand) Adjustment Mechanism, serves to reflect any change to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand) after the valuation base date, was determined after due and careful consideration and after arm's length negotiations.

Accordingly, we consider that the terms of the Acquisition (Thailand) are on normal commercial terms and are fair and reasonable.

### **11 Financial effects of the Acquisition**

Upon completion of the Acquisition, Xindeco ITG Automobile and ITG Auto (Thailand) will each become a wholly-owned subsidiary of the Company and the financial results of them will be consolidated into the financial statements of the Company. The unaudited pro forma financial information of the Enlarged Group, as if the Acquisition had taken place as at 30 June 2025, is set out in Appendix V to the Circular. Set out below are the analysis on the financial effects of the Acquisition of the Group based on the unaudited pro forma financial information of the Enlarged Group and our discussion with the Management.

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## LETTER FROM SOMERLEY

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### *(i) Assets, liabilities and net assets*

As at 30 June 2025, the Group had total assets, total liabilities and net assets of approximately RMB27.12 billion, RMB25.47 billion and RMB1.65 billion respectively. According to the unaudited pro forma financial information of the enlarged Group set out in Appendix V to the Circular, as if the Acquisition had taken place as at 30 June 2025, the unaudited pro forma total assets and total liabilities of the Enlarged Group would increase to approximately RMB29.63 billion and RMB28.01 billion respectively, while the net assets of the Enlarged Group would decrease to approximately RMB1.62 billion.

### *(ii) Total liabilities to total assets ratio and liquidity*

As at 30 June 2025, the total liabilities to total assets ratio of the Group was approximately 93.93%. According to the unaudited pro forma financial information of the Enlarged Group set out in Appendix V to the Circular, as if the Acquisition had taken place as at 30 June 2025, the total liabilities to total assets ratio of the Enlarged Group would increase to approximately 94.54%.

The Group had cash and cash equivalents of approximately RMB872.94 million as at 30 June 2025. According to the unaudited pro forma financial information of the Enlarged Group set out in Appendix V to the Circular, the cash and cash equivalents would decrease to approximately RMB115.87 million as if the Acquisition had taken place as at 30 June 2025 (assuming that the provisional amounts of the consideration of the Acquisition had been settled in full amount, with no adjustments).

We are aware of the increase in total liabilities to total assets ratio and decrease in cash and bank balances of the Enlarged Group as just mentioned. Nonetheless, we consider that the foregoing should be balanced by the benefits of the Acquisition (details of which are set out in the section headed “4. Reasons for and benefits of the Acquisition” of this letter).

According to the statement of “Working Capital sufficiency” as contained in Appendix I of the Circular, the Directors, after due and careful enquiries, are of the opinion that, in the absence of any unforeseen circumstances and after taking into account the present internal resources of the Group and the expected cash flow from operations, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of the Circular.

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## LETTER FROM SOMERLEY

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### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that (i) the terms of the Acquisition are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution(s) in relation to the Acquisition to be proposed at the EGM.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Clifford Cheng**  
*Director*

*Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has fifteen years of experience in the corporate finance industry.*

\* For identification purpose only

## 1. CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial information of the Group for each of the three years ended 31 December 2024, and the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 have been disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhengtongauto.com](http://www.zhengtongauto.com)) and can be accessed at the website addresses below:

- (i) for the year ended 31 December 2022, on pages 77 to 195 of the 2022 annual report of the Company released on 18 April 2023 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0418/2023041800229.pdf>;
- (ii) for the year ended 31 December 2023, on pages 53 to 163 of the 2023 annual report of the Company released on 26 April 2024 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600934.pdf>; and
- (iii) for the year ended 31 December 2024, on pages 55 to 159 of the 2024 annual report of the Company released on 25 April 2025 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042500287.pdf>; and
- (iv) for the six months ended 30 June 2025, on pages 21 to 55 of the 2025 interim report of the Company released on 25 September 2025 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0925/2025092500804.pdf>.

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Enlarged Group prior to the printing of this circular, the Enlarged Group had the following indebtedness:

### Bank loans and other borrowings

As at 31 October 2025, the Enlarged Group had outstanding borrowings as follows:

	<i>RMB'000</i>
Guaranteed secured borrowings	3,709,535
Guaranteed unsecured borrowings	12,127,254
Unguaranteed unsecured borrowings	<u>2,922,949</u>
	<u>18,759,738</u>

**Lease liabilities**

As at 31 October 2025, the Enlarged Group had lease liabilities of approximately RMB1,402,252,000.

**3. WORKING CAPITAL SUFFICIENCY**

The Directors, after due and careful enquiries, are of the opinion that, in the absence of any unforeseen circumstances and after taking into account the present internal resources of the Enlarged Group and the expected cash flow from operations, the Enlarged Group will have sufficient working capital for its present requirements for at least twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Hong Kong Listing Rules.

**4. MATERIAL CHANGE**

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

**5. BUSINESS AND FINANCIAL PROSPECTS OF THE GROUP**

China's automotive industry is currently at a critical stage of structural upgrading and global expansion., with increasing penetration of new energy vehicle, increasing export, and accelerating concentration towards industry leaders. With the technological advantages of domestic brands becoming more apparent and deepening trends of intelligence and electrification, it is expected that domestic new car consumption, after-sales service, new energy value-added business, and overseas automobile trade will continue to maintain steady growth in the coming years. Against this industry background, the Acquisition is expected to achieve resource integration, facilitate the implementation of the Group's strategy, consolidate the Group's competitive advantages, and is consistent with the Company's long-term development needs.

After the completion of the Acquisition, the Enlarged Group's regional coverage, brand portfolio, and operational capabilities will be significantly enhanced, which is expected to further increase market share and improve operational efficiency through channel integration, supply chain optimisation and management synergies. The experience of Xindeco ITG Automobile in operating new energy brands, after-sales service, and overseas exports will accelerate the Group's transformation toward new energy and international expansion, driving multi-point growth in new car sales, used car exports, and aftermarket business. The management believes that the Enlarged Group will be able to seize long-term opportunities amid industry changes and create stable long-term value for Shareholders.

*The following is the text of a report set out on pages II-1 to II-73, received from Xindeco ITG Automobile's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the circular.*



**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF  
XIAMEN XINDECO ITG AUTOMOBILE GROUP CO., LTD. TO THE DIRECTORS  
OF CHINA ZHENGTONG AUTO SERVICES HOLDINGS LIMITED**

**Introduction**

We report on the historical financial information of Xiamen Xindeco ITG Automobile Group Co., LTD. (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages II-4 to II-73, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-4 to II-73 forms an integral part of this report, which has been prepared for inclusion in the circular of China ZhengTong Auto Services Holdings Limited (the "Company") dated 24 December 2025 (the "Circular") in connection with the proposed acquisition of the Target Group.

**Directors' responsibility for Historical Financial Information**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

The Underlying Financial Statements of the Target Group as defined on page II-4, on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Underlying Financial Statements that is free from material misstatement, whether due to fraud or error.

### **Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

### **Review of stub period corresponding financial information**

We have reviewed the stub period corresponding financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information

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## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

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Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

### **Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited**

#### *Adjustments*

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

#### **KPMG**

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
24 December 2025

**HISTORICAL FINANCIAL INFORMATION**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Target Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

**Consolidated statements of profit or loss and other comprehensive income**

*(Expressed in RMB'000)*

	Note	Year ended 31 December			Six months ended	
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	30 June <i>RMB'000</i>	2025 <i>RMB'000</i>
		(unaudited)				
<b>Revenue</b>	4	7,367,993	8,130,132	8,642,815	4,126,741	3,574,337
Cost of sales		(6,942,448)	(7,719,907)	(8,197,138)	(3,882,535)	(3,352,289)
<b>Gross profit</b>		425,545	410,225	445,677	244,206	222,048
Other income	5	179,798	163,958	157,559	75,968	55,018
Selling and distribution expenses		(304,815)	(354,333)	(331,867)	(159,740)	(151,852)
Administrative expenses		(188,417)	(289,665)	(261,880)	(122,920)	(100,921)
Impairment losses on goodwill	11	(3,861)	(4,245)	(4,905)	—	—
<b>Profit/(loss) from operations</b>		108,250	(74,060)	4,584	37,514	24,293
Finance costs	6(a)	(42,184)	(75,155)	(75,260)	(40,525)	(21,194)
<b>Profit/(loss) before taxation</b>	6	66,066	(149,215)	(70,676)	(3,011)	3,099
Income tax	7	(14,849)	10,590	(5,355)	(2,557)	(12,837)
<b>Profit/(loss) and total comprehensive income for the year/period</b>		51,217	(138,625)	(76,031)	(5,568)	(9,738)
<b>Attributable to:</b>						
Equity shareholders of the Target Company		29,135	(114,293)	(48,657)	7,143	110
Non-controlling interests		22,082	(24,332)	(27,374)	(12,711)	(9,848)
<b>Profit/(loss) and total comprehensive income for the year/period</b>		51,217	(138,625)	(76,031)	(5,568)	(9,738)

The accompanying notes form part of the Historical Financial Information.

**Consolidated statements of financial position**

*(Expressed in RMB'000)*

		<b>At 31 December</b>		<b>At 30 June</b>	
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>					
Property, plant and equipment	8	379,537	462,780	389,693	366,836
Investment properties	9	5,916	5,454	5,184	4,948
Right-of-use assets	10	299,627	423,154	319,144	290,588
Intangible assets		5,478	6,098	5,591	5,180
Goodwill	11	193,163	339,095	334,190	334,190
Deferred tax assets	21	29,845	107,461	74,405	70,415
Other financial assets		176	176	176	176
		<u>913,742</u>	<u>1,344,218</u>	<u>1,128,383</u>	<u>1,072,333</u>
<b>Current assets</b>					
Inventories	12	778,898	1,145,028	786,694	728,099
Trade receivables	13	73,032	96,930	120,951	94,820
Prepayments, deposits and other receivables	14	1,503,668	1,486,799	962,050	964,352
Other financial assets		—	63	39	31
Pledged bank deposits	15	191,625	281,515	583,377	409,177
Cash and cash equivalents	16	<u>80,925</u>	<u>114,733</u>	<u>17,930</u>	<u>48,832</u>
		<u>2,628,148</u>	<u>3,125,068</u>	<u>2,471,041</u>	<u>2,245,311</u>
<b>Current liabilities</b>					
Loans and borrowings	17	713,597	1,232,410	724,723	775,122
Lease liabilities	18	42,704	78,902	65,451	78,187
Trade and other payables	19	1,372,242	1,773,136	1,695,438	1,343,955
Income tax payables		12,928	5,636	8,238	9,843
Other financial liabilities		—	12	—	—
		<u>2,141,471</u>	<u>3,090,096</u>	<u>2,493,850</u>	<u>2,207,107</u>
<b>Net current assets/(liabilities)</b>		<u>486,677</u>	<u>34,972</u>	<u>(22,809)</u>	<u>38,204</u>
<b>Total assets less current liabilities</b>		<u>1,400,419</u>	<u>1,379,190</u>	<u>1,105,574</u>	<u>1,110,537</u>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP**

		At 31 December		At 30 June	
		2022	2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current liabilities</b>					
Loans and borrowings	17	1,060	46,586	62,857	115,956
Lease liabilities	18	172,878	288,402	194,477	156,672
Trade and other payables	19	39,567	62,943	51,079	52,590
Deferred tax liabilities	21	11,327	53,120	12,351	10,810
		<u>224,832</u>	<u>451,051</u>	<u>320,764</u>	<u>336,028</u>
<b>NET ASSETS</b>		<u>1,175,587</u>	<u>928,139</u>	<u>784,810</u>	<u>774,509</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	22	437,884	437,884	437,884	437,884
Reserves		618,553	452,903	378,505	365,992
		<u>1,056,437</u>	<u>890,787</u>	<u>816,389</u>	<u>803,876</u>
<b>Total equity attributable to equity shareholders of the Target Company</b>		<u>119,150</u>	<u>37,352</u>	<u>(31,579)</u>	<u>(29,367)</u>
<b>TOTAL EQUITY</b>		<u>1,175,587</u>	<u>928,139</u>	<u>784,810</u>	<u>774,509</u>

The accompanying notes form part of the Historical Financial Information.

**Consolidated statements of changes in equity**

(Expressed in RMB'000)

	Attributable to equity shareholders of the Target Company						
	PRC						
	Share capital	Capital reserve	statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 22(b))</i>						
	<i>22(c)(i))</i>						
<b>Balance at 1 January 2022</b>	437,884	345,052	33,947	242,154	1,059,037	103,927	1,162,964
<b>Changes in equity for the year:</b>							
Profit for the year	—	—	—	29,135	29,135	22,082	51,217
Total comprehensive income for the year	—	—	—	29,135	29,135	22,082	51,217
Capital injection by non-controlling interests	—	—	—	—	—	2,450	2,450
Dividends to non-controlling interests of subsidiaries	—	—	—	—	—	(5,089)	(5,089)
Equity settled share-based transactions (Note 20)	—	4,220	—	—	4,220	205	4,425
Acquisition of non-controlling interests	—	(39,694)	—	3,739	(35,955)	(4,425)	(40,380)
<b>Balance at 31 December 2022</b>	<b>437,884</b>	<b>309,578</b>	<b>33,947</b>	<b>275,028</b>	<b>1,056,437</b>	<b>119,150</b>	<b>1,175,587</b>
<b>Balance at 1 January 2023</b>	<b>437,884</b>	<b>309,578</b>	<b>33,947</b>	<b>275,028</b>	<b>1,056,437</b>	<b>119,150</b>	<b>1,175,587</b>
<b>Changes in equity for the year:</b>							
Loss for the year	—	—	—	(114,293)	(114,293)	(24,332)	(138,625)
Total comprehensive income for the year	—	—	—	(114,293)	(114,293)	(24,332)	(138,625)
Capital injection by non-controlling interests	—	—	—	—	—	5,800	5,800
Dividends to non-controlling interests of subsidiaries	—	—	—	—	—	(17,140)	(17,140)
Equity settled share-based transactions (Note 20)	—	(3,740)	—	—	(3,740)	(75)	(3,815)
Acquisition through a business combination (Note 25)	—	—	—	—	—	(41,084)	(41,084)
Acquisition of non-controlling interests	—	(47,617)	—	—	(47,617)	212	(47,405)
Deregister of a subsidiary	—	—	—	—	—	(5,179)	(5,179)
<b>Balance at 31 December 2023</b>	<b>437,884</b>	<b>258,221</b>	<b>33,947</b>	<b>160,735</b>	<b>890,787</b>	<b>37,352</b>	<b>928,139</b>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP**

	Attributable to equity shareholders of the Target Company						
	Share capital RMB'000	Capital reserve RMB'000	statutory reserve RMB'000 (Note 22(c)(i))	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	<b>437,884</b>	<b>258,221</b>	<b>33,947</b>	<b>160,735</b>	<b>890,787</b>	<b>37,352</b>	<b>928,139</b>
<b>Changes in equity for the year:</b>							
Loss for the year	—	—	—	(48,657)	(48,657)	(27,374)	(76,031)
Total comprehensive income for the year	—	—	—	(48,657)	(48,657)	(27,374)	(76,031)
Dividends to non-controlling interests of subsidiaries	—	—	—	—	—	(12,086)	(12,086)
Equity settled share-based transactions (Note 20)	—	(1,589)	—	—	(1,589)	(186)	(1,775)
Acquisition of non-controlling interests	—	(20,413)	—	(3,739)	(24,152)	(29,285)	(53,437)
<b>Balance at 31 December 2024</b>	<b>437,884</b>	<b>236,219</b>	<b>33,947</b>	<b>108,339</b>	<b>816,389</b>	<b>(31,579)</b>	<b>784,810</b>
<b>Balance at 1 January 2025</b>	<b>437,884</b>	<b>236,219</b>	<b>33,947</b>	<b>108,339</b>	<b>816,389</b>	<b>(31,579)</b>	<b>784,810</b>
<b>Changes in equity for the six months ended 30 June 2025:</b>							
Profit/(loss) for the period	—	—	—	110	110	(9,848)	(9,738)
Total comprehensive income for the period	—	—	—	110	110	(9,848)	(9,738)
Dividends to non-controlling interests of subsidiaries	—	—	—	—	—	(600)	(600)
Equity settled share-based transactions (Note 20)	—	21	—	—	21	16	37
Acquisition of non-controlling interests	—	(12,644)	—	—	(12,644)	12,644	—
<b>Balance at 30 June 2025</b>	<b>437,884</b>	<b>223,596</b>	<b>33,947</b>	<b>108,449</b>	<b>803,876</b>	<b>(29,367)</b>	<b>774,509</b>
(unaudited)							
<b>Balance at 1 January 2024</b>	<b>437,884</b>	<b>258,221</b>	<b>33,947</b>	<b>160,735</b>	<b>890,787</b>	<b>37,352</b>	<b>928,139</b>
<b>Changes in equity for the six months ended 30 June 2024:</b>							
Profit/(loss) for the period	—	—	—	7,143	7,143	(12,711)	(5,568)
Total comprehensive income for the period	—	—	—	7,143	7,143	(12,711)	(5,568)
Dividends to non-controlling interests of subsidiaries	—	—	—	—	—	(86)	(86)
Equity settled share-based transactions (Note 20)	—	563	—	—	563	89	652
<b>Balance at 30 June 2024</b>	<b>437,884</b>	<b>258,784</b>	<b>33,947</b>	<b>167,878</b>	<b>898,493</b>	<b>24,644</b>	<b>923,137</b>

The accompanying notes form part of the Historical Financial Information.

**Consolidated statements of cash flows**

*(Expressed in RMB'000)*

Note		Year ended 31 December			Six months ended	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000	2025 RMB'000
					(unaudited)	
<b>Operating activities:</b>						
Cash (used in)/generated from operations	16(b)	(36,694)	599,817	597,492	(54,586)	62,919
Income tax paid		(40,072)	(30,236)	(10,466)	(2,110)	(8,783)
<b>Net cash (used in)/generated from operating activities</b>		<b>(76,766)</b>	<b>569,581</b>	<b>587,026</b>	<b>(56,696)</b>	<b>54,136</b>
<b>Investing activities:</b>						
Payment for purchase of property, plant and equipment		(116,516)	(162,059)	(87,146)	(45,360)	(46,868)
Proceeds from disposal of property, plant and equipment		62,931	77,175	60,962	32,620	22,082
Payment for purchase of intangible assets		(3,653)	(954)	(345)	—	—
Proceeds from disposal of intangible assets		—	17	—	—	—
Proceeds from disposal of a subsidiary	24	198,098	—	—	—	—
Payment for acquisition of subsidiaries, net of cash acquired		—	(75,668)	(3,993)	—	—
Interest received	5	2,388	2,619	2,605	1,496	1,267
<b>Net cash generated from/(used in) investing activities</b>		<b>143,248</b>	<b>(158,870)</b>	<b>(27,917)</b>	<b>(11,244)</b>	<b>(23,519)</b>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP**

	Note	Year ended 31 December			Six months ended	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	30 June 2024 RMB'000	2025 RMB'000
		(unaudited)				
<b>Financing activities:</b>						
Proceeds from loans and borrowings	16(c)	1,978,383	2,813,572	2,707,244	1,596,730	1,044,463
Repayment of loans and borrowings	16(c)	(1,893,540)	(2,988,486)	(3,195,260)	(1,420,010)	(938,784)
Capital injection by non-controlling interests		2,450	5,800	—	—	—
Capital element of lease rentals paid	16(c)	(36,696)	(69,449)	(74,299)	(39,860)	(32,291)
Interest element of lease rentals paid	16(c)	(10,604)	(15,175)	(13,722)	(7,953)	(5,206)
Interest paid	16(c)	(31,370)	(56,491)	(61,416)	(36,104)	(20,111)
Payment in relation to acquisition of non-controlling interests in subsidiaries		(40,380)	(47,405)	(6,389)	—	(47,048)
Payment to non-controlling interests in relation to deregistration of a subsidiary		—	(5,179)	—	—	—
Dividends paid to non-controlling interests		(5,089)	(17,140)	(12,086)	(86)	(600)
<b>Net cash (used in)/generated from financing activities</b>		<u>(36,846)</u>	<u>(379,953)</u>	<u>(655,928)</u>	<u>92,717</u>	<u>423</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		29,636	30,758	(96,819)	24,777	31,040
<b>Cash and cash equivalents at the beginning of the year/period</b>		51,174	80,925	114,733	114,733	17,930
<b>Effect of foreign exchange rate changes</b>		115	3,050	16	32	(138)
<b>Cash and cash equivalents at the end of the year/period</b>	16(a)	<u>80,925</u>	<u>114,733</u>	<u>17,930</u>	<u>139,542</u>	<u>48,832</u>

The accompanying notes form part of the Historical Financial Information.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET GROUP**

**1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION**

Xiamen Xindeco ITG Automobile Group Co., LTD. (the “Target Company”) (廈門信達國貿汽車集團股份有限公司) was incorporated in Xiamen, the People’s Republic of China (the “PRC”) on 1 February 2002 as a joint stock company with a limited liability under the laws of the PRC.

During the Relevant Periods, the Target Company and its subsidiaries (the “Target Group”) are principally engaged in 4S dealership business in the PRC.

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Further details of the material accounting policy information adopted are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Target Group has adopted all applicable new and revised HKFRS Accounting Standards to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning 1 January 2025 are set out in Note 29.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

At the date of the report, the Target Company has direct or indirect interests in the following principal subsidiaries, all of which are state-owned enterprises.

Name of company	Issued and paid-in capital	Place of incorporation	Proportion of ownership interest				Principal activities	
			Effective interest held					
			by the Target Group	Held by the Target Company	Held by subsidiary			
Xiamen ITG Meichecheng Development Co., Ltd. (廈門國貿美車城發展有限公司)	RMB2,000,000	PRC	100%	100%	—	Automotive beauty care		
Xiamen Guomao Dongben Automobile Sales Service Co., Ltd. (廈門國貿東本汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		
Quanzhou ITG Automobile Co., Ltd. (泉州國貿汽車有限公司)	RMB20,000,000	PRC	100%	100%	—	Automobile dealership		
Poly Automobile Co., Ltd. (保利汽車有限公司)	RMB100,000,000	PRC	55%	55%	—	Provision of management services		
Poly Automobile (Beijing) Co., Ltd. (保利汽車(北京)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Shenzhen) Co., Ltd. (保利汽車(深圳)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Guangzhou) Co., Ltd. (保利汽車(廣州)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Chongqing) Co., Ltd. (保利汽車(重慶)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Kunming) Co., Ltd. (保利汽車(昆明)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Chengdu) Co., Ltd. (保利汽車(成都)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Poly Automobile (Shanghai) Co., Ltd. (保利汽車(上海)有限公司)	RMB20,000,000	PRC	55%	—	100%	Automobile dealership		
Kunming Poly Toyota Automobile Sales and Service Co., Ltd. (昆明保利豐田汽車銷售服務有限公司)	RMB10,000,000	PRC	28.05%	—	51%	Automobile dealership		
Huabao New Energy (Shanghai) Co., Ltd. (華保新能源(上海)有限公司)	RMB1,000,000	PRC	55%	—	100%	Automobile dealership		
Xiamen Zhongsheng Toyota Automobile Sales and Service Co., Ltd. (Note) (廈門中升豐田汽車銷售服務有限公司)	RMB12,000,000	PRC	50%	50%	—	Automobile dealership		
Quanzhou ITG Qirun Automobile Sales and Service Co., Ltd. (泉州國貿啟潤汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen Dabang Tongshang Automobile Trading Co., Ltd. (廈門大邦通商汽車貿易有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen ITG Fushen Automobile Trading Co., Ltd. (廈門國貿福申汽車貿易有限公司)	RMB12,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen ITG Baorun Automotive Service Co., Ltd. (廈門國貿寶潤汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen Qirun Automotive Sales Service Co., Ltd. (廈門啟潤汽車銷售服務有限公司)	RMB20,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen ITG Tongrun Automotive Service Co., Ltd. (廈門國貿通潤汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		
Xiamen ITG Furun Automotive Service Co., Ltd. (廈門國貿福潤汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	Automobile dealership		

**APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP**

Name of company	Issued and paid-in capital	Place of incorporation	Proportion of ownership interest				Principal activities	
			Effective interest held		Held by the Target Group	Held by the Target Company		
			by the Target Group	Held by the Target Company				
Xiamen Tongbaoda Trading Co., Ltd. (廈門通寶達貿易有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Xi'an Zhongbang Automobile Sales and Service Co., Ltd. (廈門西岸中邦汽車銷售服務有限公司)	RMB20,000,000	PRC	100%	100%	—	—	Automobile dealership	
Fujian Huaxia Lida Automotive Service Co., Ltd. (福建華夏立達汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile agent	
Xiamen Xindeco Yiche Technology Co., Ltd. (廈門信達宜車科技有限公司)	RMB10,000,000	PRC	51%	51%	—	—	Automobile trading agency	
Xiamen ITG Motors Import and Export Corp., Ltd. (廈門國貿汽車進出口有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile agent	
Xiamen Xindeco New Energy Vehicle Service Co., Ltd. (廈門信達新能源汽車服務有限公司)	RMB5,000,000	PRC	100%	100%	—	—	Automobile dealership	
Fuzhou Cadillac Automotive Service Co., Ltd. (福州凱迪汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Beijing Anyang Weiye Automotive Sales Service Co., Ltd. (北京安洋偉業汽車銷售服務有限公司)	RMB20,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Xindeco Taoliangche Technology Co., Ltd. (廈門信達淘靚車科技有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Second Hand Automobile Trader	
Xiamen ITG Qitai Automobile Service Co., Ltd. (廈門國貿啟泰汽車服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile agent	
Fuzhou Xindeco Jiajin Lexus Automobile Sales Service Co., Ltd. (福州信達嘉金雷克薩斯汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Fuzhou Xindeco Business Service Co., Ltd. (福州信達商務服務有限公司)	RMB1,000,000	PRC	100%	100%	—	—	Provision of auto-mobile related services	
Fujian Xindeco Cadillac Automobile Service Co., Ltd. (福建信達啟潤汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Xindeco Qiming Automobile Co., Ltd. (廈門信達啟明汽車有限公司)	RMB30,000,000	PRC	60%	60%	—	—	Automobile dealership	
Fujian Huaxia Automobile City Development Co., Ltd. (福建華夏汽車城發展有限公司)	RMB100,000,000	PRC	100%	100%	—	—	Provision of management services	
Fujian Fushen Automobile Sales and Service Co., Ltd. (福建福申汽車銷售服務有限公司)	RMB25,000,000	PRC	100%	—	100%	—	Automobile dealership	
Fujian Minchen Automobile Trading Co., Ltd. (福建省閩晨汽車貿易有限公司)	RMB2,000,000	PRC	100%	—	100%	—	Automobile dealership	
Fujian Fujing Automobile Trading Co., Ltd. (福建省福京汽車貿易有限公司)	RMB10,000,000	PRC	100%	—	100%	—	Automobile dealership	
Fujian ITG Dongfeng Honda Automobile Trading Co., Ltd. (福建國貿東本汽車貿易有限公司)	RMB10,000,000	PRC	100%	—	100%	—	Automobile dealership	
Fujian Minshen Automobile Trading Co., Ltd. (福州閩神汽車貿易有限公司)	RMB6,000,000	PRC	100%	—	100%	—	Automobile dealership	
Fujian ITG Qirun Automobile Sales and Service Co., Ltd. (福建國貿啟潤汽車銷售服務有限公司)	RMB5,000,000	PRC	100%	—	100%	—	Automobile dealership	

APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

Name of company	Issued and paid-in capital	Place of incorporation	Proportion of ownership interest				Principal activities	
			Effective interest held		Held by the Target Group	Held by the Target Company		
			by the Target Group	Held by the Target Company				
Fujian Xindeco Yinhe Import and Export Co., Ltd. (福建信達銀河進出口有限公司)	RMB50,000,000	PRC	55%	55%	—	—	Automobile trading agency	
Xiamen Xindeco Kangshun Automobile Technology Co., Ltd. (廈門信達康順汽車科技有限公司)	RMB20,000,000	PRC	60%	60%	—	—	Automobile dealership	
Quanzhou Qida Automobile Sales and Service Co., Ltd. (泉州旗達汽車銷售服務有限公司)	RMB10,000,000	PRC	70%	70%	—	—	Automobile dealership	
Shenzhen Qida Automobile Sales and Service Co., Ltd. (深圳旗達汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Tianjin Xindeco Automobile Import & Export Co., Ltd. (天津信達汽車進出口有限公司)	RMB20,000,000	PRC	100%	100%	—	—	Automobile agent	
Xiamen Xindeco Xingyao Co., Ltd. (廈門信達星曜有限公司)	RMB20,000,000	PRC	55%	55%	—	—	Automobile dealership	
Xiamen Xindeco Nanshan Automobile Trading Co., Ltd. (廈門信達南山汽車貿易有限公司)	RMB10,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Xindeco Automobile Investment Group Co., Ltd. (廈門市信達汽車投資集團有限公司)	RMB115,000,000	PRC	100%	100%	—	—	Automobile Investment	
Xiamen Xinda Automobile Sales Service Co., Ltd. (廈門信達汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Xiamen Xindeco Tongfu Automobile Sales and Service Co., Ltd. (廈門信達通福汽車銷售服務有限公司)	RMB8,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Xindeco Tongrui Automobile Sales and Service Co., Ltd. (廈門信達通瑞汽車銷售服務有限公司)	RMB6,000,000	PRC	100%	100%	—	—	Automobile dealership	
Xiamen Sindanol Automobile Sales and Service Co., Ltd. (廈門信達諾汽車銷售服務有限公司)	RMB12,000,000	PRC	100%	5%	95%	—	Automobile dealership	
Xiamen Xindeco Tongbao Automobile Sales and Service Co., Ltd. (廈門信達通寶汽車銷售服務有限公司)	RMB30,000,000	PRC	70%	10%	60%	—	Automobile dealership	
Nanping Xindeco Tongbao Automobile Sales and Service Co., Ltd. (南平信達通寶汽車銷售服務有限公司)	RMB20,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Sanming Xindeco Tongbao Automobile Sales and Service Co., Ltd. (三明信達通寶汽車銷售服務有限公司)	RMB20,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Fuqing Xindeco Tongbao Automobile Sales and Service Co., Ltd. (福清信達通寶汽車銷售服務有限公司)	RMB30,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Fuzhou Sindanol Automobile Sales and Service Co., Ltd. (福州信達諾汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Fujian Xintian Automobile Co., Ltd. (福建信田汽車有限公司)	RMB10,000,000	PRC	100%	20%	80%	—	Automobile dealership	
Jinan Shanhe Tongda Automobile Co., Ltd. (濟南山和通達汽車有限公司)	RMB10,000,000	PRC	100%	—	100%	—	Automobile dealership	
Jinan Xindeco Tongfu Automobile Sales and Service Co., Ltd. (濟南信達通福汽車銷售服務有限公司)	RMB15,000,000	PRC	100%	40%	60%	—	Automobile dealership	
Xiamen Xindeco Tongshang Sales Service Co., Ltd. (廈門信達通商汽車銷售服務有限公司)	RMB10,000,000	PRC	100%	—	100%	—	Automobile agent	

\* The official names of the above entities are in Chinese. The English names are for identification purpose only.

*Note:* This entity is considered a subsidiary of the Target Group because the Target Group has rights to variable returns from its involvement with the entity and has the ability to affect those returns by virtue of the articles of association of the entity.

The directors of the Target Company are of the view that the Target Group had no individually material non-controlling interest as at 31 December 2022, 2023 and 2024 and 30 June 2025.

All companies comprising the Target Group have adopted 31 December as their financial year end date.

The Historical Financial Information is presented in Renminbi ("RMB").

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Other investments in equity securities (see Note 2(e)); and
- Derivative financial instruments (see Note 2(f)).

### (b) Use of estimates and judgments

The preparation of Historical Financial Information in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Target Group. The Target Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Target Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Target Company. NCI in the results of the Target Group is presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Target Company.

Changes in the Target Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Target Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Target Company's statement of financial position, an investment in subsidiaries is stated at cost less impairment losses (see Note 2(k)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

**(d) Goodwill**

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)).

**(e) Other investments in securities**

The Target Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Target Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Target Group determines fair value of financial instruments, see Note 23(e). These investments are subsequently accounted for as follows, depending on their classification.

**(i) Non-equity investments**

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(c)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- fair value through other comprehensive income ("FVOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved

by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

**(ii) *Equity investments***

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Target Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL, are recognised in profit or loss as other income.

**(f) *Derivative financial instruments***

The Target Group holds derivative financial instruments to manage its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

**(g) *Investment properties***

Investment properties are measured at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)). Cost includes expenditure that is directly attributable to the acquisition of the investment property. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 20 to 40 years. Depreciation methods, useful lives and residual values are re-assessed at the end of each reporting period and adjusted if appropriate.

**(h) *Property, plant and equipment***

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost less accumulated depreciation and any impairment losses (see Note 2(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(x)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

— Buildings situated on leasehold land	15–50 years
— Leasehold improvements	Over the shorter of the unexpired term of the lease and 20 years
— Plant and machinery	12 years
— Motor vehicles	5–10 years
— Office equipment and furniture	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress is stated at cost less impairment losses (see Note 2(k)). Cost comprises direct costs of construction during the year of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets of their intended use are completed.

No depreciation is provided in respect of construction in progress until it is substantially complete and ready for its intended use.

**(i) Intangible assets (other than goodwill)**

Intangible assets that are acquired by the Target Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and any impairment loss (see Note 2(k)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Intangible assets are not amortised while their useful lives are assessed to be indefinite. The principal estimated useful lives of the Target Group's intangible assets are as follows:

— Software	10 years
— Trademark	10 years

Both the useful life and method of amortisation are reviewed annually and adjusted if appropriate.

**(j) Leased assets**

At inception of a contract, the Target Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

***(i) As a lessee***

Where the contract contains lease component(s) and non-lease component(s), the Target Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Target Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items such as office equipment. When the Target Group enters into a lease in respect of a low-value items, the Target Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and any impairment losses (see Note 2(k)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Target Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Target Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

***(ii) As a lessor***

The Target Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When the Target Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Target Group applies the exemption described in Note 2(j)(i), then the Target Group classifies the sub-lease as an operating lease.

**(k) Credit losses and impairment of assets**

*(i) Credit losses from financial instruments and lease receivables*

The Target Group recognises a loss allowance for expected credit losses (ECLs) on:

- financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits, trade receivables and deposits and other receivables); and
- lease receivables.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade receivables, deposits and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Target Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Target Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

*Significant increases in credit risk*

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Target Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Target Group's historical experience and informed credit assessment, that includes forward-looking information.

The Target Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Target Group in full, without recourse by the Target Group to actions such as realising security (if any is held);

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Target Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

*Credit-impaired financial assets*

At each reporting date, the Target Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Target Group on terms that the Target Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

*Write-off policy*

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Target Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(ii) Impairment of other non-current assets*

At each reporting date, the Target Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU's). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(l) Inventories**

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated on specific identification or weighted average basis as appropriate and comprises all costs of purchase after deducting rebates from suppliers and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**(m) Contract liabilities**

A contract liability is recognised when the customer pays non-refundable consideration before the Target Group recognises the related revenue (see Note 2(u)). A contract liability is also recognised if the Target Group has an unconditional right to receive non-refundable consideration before the Target Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

**(n) Trade and other receivables**

A receivable is recognised when the Target Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

**(o) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Target Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

**(p) Trade and other payables**

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

**(q) Interest-bearing borrowings**

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(x).

**(r) Employee benefits**

*(i) Short-term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Target Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*(ii) Share-based payments*

The immediate holding company of the Target Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Target Group's operations. Employees of the Target Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The fair values of the selected current employee services received in exchange for the grant of the restricted shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the granted share measured as of the grant date less the proceeds received from the employees, and records in the capital reserve as the parent's net investments until each unlocking date.

During the vesting period, the number of restricted shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of restricted shares that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the shares of the immediate holding company of the Target Company. The equity amount is recognised in the capital reserve until the restricted share is released or restricted share expires or is forfeited or cancelled (when it is released directly to retained earnings) after the end of vesting period.

*(iii) Termination benefits*

Termination benefits are expensed at the earlier of when the Target Group can no longer withdraw the offer of those benefits and when the Target Group recognises costs for a restructuring.

**(s) Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Target Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill;

The Target Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Target Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**(t) Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Target Group recognises any impairment loss on the assets associated with that contract (see Note 2(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

**(u) Revenue and other income**

Income is classified by the Target Group as revenue when it arises from the sale of goods or the provision of services or the use by others of the Target Group's assets under leases in the ordinary course of the Target Group's business.

*(i) Revenue from contracts with customers*

The Target Group evaluates whether it acts as a principal or an agent to determine whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commission. The Target Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of motor vehicles that are sourced externally. Otherwise, the Target Group is an agent to arrange for goods or services to be provided by other parties. In determining whether the Target Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Target Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Target Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

*(a) Sales of passenger motor vehicles*

Revenue arising from the sale of passenger motor vehicles is recognised upon delivery of passenger motor vehicles when the customer takes possession of and accepts the passenger motor vehicles. Revenue excludes value added tax and is after deduction of any trade discounts.

*(b) Provision of mortgage facilitation services*

Revenue arising from the provision of mortgage facilitation service is recognised at a point in time when the financial institutions entered into loan agreements and provided loan to the buyers of the motor vehicles, which is also the point in time when the Target Group fulfilled its facilitation service.

(c) *After-sales services — sales of motor spare parts*

Revenue arising from the sale of motor spare parts is recognised when the customer takes possession of and accepts the spare parts.

(d) *After-sales services — maintenance services income*

Revenue arising from maintenance services is recognised when the relevant service is rendered without further performance obligations.

**(ii) Revenue from other sources and other income**

(a) *Service income*

Revenue arising from other related services are recognised when the service is rendered to customers.

(b) *Rental income from operating leases*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(c) *Interest income*

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Target Group will comply with the conditions attaching to them.

Grants that compensate the Target Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Target Group for the cost of an asset are recognised initially as deferred revenue and amortised as income in the profit or loss on a straight-line basis over the useful life of the related asset.

**(v) Vendor rebates**

Incentive rebates provided by vendors are recognised on an accrual basis based on the expected entitlement earned up to the reporting date pursuant to each relevant supplier contract.

Incentive rebates relating to vehicles purchased and sold are deducted from cost of sales, while incentive rebates relating to vehicle purchased but still held as inventories at the reporting date are deducted from the carrying value of such vehicles so that the cost of inventories is recorded net of applicable rebates.

**(w) Translation of foreign currencies**

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated separately in equity in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

**(x) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

**(y) Related parties**

- (a) A person, or a close member of that person's family, is related to the Target Group if that person:
  - (i) has control or joint control over the Target Group;
  - (ii) has significant influence over the Target Group; or
  - (iii) is a member of the key management personnel of the Target Group or the Target Group's parent.
- (b) An entity is related to the Target Group if any of the following conditions applies:
  - (i) The entity and the Target Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Target Group or to the Target Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**(z) Segment reporting**

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Target Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Target Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

**3 ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing these consolidated financial statements. The material accounting policies are set forth in Note 2. The Target Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of these consolidated financial statements.

**(a) Depreciation**

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Target Group reviews annually the useful life of an asset and its residual value, if any, in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Target Group's historical experience with similar assets and taking into account anticipated technology changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimation.

**(b) Recognition of income taxes and deferred tax assets**

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Target Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

**(c) Impairment of goodwill and intangible assets**

The Target Group determines whether goodwill and intangible assets acquired through business combinations are impaired requires an estimation of the value in use of the cash generating units (i.e. entities acquired by the Target Group) to which include the relevant goodwill and intangible assets. The value in use calculation requires the Target Group to estimate the future cash flows expected to arise from the cash generating units and suitable discount rates in order to calculate their present values. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**(d) Accrual of vendor rebate**

The Target Group manually calculates rebates and recognises them to the extent that the management estimates it is probable that the associated conditions will be met and the amount can be estimated reliably.

Specific factors management considered included the recent historical sales volume patterns, the rebate rates applied, overriding and ongoing performance metrics and any other available information concerning the credit worthiness of suppliers.

**4 REVENUE AND SEGMENT REPORTING****(a) Revenue**

The Target Group is mainly engaged in sales of passenger motor vehicles, provision of facilitation service in relation to mortgage loans provided by third-party financial institutions to buyers of passenger motor vehicles, and provision of after-sales services. Revenue represents the sales of goods and services income rendered to customers.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

	Six months ended				
	Year ended 31 December			30 June	
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
					(unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>					
Sales of passenger motor vehicles	6,400,834	6,729,471	7,095,613	3,374,858	2,857,108
Provision of mortgage facilitation services	82,377	186,644	373,640	152,211	183,310
Provision of after-sales services	856,185	1,214,017	1,173,562	599,672	533,919
<b>Revenue from other sources</b>					
Interest income from financial leasing	<u>28,597</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>7,367,993</u></u>	<u><u>8,130,132</u></u>	<u><u>8,642,815</u></u>	<u><u>4,126,741</u></u>	<u><u>3,574,337</u></u>

- (i) Revenue from sales of passenger motor vehicles, provision of facilitation service in relation to mortgage loans and after-sales services are recognised at a point in time.
- (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The Target Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for passenger vehicles such that the Target Group does not include information about revenue that the Target Group will be entitled to when it satisfied the remaining performance obligations under the contracts for sales of passenger vehicles that had an original expected duration of one year or less.

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(b)(i).

- (iii) For the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 (unaudited) and 2025, the Target Group's customer base is diversified and does not have a customer with whom transactions have exceeded 10% of the Target Group's revenue.

**(b) Segment reporting**

*(i) Segment information*

HKFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Target Company's chief operating decision maker for the purpose of resources allocation and performance assessment. The Target Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Target Group's chief operating decision maker is the chief executive officer of the Target Group who reviews the Target Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Target Group has determined that it only has one operating segment.

*Geographic information*

For the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024(unaudited) and 2025, the geographical information on the total revenue based on the location at which the businesses are delivered is as follows:

	Six months ended				
	Year ended 31 December			30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000	2025 RMB'000
PRC	7,337,182	7,768,590	8,102,790	3,830,760	3,278,551
Middle East Region	20,993	126,463	351,625	150,859	252,064
Central Asia Region	5,991	184,366	113,322	104,303	1,500
Other regions	3,827	50,713	75,078	40,819	42,222
	<u>7,367,993</u>	<u>8,130,132</u>	<u>8,642,815</u>	<u>4,126,741</u>	<u>3,574,337</u>

*(ii) Non-current assets*

The Target Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is provided.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

### 5 OTHER INCOME

	Six months ended				
	Year ended 31 December			30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Service income	123,151	138,776	115,314	60,038	45,298
Interest income	2,388	2,619	2,605	1,496	1,267
Net gain on disposal of property, plant and equipment and right-of-use assets	19,093	10,543	19,263	978	354
Government grant	13,534	10,445	8,819	4,576	6,688
Others	21,632	1,575	11,558	8,880	1,411
	<u>179,798</u>	<u>163,958</u>	<u>157,559</u>	<u>75,968</u>	<u>55,018</u>

### 6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	Six months ended				
	Year ended 31 December			30 June	
	2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
(a) Finance costs:					
Interest on loans and borrowings		27,172	52,688	54,681	28,764
Interest on lease liabilities		10,604	15,175	13,722	7,953
Other finance costs	(i)	<u>4,408</u>	<u>7,292</u>	<u>6,857</u>	<u>3,808</u>
		<u>42,184</u>	<u>75,155</u>	<u>75,260</u>	<u>40,525</u>
(i) It mainly represents finance costs arising from discounting of bills payable.					

	Six months ended				
	Year ended 31 December			30 June	
	2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
(b) Staff costs:					
Salaries, wages and other benefits		281,454	353,392	334,633	164,791
Contributions to defined contribution retirement plans	(ii)	35,687	48,774	47,485	24,034
Equity settled share-based transactions	20(b)	<u>4,425</u>	<u>(3,815)</u>	<u>(1,775)</u>	<u>652</u>
		<u>321,566</u>	<u>398,351</u>	<u>380,343</u>	<u>189,477</u>

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

(ii) Employees of the Target Company's PRC subsidiaries are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments where the subsidiaries are registered. The Target Company's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal government to the schemes to fund the retirement benefits of the employees. The Target Group remits all pension fund contributions to the respective tax bureau, which are responsible for the payment and liabilities relating to the pension funds.

The Target Group's contributions made to the above defined contribution schemes are non-refundable and cannot be used to reduce the future or existing level of contribution of the Target Group should any forfeiture be resulted from the Schemes.

The Target Group has no other material obligation for the payment of retirement benefits other than the annual contributions described above.

	Note	Year ended 31 December			Six months ended	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>(c) Other items:</b>						
Cost of inventories	12(b)	6,818,020	7,532,617	8,037,289	3,348,624	3,231,869
Depreciation						
— owned property, plant and equipment		70,863	119,373	97,698	46,449	42,240
— right-of-use assets		59,655	84,460	81,204	40,102	36,136
— investment properties		462	462	506	270	236
Amortisation of intangible assets		568	770	852	431	411
Operating lease charges		8,017	20,496	10,680	4,440	3,659
Foreign exchange loss/(gain)		588	(747)	(3,400)	(2,441)	(2,181)
Impairment losses on goodwill	11	3,861	4,245	4,905	—	—
Auditors' remuneration		<u>2,339</u>	<u>2,082</u>	<u>1,663</u>	<u>500</u>	<u>612</u>

### 7 INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

	Note	Year ended 31 December			Six months ended	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current tax:</b>						
Provision for income tax for the year/period		25,684	18,218	13,327	9,381	10,061
Under/(over)-provision in respect of prior years		1,278	1,623	(259)	(174)	327
<b>Deferred tax:</b>						
Origination and reversal of temporary differences	21	<u>(12,113)</u>	<u>(30,431)</u>	<u>(7,713)</u>	<u>(6,650)</u>	<u>2,449</u>
		<u>14,849</u>	<u>(10,590)</u>	<u>5,355</u>	<u>2,557</u>	<u>12,837</u>

**APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP**

Reconciliation between income tax and accounting profit/(loss) at applicable tax rates:

	Six months ended				
	Year ended 31 December		30 June		
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
	(unaudited)				
Profit/(loss) before taxation	66,066	(149,215)	(70,676)	(3,011)	3,099
Notional tax on profit/(loss) before taxation, calculated at PRC income tax rate of 25%	16,517	(37,304)	(17,669)	(753)	775
Non-deductible expenses, net of non-taxable income	3,864	182	170	17	64
Effect of tax concessions of PRC operations	(1,810)	(844)	(1,610)	(2,790)	(324)
Tax losses and temporary differences not recognised	6,732	40,431	28,619	9,607	12,526
Tax effect of utilizing previously unrecognized deferred tax assets for tax losses	(13,337)	(14,781)	(4,440)	(3,512)	(556)
Under/(over)-provision in prior years	1,278	1,623	(259)	(174)	327
Others	<u>1,605</u>	<u>103</u>	<u>544</u>	<u>162</u>	<u>25</u>
Income tax	<u><u>14,849</u></u>	<u><u>(10,590)</u></u>	<u><u>5,355</u></u>	<u><u>2,557</u></u>	<u><u>12,837</u></u>

- (i) Pursuant to the Enterprise Income Tax (the “EIT”), the Target Group are liable to EIT at a rate of 25%, unless otherwise specified.
- (ii) Certain subsidiaries in the PRC were entitled to a preferential PRC EIT rate of 5% as it was accredited as small and micro business.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

### 8 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment and furniture RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost:</b>							
At 1 January 2022	358,267	223,677	65,311	108,002	73,308	1,500	830,065
Additions	2,584	10,681	2,803	65,347	5,540	16,050	103,005
Transfer among items under property, plant and equipment	1,576	14,245	—	—	—	(15,821)	—
Disposals	(10,194)	(41)	(4,775)	(52,804)	(2,197)	—	(70,011)
At 31 December 2022, and 1 January 2023	352,233	248,562	63,339	120,545	76,651	1,729	863,059
Additions	2,023	19,237	6,296	76,334	13,351	24,822	142,063
Increase due to business combination (Note 25)	42,547	34,096	12,275	33,340	8,043	144	130,445
Transfer among items under property, plant and equipment	—	25,727	—	—	839	(26,566)	—
Disposals	(26,078)	—	(10,275)	(74,949)	(22,202)	—	(133,504)
At 31 December 2023, and 1 January 2024	370,725	327,622	71,635	155,270	76,682	129	1,002,063
Additions	—	5,140	2,603	57,915	3,111	7,646	76,415
Transfer among items under property, plant and equipment	—	7,294	187	—	—	(7,481)	—
Transfer to investment properties	(1,829)	—	—	—	—	—	(1,829)
Disposals	(866)	—	(6,858)	(71,767)	(6,001)	—	(85,492)
At 31 December 2024, and 1 January 2025	368,030	340,056	67,567	141,418	73,792	294	991,157
Additions	323	2,006	2,464	24,359	1,525	10,797	41,474
Transfer among items under property, plant and equipment	—	8,763	—	—	—	(8,763)	—
Disposals	(1,012)	(781)	(3,439)	(29,031)	(3,260)	—	(37,523)
At 30 June 2025	367,341	350,044	66,592	136,746	72,057	2,328	995,108
<b>Accumulated depreciation:</b>							
At 1 January 2022	195,603	126,955	38,485	24,862	52,399	—	438,304
Charge for the year	21,441	17,908	4,605	20,894	6,015	—	70,863
Written-back on disposals	(4,282)	—	(3,525)	(15,910)	(1,928)	—	(25,645)
At 31 December 2022, and 1 January 2023	212,762	144,863	39,565	29,846	56,486	—	483,522
Charge for the year	23,099	48,253	6,282	27,769	13,970	—	119,373
Written-back on disposals	(15,608)	—	(6,609)	(22,252)	(19,145)	—	(63,614)
At 31 December 2023, and 1 January 2024	220,253	193,116	39,238	35,363	51,311	—	539,281
Charge for the year	21,567	34,486	6,373	27,239	8,033	—	97,698
Transfer to investment properties	(1,593)	—	—	—	—	—	(1,593)
Written-back on disposals	(269)	—	(3,653)	(25,274)	(4,728)	—	(33,924)
At 31 December 2024, and 1 January 2025	239,958	227,602	41,958	37,328	54,616	—	601,462
Charge for the period	10,508	12,255	2,920	13,252	3,305	—	42,240
Written-back on disposals	(578)	—	(3,394)	(8,462)	(3,003)	—	(15,437)
At 30 June 2025	249,888	239,857	41,484	42,118	54,918	—	628,265
<b>Accumulated impairment losses</b>							
At 1 January 2022, 31 December 2022 and 1 January 2023	—	—	—	—	—	—	—
Addition	—	—	—	—	2	—	2
At 31 December 2023, 31 December 2024, and 1 January 2025	—	—	—	—	2	—	2
Addition	—	—	5	—	—	—	5
At 30 June 2025	—	—	5	—	2	—	7
<b>Net book value:</b>							
At 30 June 2025	117,453	110,187	25,103	94,628	17,137	2,328	366,836
At 31 December 2024	128,072	112,454	25,609	104,090	19,174	294	389,693
At 31 December 2023	150,472	134,506	32,397	119,907	25,369	129	462,780
At 31 December 2022	139,471	103,699	23,774	90,699	20,165	1,729	379,537

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

- (a) The Target Group's buildings are located in the PRC. The Target Group has yet to obtain property ownership certificates of certain buildings with an aggregate net book value of RMB121,928,000, RMB140,841,000, RMB121,677,000, and RMB112,381,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. Notwithstanding this, the directors of the Target Company are of the opinion that the Target Group owned the beneficial title to these buildings as at 30 June 2025.
- (b) Buildings with carrying amount of RMB6,151,000, RMB4,756,000, RMB3,641,000, and RMB3,083,000 are pledged for bank loans (Note 17(b)) as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

### 9 INVESTMENT PROPERTIES

	<i>RMB'000</i>
<b>Cost:</b>	
At 1 January 2022, 31 December 2022, 31 December 2023, and 1 January 2024	24,365
Transfer from property, plant and equipment	<u>1,829</u>
At 31 December 2024, 1 January 2025, and 30 June 2025	<u>26,194</u>
<b>Accumulated depreciation:</b>	
At 1 January 2022	17,987
Charge for the year	<u>462</u>
At 31 December 2022, and 1 January 2023	18,449
Charge for the year	<u>462</u>
At 31 December 2023, and 1 January 2024	18,911
Charge for the year	<u>506</u>
Transfer from property, plant and equipment	<u>1,593</u>
At 31 December 2024, and 1 January 2025	21,010
Charge for the period	<u>236</u>
At 30 June 2025	<u>21,246</u>
<b>Net book value:</b>	
At 30 June 2025	<u>4,948</u>
At 31 December 2024	<u>5,184</u>
At 31 December 2023	<u>5,454</u>
At 31 December 2022	<u>5,916</u>

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## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

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Investment properties comprise land use rights and buildings located in the PRC that are leased to third parties. The Target Group leases out investment properties under operating leases. The leases carry rentals determined based on the lease contract with third parties for a period of up to 9 years.

During the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024 and 2025, rental income of RMB427,000, RMB18,000, RMB18,000, RMB9,000 (unaudited) and RMB9,000 were recognised as "Other income" in the consolidated statement of profit or loss.

Undiscounted lease payments under non-cancellable operating lease contracts in place at the reporting date will be receivable by the Target Group in future periods as follows:

	At 31 December			At 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Within 1 year	18	18	14	5	
After 1 year but within 5 years	32	14	—	—	
	<u>50</u>	<u>32</u>	<u>14</u>	<u>5</u>	

10 RIGHT-OF-USE ASSETS

	Properties and land leased for own use carried at cost (i) RMB'000	Land use rights carried at cost (ii) RMB'000	Total RMB'000
<b>Cost:</b>			
At 1 January 2022	294,275	152,041	446,316
Additions	40,220	—	40,220
Disposals	(18,257)	(16,848)	(35,105)
At 31 December 2022, and 1 January 2023	316,238	135,193	451,431
Additions	148,799	—	148,799
Increase due to business combination ( <i>Note 25</i> )	134,358	—	134,358
Disposals	(129,265)	—	(129,265)
At 31 December 2023, and 1 January 2024	470,130	135,193	605,323
Additions	70,616	—	70,616
Disposals	(163,383)	—	(163,383)
At 31 December 2024, and 1 January 2025	377,363	135,193	512,556
Additions	19,187	—	19,187
Disposals	(28,211)	—	(28,211)
At 30 June 2025	368,339	135,193	503,532
<b>Accumulated depreciation:</b>			
At 1 January 2022	49,694	56,248	105,942
Charge for the year	55,209	4,446	59,655
Written-back on disposals	(9,126)	(4,667)	(13,793)
At 31 December 2022, and 1 January 2023	95,777	56,027	151,804
Charge for the year	80,351	4,109	84,460
Written-back on disposals	(54,095)	—	(54,095)
At 31 December 2023, and 1 January 2024	122,033	60,136	182,169
Charge for the year	77,180	4,024	81,204
Written-back on disposals	(69,961)	—	(69,961)
At 31 December 2024, and 1 January 2025	129,252	64,160	193,412
Charge for the period	34,124	2,012	36,136
Written-back on disposals	(16,604)	—	(16,604)
At 30 June 2025	146,772	66,172	212,944
<b>Net book Value:</b>			
At 30 June 2025	221,567	69,021	290,588
At 31 December 2024	248,111	71,033	319,144
At 31 December 2023	348,097	75,057	423,154
At 31 December 2022	220,461	79,166	299,627

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

Note		Six months ended					
		Year ended 31 December			30 June		
		2022	2023	2024	2024	2025	
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
(unaudited)							
Depreciation charge of right-of-use assets by class of underlying asset:							
Land use rights	(ii)	4,446	4,109	4,024	2,012	2,012	
Properties and land leased for own use	(i)	55,209	80,351	77,180	38,090	34,124	
		<u>59,655</u>	<u>84,460</u>	<u>81,204</u>	<u>40,102</u>	<u>36,136</u>	
Interest on lease liabilities	6(a)	10,604	15,175	13,722	7,953	5,206	
Expense relating to short-term leases	6(c)	8,017	20,496	10,680	4,440	3,659	

### (i) Properties and land leased for own use

The Target Group has obtained the right to use other properties and land through lease agreements. The leases typically run for initial periods of 2 to 16 years.

None of the leases include an option to purchase the leased properties and land use rights at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

### (ii) Land use rights

Land in respect of land use rights are all located in the PRC with lease periods of 31 to 43 years when granted.

Land use rights with net book value of RMB7,089,000, RMB6,837,000, RMB6,584,000 and RMB6,458,000 are pledged as security for bank loans (Note 17(b)) as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

11 GOODWILL

	RMB'000
<b>Cost:</b>	
At 1 January 2022 and 31 December 2022	214,787
Additions ( <i>Note 25</i> )	<u>150,177</u>
At 31 December 2023, 31 December 2024 and 30 June 2025	<u>364,964</u>
<b>Accumulated impairment losses:</b>	
At 1 January 2022	(17,763)
Additions	<u>(3,861)</u>
At 31 December 2022	(21,624)
Additions	<u>(4,245)</u>
At 31 December 2023	(25,869)
Additions	<u>(4,905)</u>
At 31 December 2024 and 30 June 2025	<u>(30,774)</u>
<b>Carrying amount:</b>	
At 30 June 2025	<u>334,190</u>
At 31 December 2024	<u>334,190</u>
At 31 December 2023	<u>339,095</u>
At 31 December 2022	<u>193,163</u>

**Impairment testing for cash-generating units**

Goodwill is allocated to the Target Group's cash-generating units ("CGUs") identified according to the operating segments as follows:

	As at 31 December			As at 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
4S dealership business	<u>193,163</u>	<u>339,095</u>	<u>334,190</u>	<u>334,190</u>	

**Impairment testing for cash-generating units (containing goodwill)**

During the years ended 2022, 2023 and 2024 and the six months ended 30 June 2025, due to the impacts of macroeconomic environment changes and the intense competition in the automobile dealership industry, the selling price and gross profit margin of sales of passenger vehicles decreased continuously, and as a result the operating profits of certain stores of the Target Group were lower than forecast. The Target Group's management performed an impairment assessment, assisted by an external valuer, to determine the recoverable amount of the CGUs as at 31 December 2022, 2023 and 2024 and 30 June 2025. Based on the management's assessment result, the Target Group recognised impairment losses of goodwill of RMB3,861,000, RMB4,245,000, RMB4,905,000 and Nil, respectively, for those underperforming CGUs in "Impairment losses on goodwill" for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025. Any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

The recoverable amounts of CGUs have been determined based on the value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated by using an estimated growth rate within a range from 0.0% to 2.0% for the years ended 2022, 2023 and 2024 and for the six months ended 30 June 2025. The pre-tax discount rates applied to the impairment tests ranged from 9.9% to 12.7% for the year ended 31 December 2022, 10.3% to 11.0% for the year ended 31 December 2023, 10.6% to 11.6% for the year ended 31 December 2024, and 12.3% to 12.6% for the six months ended 30 June 2025, which reflected current market assessment of the time value of money and the risk specific to CGUs.

**12 INVENTORIES**

**(a) Inventories in the consolidated statement of financial position comprise:**

	At 31 December			At 30 June
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Motor vehicles	729,277	989,082	684,337	609,375
Automobile spare parts	43,114	146,205	91,082	108,321
Others	6,507	9,741	11,275	10,403
	<u>778,898</u>	<u>1,145,028</u>	<u>786,694</u>	<u>728,099</u>

Inventories with carrying amount of RMB237,078,000, RMB364,883,000, RMB229,792,000 and RMB284,014,000 have been pledged as security for bills payable and loans and borrowings as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

**(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:**

	Six months ended				
	Years end 31 December			30 June	
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
(unaudited)					
Carrying amount of inventories sold	6,818,861	7,542,303	8,037,342	3,348,624	3,231,909
Write down of inventories	—	50	—	—	—
Reversal of write-down of inventories	<u>(841)</u>	<u>(9,736)</u>	<u>(53)</u>	<u>—</u>	<u>(40)</u>
	<u>6,818,020</u>	<u>7,532,617</u>	<u>8,037,289</u>	<u>3,348,624</u>	<u>3,231,869</u>

13 TRADE RECEIVABLES

	At 31 December		At 30 June
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables			
— third parties	73,623	95,068	121,512
— related parties ( <i>Note 26(c)</i> )	—	2,785	28
Less: loss allowance on trade receivables	(591)	(923)	(589)
	<u>73,032</u>	<u>96,930</u>	<u>120,951</u>
			<u>94,820</u>

All of the trade receivables are expected to be recovered within one year. Details of the Target Group's credit policy is set out in Note 23(a).

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date, is as follows:

	At 31 December		At 30 June
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within 1 year	73,010	96,233	120,521
Over 1 year	22	697	430
	<u>73,032</u>	<u>96,930</u>	<u>120,951</u>
			<u>94,820</u>

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December		At 30 June
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Prepayments	209,959	270,607	201,316
Deposits	85,413	122,066	86,152
Other receivables	(i)		
— third parties	201,644	396,553	342,725
— related parties ( <i>Note 26(c)</i> )	1,010,031	701,808	335,364
Less: loss allowance on other receivables	(3,379)	(4,235)	(3,507)
Other receivables, net	1,208,296	1,094,126	674,582
	<u>1,503,668</u>	<u>1,486,799</u>	<u>962,050</u>
			<u>964,352</u>

(i) Other receivables include vendor rebates receivables of RMB138,016,000, RMB262,365,000, RMB241,067,000 and RMB176,726,000 from automobile manufacturers as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. The Target Group earns vendor rebates under various and differing arrangements with automobile manufacturers. Rebates based on purchase or sales volumes are granted by vendors if certain purchase or sales targets are met. Performance rebates are granted by vendors in accordance with the vendors' comprehensive assessment of the Target Group's business performance.

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All of the prepayments, deposits and other receivables are expected to be recovered within one year.

### 15 PLEDGED BANK DEPOSITS

Bank deposits are pledged to banks as securities for the issuance of bills payables as follows:

<b>Pledged to banks as securities for:</b>	<i>Note</i>	<b>At 31 December</b>			<b>At 30 June</b>	
		<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>	<b>2025</b> <i>RMB'000</i>	
Bills payable	19	191,625	281,515	583,377	409,177	

The bank deposits pledged for bills payable will be released upon the settlement of relevant bills payable.

### 16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### (a) Cash and cash equivalents comprise:

	<b>At 31 December</b>			<b>At 30 June</b>	
	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>	<b>2025</b> <i>RMB'000</i>	
Cash at banks and on hand	80,925	114,733	17,930	48,832	

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**(b) Reconciliation of profit/(loss) before taxation to cash (used in)/generated from operations:**

	Note	Six months ended				
		Years end 31 December		30 June		
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i> (unaudited)	2025 <i>RMB'000</i>
Profit/(loss) before taxation		66,066	(149,215)	(70,676)	(3,011)	3,099
<b>Adjustments for:</b>						
— Depreciation of owned property, plant and equipment	6(c)	70,863	119,373	97,698	46,449	42,240
— Depreciation of right-of-use assets	6(c)	59,655	84,460	81,204	40,102	36,136
— Depreciation of investment properties	6(c)	462	462	506	270	236
— Amortisation of intangible assets	6(c)	568	770	852	431	411
— Net gain on disposal of property, plant and equipment and right-of-use assets	5	(19,093)	(10,543)	(19,263)	(978)	(354)
— Impairment loss on property, plant and equipment		—	2	—	—	5
— Finance costs	6(a)	42,184	75,155	75,260	40,525	21,194
— Interest income from bank deposits	5	(2,388)	(2,619)	(2,605)	(1,496)	(1,267)
— Equity settled share-based transactions	6(b)	4,425	(3,815)	(1,775)	652	37
— Realised/unrealised loss of financial instruments		—	23	12	10	8
— Foreign exchange loss/(gain)		588	(747)	(3,400)	(2,441)	(2,181)
— Impairment losses on goodwill	11	3,861	4,245	4,905	—	—
— Gain on disposal of a subsidiary	24	(705)	—	—	—	—
<b>Changes in working capital:</b>						
— (Increase)/decrease in inventories		(218,340)	69,355	358,334	177,495	58,595
— (Increase)/decrease in trade receivables		(9,340)	(23,898)	(24,021)	(6,984)	26,131
— (Increase)/decrease in prepayments, deposits and other receivables		(476,689)	254,592	524,732	(75,567)	44,884
— (Increase)/decrease in pledged bank deposits		(16,189)	(89,890)	(301,862)	(48,444)	174,200
— Increase/(decrease) in trade and other payables		457,378	272,107	(122,409)	(221,599)	(340,455)
<b>Cash (used in)/generated from operations</b>		<u>(36,694)</u>	<u>599,817</u>	<u>597,492</u>	<u>(54,586)</u>	<u>62,919</u>

(c) Reconciliation of liabilities arising from financing activities

	Loans and borrowings <i>RMB'000</i> <i>(Note 17)</i>	Interest payables <i>RMB'000</i> <i>(i)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 18)</i>	Total <i>RMB'000</i>
<b>At 31 December 2021, and 1 January 2022</b>	629,226	628	233,706	863,560
<b>Changes from financing cash flows:</b>				
Proceeds from loans and borrowings	1,978,383	—	—	1,978,383
Repayment of loans and borrowings	(1,893,540)	—	—	(1,893,540)
Capital element of lease rentals paid	—	—	(36,696)	(36,696)
Interest element of lease rentals paid	—	—	(10,604)	(10,604)
Interest paid	—	(31,370)	—	(31,370)
<b>Total changes from financing cash flows</b>	84,843	(31,370)	(47,300)	6,173
<b>Exchange adjustments</b>	588	—	—	588
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the year	—	—	40,220	40,220
Interest expenses	—	31,580	10,604	42,184
Effect of early termination of lease contracts	—	—	(21,648)	(21,648)
<b>Total other changes</b>	—	31,580	29,176	60,756
<b>At 31 December 2022</b>	<u>714,657</u>	<u>838</u>	<u>215,582</u>	<u>931,077</u>

	Loans and borrowings <i>RMB'000</i> <i>(Note 17)</i>	Interest payables <i>RMB'000</i> <i>(i)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 18)</i>	Total <i>RMB'000</i>
<b>At 31 December 2022, and 1 January 2023</b>	<b>714,657</b>	<b>838</b>	<b>215,582</b>	<b>931,077</b>
<b>Changes from financing cash flows:</b>				
Proceeds from loans and borrowings	2,813,572	—	—	2,813,572
Repayment of loans and borrowings	(2,988,486)	—	—	(2,988,486)
Capital element of lease rentals paid	—	—	(69,449)	(69,449)
Interest element of lease rentals paid	—	—	(15,175)	(15,175)
Interest paid	—	(56,491)	—	(56,491)
<b>Total changes from financing cash flows</b>	<b>(174,914)</b>	<b>(56,491)</b>	<b>(84,624)</b>	<b>(316,029)</b>
<b>Exchange adjustments</b>	<b>(747)</b>	<b>—</b>	<b>—</b>	<b>(747)</b>
<b>Other changes:</b>				
Loans and borrowings assumed in acquisition of subsidiaries ( <i>Note 25</i> )	740,000	—	—	740,000
Lease liabilities assumed in acquisition of subsidiaries ( <i>Note 25</i> )	—	—	152,403	152,403
Increase in lease liabilities from entering into new leases during the year	—	—	148,799	148,799
Interest expenses	—	59,980	15,175	75,155
Effect of early termination of lease contracts	—	—	(80,031)	(80,031)
<b>Total other changes</b>	<b>740,000</b>	<b>59,980</b>	<b>236,346</b>	<b>1,036,326</b>
<b>At 31 December 2023</b>	<b>1,278,996</b>	<b>4,327</b>	<b>367,304</b>	<b>1,650,627</b>

	Loans and borrowings <i>RMB'000</i> <i>(Note 17)</i>	Interest payables <i>RMB'000</i> <i>(i)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 18)</i>	Total <i>RMB'000</i>
<b>At 31 December 2023, and 1 January 2024</b>	<u>1,278,996</u>	<u>4,327</u>	<u>367,304</u>	<u>1,650,627</u>
<b>Changes from financing cash flows:</b>				
Proceeds from loans and borrowings	2,707,244	—	—	2,707,244
Repayment of loans and borrowings	(3,195,260)	—	—	(3,195,260)
Capital element of lease rentals paid	—	—	(74,299)	(74,299)
Interest element of lease rentals paid	—	—	(13,722)	(13,722)
Interest paid	—	<u>(61,416)</u>	—	<u>(61,416)</u>
<b>Total changes from financing cash flows</b>	<u>(488,016)</u>	<u>(61,416)</u>	<u>(88,021)</u>	<u>(637,453)</u>
<b>Exchange adjustments</b>	<u>(3,400)</u>	—	—	<u>(3,400)</u>
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the year	—	—	70,616	70,616
Interest expenses	—	61,538	13,722	75,260
Effect of early termination of lease contracts	—	—	<u>(103,693)</u>	<u>(103,693)</u>
<b>Total other changes</b>	<u>—</u>	<u>61,538</u>	<u>(19,355)</u>	<u>42,183</u>
<b>At 31 December 2024</b>	<u>787,580</u>	<u>4,449</u>	<u>259,928</u>	<u>1,051,957</u>

	Loans and borrowings <i>RMB'000</i> <i>(Note 17)</i>	Interest payables <i>RMB'000</i> <i>(i)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 18)</i>	Total <i>RMB'000</i>
<b>At 31 December 2024, and 1 January 2025</b>	<b>787,580</b>	<b>4,449</b>	<b>259,928</b>	<b>1,051,957</b>
<b>Changes from financing cash flows:</b>				
Proceeds from loans and borrowings	1,044,463	—	—	1,044,463
Repayment of loans and borrowings	(938,784)	—	—	(938,784)
Capital element of lease rentals paid	—	—	(32,291)	(32,291)
Interest element of lease rentals paid	—	—	(5,206)	(5,206)
Interest paid	—	(20,111)	—	(20,111)
<b>Total changes from financing cash flows</b>	<b>105,679</b>	<b>(20,111)</b>	<b>(37,497)</b>	<b>48,071</b>
<b>Exchange adjustments</b>	<b>(2,181)</b>	<b>—</b>	<b>—</b>	<b>(2,181)</b>
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the period	—	—	19,187	19,187
Interest expenses	—	15,988	5,206	21,194
Effect of early termination of lease contracts	—	—	(11,965)	(11,965)
<b>Total other changes</b>	<b>—</b>	<b>15,988</b>	<b>12,428</b>	<b>28,416</b>
<b>At 30 June 2025</b>	<b>891,078</b>	<b>326</b>	<b>234,859</b>	<b>1,126,263</b>

	Loans and borrowings <i>RMB'000</i> <i>(Note 17)</i>	Interest payables <i>RMB'000</i> <i>(i)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 18)</i>	Total <i>RMB'000</i>
<b>At 31 December 2023, and 1 January 2024</b>				
	1,278,996	4,327	367,304	1,650,627
<b>Changes from financing cash flows:</b>				
Proceeds from loans and borrowings	1,596,730	—	—	1,596,730
Repayment of loans and borrowings	(1,420,010)	—	—	(1,420,010)
Capital element of lease rentals paid	—	—	(39,860)	(39,860)
Interest element of lease rentals paid	—	—	(7,953)	(7,953)
Interest paid	—	(36,104)	—	(36,104)
<b>Total changes from financing cash flows</b>	<b>176,720</b>	<b>(36,104)</b>	<b>(47,813)</b>	<b>92,803</b>
<b>Exchange adjustments</b>	<b>(603)</b>	<b>—</b>	<b>—</b>	<b>(603)</b>
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the period	—	—	33,897	33,897
Interest expenses	—	32,572	7,953	40,525
Effect of early termination of lease contracts	—	—	(46,043)	(46,043)
<b>Total other changes</b>	<b>—</b>	<b>32,572</b>	<b>(4,193)</b>	<b>28,379</b>
<b>At 30 June 2024</b>	<b>1,455,113</b>	<b>795</b>	<b>315,298</b>	<b>1,771,206</b>

(i) Interest payables is recorded in trade and other payables.

**(d) Total cash outflow for leases**

Amounts included in the cash flow statement for leases comprise the following:

	Six months ended				
	At 31 December		30 June		
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i> (unaudited)
Within operating cash flows	8,017	20,496	10,680	4,440	3,659
Within financing cash flows	47,300	84,624	88,021	47,813	37,497
	<b>55,317</b>	<b>105,120</b>	<b>98,701</b>	<b>52,253</b>	<b>41,156</b>

These amounts relate to the following:

	Six months ended				
	At 31 December		30 June		
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Lease rentals paid	55,317	105,120	98,701	52,253	41,156

## 17 LOANS AND BORROWINGS

(a) The analysis of the carrying amount of loans and borrowings is as follows:

	Note	At 31 December		At 30 June	
		2022	2023	2024	2025
<b>Current</b>					
Unsecured bank loans	(i)	649,555	879,044	481,467	553,554
Unsecured interest-bearing borrowings due to related parties	(ii)/26	—	99,900	70,724	29,018
Secured bank loans	(iii)	26,412	37,618	57,454	61,153
Secured interest-bearing borrowings from manufacturer financial institutions	(iv)/17 (c)	37,630	154,298	53,528	84,847
Other borrowings	(v)	—	61,550	61,550	46,550
		<u>713,597</u>	<u>1,232,410</u>	<u>724,723</u>	<u>775,122</u>
<b>Non-current</b>					
Unsecured bank loans	(i)	1,060	46,586	10,857	88,456
Secured bank loans	(iii)	—	—	52,000	27,500
		<u>1,060</u>	<u>46,586</u>	<u>62,857</u>	<u>115,956</u>
		<u>714,657</u>	<u>1,278,996</u>	<u>787,580</u>	<u>891,078</u>

- (i) Unsecured bank loans carried interest at annual rates ranging from 3.40% to 4.45%, 3.10% to 6.30%, 2.80% to 4.50% and 2.30% to 4.20% as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.
- (ii) Unsecured interest-bearing borrowings due to related parties carried interest at annual rates of 3.50%, ranging from 3.50% to 4.50% and 3.50% to 4.50% as at 31 December 2023, 2024 and 30 June 2025, respectively.
- (iii) Secured bank loans carried interest at annual rates of 3.70%, ranging from 3.40% to 6.30%, 3.10% to 4.60% and 3.00% to 4.60% as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.
- (iv) Secured interest-bearing borrowings from manufacturer and other financial institutions carried interest at annual rates ranging from 0.00% to 7.95%, 0.00% to 7.88%, 0.00% to 4.65% and 0.00% to 5.65% as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

(v) Other borrowings represent amounts due to non-controlling shareholders of the Target Company's subsidiaries which carried interest at annual rates ranging from 5.5% to 6.0%, 5.5% to 6.0% and of 5.5% as at 31 December 2023, 2024 and 30 June 2025, respectively.

**(b) Assets pledged as security and covenants for loans and borrowings:**

The Target Group's loan and borrowings were secured by certain inventories, property, plant and equipment and land use rights, as set out in Note 12, Note 8 and Note 10 respectively.

Certain banking facilities of the Target Company's subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the subsidiaries were to breach the covenants, the drawn down facilities would become payable on demand. The Target Group regularly monitors its compliance with these covenants. Further details of the Target Group's management of liquidity risk are set out in Note 23(b). As at 31 December 2022, 2023, 2024 and 30 June 2025, none of the covenants relating to drawn down facilities had been breached.

As at 31 December 2022, 31 December 2023, 2024 and 30 June 2025, unsecured loans and borrowings from banks and other financial institutions of RMB352,111,000, RMB303,985,000, RMB19,950,000 and RMB9,950,000 were guaranteed by Xiamen Xindec Co., Ltd., respectively.

As at 31 December 2024 and 30 June 2025, secured bank loans of RMB52,000,000 and RMB27,500,000 were pledged by the Target Group's 55% equity interest in Poly Automobile Co., Ltd. and were guaranteed by Xiamen Xindec Co., Ltd..

**(c) Borrowings from manufacturer financial institutions arising from supplier finance arrangements:**

The Target Group has entered into financing arrangements with manufacturer financial institutions, under which the Target Group obtained extended credit in respect of the purchase of motor vehicles from certain automobile manufacturers. The facilities in relation to these arrangements are secured by the Target Group's motor vehicles.

Under these arrangements, the manufacturer financial institutions pay automobile manufacturers the amounts in respect of purchase of motor vehicles by the Target Group, which normally require advance payments before delivery. The Target Group then settles with the manufacturer financial institutions within the credit period up to 180 days after the payment dates with the automobile manufacturers, or if earlier, upon the sales of the pledged motor vehicles of the Target Group, with interest.

In the consolidated statement of financial position, the Target Group has presented the payables to the manufacturer financial institutions under these arrangements as "loans and borrowings", in view of the nature and function of such liabilities when compared with the Target Group's trade payables to automobile manufacturers. As at 31 December 2022, 2023, 2024 and 30 June 2025, the carrying amount of such loans and borrowings under these arrangements amounted to RMB37,630,000, RMB154,298,000, RMB53,528,000 and RMB84,847,000, all of which the automobile manufacturers have received payments from the manufacturer financial institutions.

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### 18 LEASE LIABILITIES

At 31 December 2022, 2023, 2024 and 30 June 2025, the lease liabilities were repayable as follows:

	At 31 December			At 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Within 1 year	42,704	78,902	65,451	78,187	
After 1 year but within 2 years	27,280	76,542	58,907	44,120	
After 2 years but within 5 years	79,418	131,352	82,538	71,308	
After 5 years	66,180	80,508	53,032	41,244	
	<u>172,878</u>	<u>288,402</u>	<u>194,477</u>	<u>156,672</u>	
	<u>215,582</u>	<u>367,304</u>	<u>259,928</u>	<u>234,859</u>	

### 19 TRADE AND OTHER PAYABLES

	Note	At 31 December			At 30 June	
		2022	2023	2024	2025	
		RMB'000	RMB'000	RMB'000	RMB'000	
<b>Current</b>						
Trade payables		58,244	112,492	90,289	95,861	
Bills payable		<u>1,104,383</u>	<u>1,261,854</u>	<u>1,351,281</u>	<u>1,030,979</u>	
	(i)	1,162,627	1,374,346	1,441,570	1,126,840	
Contract liabilities	(ii)	118,449	204,257	98,432	94,655	
Other payables and accruals		90,513	194,524	155,436	122,460	
Payables due to related parties	26(c)	<u>653</u>	<u>9</u>	<u>—</u>	<u>—</u>	
		1,372,242	1,773,136	1,695,438	1,343,955	
<b>Non-current</b>						
Contract liabilities		32,682	58,055	47,050	49,637	
Others		<u>6,885</u>	<u>4,888</u>	<u>4,029</u>	<u>2,953</u>	
		<u>1,411,809</u>	<u>1,836,079</u>	<u>1,746,517</u>	<u>1,396,545</u>	

The Target Group's bills payable was secured by pledged bank deposits and certain inventories, as set out in Note 15 and Note 12 respectively.

(i) As of the end of reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	At 31 December			At 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Within 1 year	1,161,494	1,373,594	1,439,715	1,126,347	
Over 1 year	1,133	752	1,855	493	
	<u>1,162,627</u>	<u>1,374,346</u>	<u>1,441,570</u>	<u>1,126,840</u>	

The Target Group has entered into financing arrangements with several banks. Under these arrangements, the Target Group issued bank acceptance bills to settle with certain automobile manufacturers in respect of purchase of motor vehicles from them, which normally require advance payments before delivery, and the automobile manufacturers can then discount the bank acceptance bills to the banks.

The Target Group subsequently settles the bills payable with the banks upon the maturity date of the bills payable, up to 180 days after the issue date.

In the consolidated statement of financial position, the Target Group has presented the bills payable to the banks under these arrangements as “trade and other payables” because these bills payable continue to be part of the normal operating cycle of the Target Group. As at 31 December 2022, 2023, 2024 and 30 June 2025, the carrying amount of bills payable under these arrangements amounted to RMB1,104,383,000, RMB1,261,854,000, RMB1,351,281,000 and RMB1,030,979,000, respectively.

In the consolidated statement of cash flows, the Target Group’s payments to the banks are included within operating cash flows based on the nature of these arrangements.

(ii) The amount of revenue recognised in the years of 2022, 2023, 2024 and during the six months ended 30 June 2025 that was included in the contract liabilities balance at the beginning of the year/period was RMB118,475,000, RMB118,449,000, RMB204,257,000 and RMB98,432,000, respectively.

## 20 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the restricted shares award scheme of Xiamen Xindeco Ltd., the immediate holding company of the Target Company on 21 August 2020 (“2020 Share Award Scheme”), 2,470,000 restricted shares of Xiamen Xindeco Ltd. (“Restricted Shares”) were approved for granting to directors and core employees of the Target Group, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Target Group’s operations. The fair value of the Restricted Shares granted under the respective grant dates is RMB5.77 per share, as determined based on the market price at the Grant Date and the subscription price is RMB2.46 per share.

Pursuant to the restricted shares award scheme of Xiamen Xindeco Ltd., the first 5,760,000 restricted shares and the reserved 250,000 restricted shares of the Xiamen Xindeco Ltd. (“Restricted Shares”) were approved on 7 July 2022 and 24 February 2023 (collectively known as “2022 Share Award Scheme”), respectively, for granting to directors and core employees of the Target Group, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Target Group’s operations. The fair value of the Restricted Shares granted under the respective grant dates is RMB6.05 and RMB7.27 per share, respectively, as determined based on the market price at the Grant Date and the subscription price is RMB3.24 per share.

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The Restricted Shares are subject to various lock-up periods (the “Lock-Up Period”) of 2 years, 3 years and 4 years, respectively, immediately from the Grant Date. During the Lock-Up Period, these shares are not transferrable, nor subject to any guarantee or indemnity.

Subject to fulfilment of all service and performance conditions under the Share Award Scheme which include participants' individual performance appraisal (referred to as “vesting conditions”), the restriction over the Restricted Shares will be removed after the expiry of the corresponding lock-up period for each tranche and the participants will be fully entitled to these incentive shares. If the vesting conditions are not fulfilled and hence the Restricted Shares cannot be unlocked, all the unvested or outstanding Restricted Shares not yet vested shall be immediately forfeited.

**(a) The terms and conditions of the grants are as follows:**

Grant date	Number of instruments	Purchase price	Purchase price	Vesting conditions
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**Restricted shares granted to directors and core employees:**

On 21 August 2020	2,470,000	RMB2.46	40% — 2 years from the grant date 30% — 3 years from the grant date 30% — 4 years from the grant date
On 7 July 2022	5,760,000	RMB3.24	40% — 2 years from the grant date 30% — 3 years from the grant date 30% — 4 years from the grant date
On 24 February 2023	250,000	RMB3.24	40% — 2 years from the grant date 30% — 3 years from the grant date 30% — 4 years from the grant date

**(b) The number and weighted average exercise prices of restricted shares are as follows:**

	At 31 December		At 31 December		At 31 December		At 30 June	
	2022		2023		2024		2025	
	Weighted average purchase price	Number of restricted shares	Weighted average purchase price	Number of restricted shares	Weighted average purchase price	Number of restricted shares	Weighted average purchase price	Number of restricted shares
Outstanding at the beginning of the year/ period	RMB2.46	2,410,000	RMB3.09	6,946,000	RMB3.24	1,884,000	RMB3.24	75,000
Granted during the year/ period	RMB3.24	5,760,000	RMB3.24	250,000	—	—	—	—
Vested during the year/ period	RMB2.46	(884,000)	—	—	—	—	—	—
Forfeited during the year/ period	RMB2.78	(340,000)	RMB3.05	(5,472,000)	RMB3.24	(1,809,000)	—	—
Others	—	—	RMB3.24	160,000	—	—	—	—
Outstanding at the end of the year/period		<u>6,946,000</u>		<u>1,884,000</u>		<u>75,000</u>		<u>75,000</u>

During the years ended 31 December 2022, 2023 and 2024, 340,000, 5,472,000 and 1,809,000 restricted shares granted were forfeited due to the failure to meet the vesting conditions, therefore total reversal of expenses of RMB214,000, RMB5,127,000 and RMB1,850,000 were recognised as a deduction of personnel expenses during the years ended 31 December 2022, 2023 and 2024, respectively.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

### 21 DEFERRED TAX ASSETS AND LIABILITIES

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the Relevant Periods are as follows:

	Fair value adjustment arising from business combination <i>RMB'000</i>	Depreciation allowances in excess of depreciation charges <i>RMB'000</i>	Future benefits of tax losses <i>RMB'000</i>	Deferred revenue <i>RMB'000</i>	Inventory provision <i>RMB'000</i>	Credit loss allowance <i>RMB'000</i>	Provisions and accrued expenses <i>RMB'000</i>	Equity settled share-based transactions <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Deferred tax (liabilities)/ assets arising from:</b>											
At 1 January 2022	(12,000)	515	11,343	275	197	6,885	2,925	975	(61,145)	61,145	11,115
Credited/(charged) to profit or loss	673	402	15,812	(275)	(197)	(733)	(2,914)	(655)	26,113	(26,113)	12,113
Disposal of a subsidiary <i>(Note 24)</i>	—	—	—	—	—	(4,710)	—	—	—	—	(4,710)
At 31 December 2022, and 1 January 2023	(11,327)	917	27,155	—	—	1,442	11	320	(35,032)	35,032	18,518
Credited/(charged) to profit or loss	417	20	33,610	—	99	(727)	591	(149)	21,469	(24,899)	30,431
Acquisition through a business combination <i>(Note 25)</i>	(932)	—	—	—	—	—	—	—	(27,711)	34,035	5,392
At 31 December 2023, and 1 January 2024	(11,842)	937	60,765	—	99	715	602	171	(41,274)	44,168	54,341
Credited/(charged) to profit or loss	964	(420)	5,058	—	(21)	(61)	(353)	(171)	(36,052)	38,769	7,713
At 31 December 2024, and 1 January 2025	(10,878)	517	65,823	—	78	654	249	—	(77,326)	82,937	62,054
Credited/(charged) to profit or loss	482	(65)	(3,762)	—	(10)	(11)	(41)	—	7,538	(6,580)	(2,449)
At 30 June 2025	(10,396)	452	62,061	—	68	643	208	—	(69,788)	76,357	59,605
<b>At 31 December</b> <b>2022</b> <i>RMB'000</i> <b>2023</b> <i>RMB'000</i> <b>2024</b> <i>RMB'000</i> <b>At 30 June</b> <b>2025</b> <i>RMB'000</i>											
<b>Representing:</b>											
Net deferred tax assets in the consolidated statement of financial position				29,845			107,461		74,405		70,415
Net deferred tax liabilities in the consolidated statement of financial position				(11,327)			(53,120)		(12,351)		(10,810)
				18,518			54,341		62,054		59,605
<b>Deferred tax assets not recognised:</b>											
In accordance with the accounting policy set out in Note 2(s), the Target Group has not recognised deferred tax assets as at 31 December 2022, 2023 and 2024 and 30 June 2025 in respect of cumulative tax losses and deductible temporary differences of RMB133,687,000, RMB358,668,000, RMB405,340,000 and RMB455,593,000, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses in the PRC are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose.											

**22 CAPITAL, RESERVES AND DIVIDENDS**

**(a) Dividends**

- (i) During the Relevant Periods, no dividend has been paid or declared by the Target Company.
- (ii) During the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024 and 2025, subsidiaries of the Target Group declared and paid dividends of RMB5,089,000, RMB17,140,000, RMB12,086,000, RMB86,000 (unaudited) and RMB600,000 respectively in cash to non-controlling interests.

**(b) Share capital**

Movements in the authorised, issued and fully paid share capital of the Target Company during the Relevant Periods are as follows:

	Years ended 31 December				Six months ended 30 June			
	2022		2023		2024		2025	
	Number of shares (thousand)	Amount RMB('000)						
<b>Authorised, issued and fully paid:</b>								
Balance	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>	<u>437,884</u>

**(c) Nature and purpose of reserves**

*(i) PRC statutory reserve*

PRC statutory reserve was established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Target Group which are incorporated in the PRC. Appropriations to the reserve were approved by the respective board of directors' meetings.

For the entity concerned, statutory reserve can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

**(d) Capital risk management**

The Target Group's primary objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Target Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Target Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Target Group defines net debt as interest-bearing loans and borrowings, lease liabilities, less cash and cash equivalents and pledged bank deposits, and capital comprises all components of equity.

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The adjusted net debt-to-capital ratios at 31 December 2022, 2023, 2024 and 30 June 2025 were as follows:

	Note	At 31 December		At 30 June	
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Loans and borrowings	17	714,657	1,278,996	787,580	891,078
Lease liabilities	18	<u>215,582</u>	<u>367,304</u>	<u>259,928</u>	<u>234,859</u>
Total borrowings		930,239	1,646,300	1,047,508	1,125,937
Less: Pledged bank deposits	15	(191,625)	(281,515)	(583,377)	(409,177)
Cash and cash equivalents	16	<u>(80,925)</u>	<u>(114,733)</u>	<u>(17,930)</u>	<u>(48,832)</u>
Adjusted net debt		<u>657,689</u>	<u>1,250,052</u>	<u>446,201</u>	<u>667,928</u>
Total equity		1,175,587	928,139	784,810	774,509
Adjusted net debt-to-capital ratio		<u>0.56</u>	<u>1.35</u>	<u>0.57</u>	<u>0.86</u>

### 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Target Group's business.

The Target Group's exposure to these risks and the financial risk management policies and practices used by the Target Group to manage these risks are described below.

#### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Target Group. The Target Group's credit risk is primarily attributable to cash and cash equivalents, pledged bank deposits, trade receivables, deposits and other receivables.

The Target Group's exposure to credit risk arising from cash and cash equivalents and pledged bank deposits is limited because the counterparties are banks and financial institutions which the Target Group considers to have low credit risk.

#### *Trade receivables*

Credit risk in respect of trade receivables is limited since credit sales are offered in rare cases subject to high level management's approval. Trade receivables balances mainly represent receivables from individual customers, who obtain mortgages from their financial institutions and used the drawn-down mortgage principal to settle the Target Group's trade receivables within one month when the mortgages were granted by their financial institutions, and warranty receivables from automobile manufacturers. For the receivables from automobile manufacturers, risk of default is considered low, as these are companies with good credit rating.

At 31 December 2022, 2023, 2024 and 30 June 2025, 0.73% and 0.00%, 0.00% and 0.00%, 0.00% and 0.00%, and 1.88% and 0.00% of the total trade receivables were due from the Target Group's five largest customers and the largest single customer, respectively.

The Target Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Based on historical loss ratios and forward-looking information, The Target Group assessed and recognised loss allowance for trade receivables of RMB591,000, RMB923,000, RMB589,000 and RMB468,000, respectively in accordance with HKFRS 9 as at 31 December 2022, 2023, 2024 and 30 June 2025.

***Other receivables***

Credit risk in respect of other receivables is limited since their receivables are settled on a regular basis.

The Target Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Target Group assessed and recognised loss allowance for other receivables of RMB3,379,000, RMB4,235,000, RMB3,507,000 and RMB3,488,000, respectively in accordance with HKFRS 9 as at 31 December 2022, 2023, 2024 and 30 June 2025.

***Deposits***

Credit risk in respect of deposits is limited since the counterparties are mainly certain landlords and their receivables are settled on a regular basis.

The Target Group measures loss allowances for deposits at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

**(b) Liquidity risk**

Liquidity risk is the risk that the Target Group will not be able to meet its financial obligations as they fall due.

The Target Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Target Group's reputation.

The Target Group's policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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The following tables show the remaining contractual maturities at the end of the reporting period of the Target Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Target Group can be required to pay:

<b>At 31 December 2022</b>					
<b>Contractual undiscounted cash outflow</b>					
Within 1 year or on demand	More than 1 year but less than 5 years	More than 5 years	Total	Balance sheet carrying amount	Balance sheet
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loans and borrowings	783,344	1,211	—	784,555	714,657
Lease liabilities	46,986	119,131	73,697	239,814	215,582
Trade and other payables	<u>1,253,793</u>	<u>39,567</u>	<u>—</u>	<u>1,293,360</u>	<u>1,293,360</u>
	<u><u>2,084,123</u></u>	<u><u>159,909</u></u>	<u><u>73,697</u></u>	<u><u>2,317,729</u></u>	<u><u>2,223,599</u></u>

<b>At 31 December 2023</b>					
<b>Contractual undiscounted cash outflow</b>					
Within 1 year or on demand	More than 1 year but less than 5 years	More than 5 years	Total	Balance sheet carrying amount	Balance sheet
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loans and borrowings	1,251,654	48,446	—	1,300,100	1,278,996
Lease liabilities	98,263	246,902	92,206	437,371	367,304
Trade and other payables	<u>1,568,879</u>	<u>62,943</u>	<u>—</u>	<u>1,631,822</u>	<u>1,631,822</u>
	<u><u>2,918,796</u></u>	<u><u>358,291</u></u>	<u><u>92,206</u></u>	<u><u>3,369,293</u></u>	<u><u>3,278,122</u></u>

**At 31 December 2024**  
**Contractual undiscounted cash outflow**

	More than				Balance sheet carrying amount <i>RMB'000</i>
	Within 1 year or on demand <i>RMB'000</i>	1 year but less than 5 years <i>RMB'000</i>	More than 5 years <i>RMB'000</i>	Total <i>RMB'000</i>	
Loans and borrowings	737,568	65,966	—	803,534	787,580
Lease liabilities	76,724	162,605	53,600	292,929	259,928
Trade and other payables	1,597,006	51,079	—	1,648,085	1,648,085
	<b>2,411,298</b>	<b>279,650</b>	<b>53,600</b>	<b>2,744,548</b>	<b>2,695,593</b>

**At 30 June 2025**  
**Contractual undiscounted cash outflow**

	More than				Balance sheet carrying amount <i>RMB'000</i>
	Within 1 year or on demand <i>RMB'000</i>	1 year but less than 5 years <i>RMB'000</i>	More than 5 years <i>RMB'000</i>	Total <i>RMB'000</i>	
Loans and borrowings	791,337	123,401	—	914,738	891,078
Lease liabilities	75,080	135,367	41,365	251,812	234,859
Trade and other payables	1,249,300	52,590	—	1,301,890	1,301,890
	<b>2,115,717</b>	<b>311,358</b>	<b>41,365</b>	<b>2,468,440</b>	<b>2,427,827</b>

**(c) Interest rate risk**

*(i) Interest rate profile*

Cash at bank, pledged bank deposits, interest-bearing loans and borrowings and lease liabilities are the major types of the Target Group's assets and liabilities subject to interest rate risk. Cash at bank are with fixed or floating interest rates ranging from 0.10% to 0.15%, 0.10% to 0.15%, 0.20% to 0.25% and 0.20% to 0.25% per annum as at 31 December 2022, 2023, 2024 and 30 June 2025. Pledged bank deposits are placed to satisfy conditions for issuance of commercial bills granted to the Target Group, with fixed interest rates ranging from 1.30% to 1.55%, 1.20% to 1.45%, 0.85% to 1.10% and 0.05% to 1.35% per annum as at 31 December 2022, 2023, 2024 and 30 June 2025.

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The Target Group's interest-bearing loans and borrowings, lease liabilities and interest rates as at 31 December 2022, 2023, 2024 and 30 June 2025 are as follows:

	<b>At 31 December</b>
	<b>Interest rate</b>
	<b>2022</b>
	<i>RMB'000</i>
Fixed rate	
— loans and borrowings	0.00% ~ 7.95%
— lease liabilities	4.06% ~ 4.65%
	<u>(560,378)</u>
	<u>(215,582)</u>
	<u><u>(775,960)</u></u>
Variable rate	
— loans and borrowings	3.40% ~ 4.35%
	<u>(154,279)</u>
	<u><u>(154,279)</u></u>
	<b>At 31 December</b>
	<b>Interest rate</b>
	<b>2023</b>
	<i>RMB'000</i>
Fixed rate	
— loans and borrowings	0.00% ~ 7.88%
— lease liabilities	3.85% ~ 4.30%
	<u>(865,562)</u>
	<u>(367,304)</u>
	<u><u>(1,232,866)</u></u>
Variable rate	
— loans and borrowings	3.30% ~ 4.90%
	<u>(413,434)</u>
	<u><u>(413,434)</u></u>
	<b>At 31 December</b>
	<b>Interest rate</b>
	<b>2024</b>
	<i>RMB'000</i>
Fixed rate	
— loans and borrowings	0.00% ~ 6.30%
— lease liabilities	3.20% ~ 4.20%
	<u>(492,990)</u>
	<u>(259,928)</u>
	<u><u>(752,918)</u></u>
Variable rate	
— loans and borrowings	2.80% ~ 4.60%
	<u>(294,590)</u>
	<u><u>(294,590)</u></u>

	At 30 June 2025 <i>RMB'000</i>
<b>Interest rate</b>	
Fixed rate	
— loans and borrowings	0.00% ~ 5.65% (707,576)
— lease liabilities	3.00% ~ 3.60% (234,859)
	<u><u>(942,435)</u></u>
Variable rate	
— loans and borrowings	2.80% ~ 4.60% (183,502)
	<u><u>(183,502)</u></u>

***(ii) Sensitivity analysis***

A general increase/decrease of 100 basis points in interest rates prevailing at 31 December 2022, 2023, 2024 and 30 June 2025, with all other variables held constant, would decrease/increase the Target Group's profit after tax and retained earnings by approximately RMB5,360,000, RMB9,126,000, RMB5,382,000 and RMB3,167,000, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period.

***(d) Foreign currency risk***

The Target Group is exposed to currency risk primarily through borrowings and cash balances that are dominated in a foreign currency. The currencies giving rise to this risk are primarily United States dollars, Canadian dollars and Euros.

***(i) Exposure to currency risk***

The following table details the Target Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of reporting period.

	At 31 December						At 30 June		
	2022		2023		2024		2025		
	United States Dollars <i>RMB'000</i>	Canadian Euros <i>RMB'000</i>	United States Dollars <i>RMB'000</i>	Canadian Euros <i>RMB'000</i>	United States Dollars <i>RMB'000</i>	Canadian Dollars <i>RMB'000</i>	United States Dollars <i>RMB'000</i>	Canadian Dollars <i>RMB'000</i>	
Prepayments, deposits and other receivables, net off									
trade and other payables	—	—	(1,325)	14,863	—	—	—	—	—
Loans and borrowings	(7,836)	(11,054)	(4,676)	(5,614)	(3,985)	(5,021)	(9,126)	(651)	(3,291)
Cash and cash equivalents	2,569	—	—	15,799	—	—	242	—	2,134
Net exposure	<u><u>(5,267)</u></u>	<u><u>(11,054)</u></u>	<u><u>(6,001)</u></u>	<u><u>25,048</u></u>	<u><u>(3,985)</u></u>	<u><u>(5,021)</u></u>	<u><u>(8,884)</u></u>	<u><u>(651)</u></u>	<u><u>(1,157)</u></u>
	<u><u>(3,288)</u></u>								

The Target Group has entered into certain forward contracts and option contracts to mitigate the effect of its foreign currency exposure arising from the assets/liabilities denominated in foreign currencies, in which the Target Group agrees to buy corresponding foreign currency at a specified exchange rate on a specified future date.

*(ii) Sensitivity analysis*

The following table indicates the instantaneous change in the Target Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Target Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	At 31 December				At 30 June	
	2022		2023		2024	2025
	Increase/ (decrease) in foreign exchange rates	Effect on retained profits RMB'000	Increase/ (decrease) in foreign exchange rates	Effect on retained profits RMB'000	Increase/ (decrease) in foreign exchange rates	Effect on retained profits RMB'000
United States Dollars	5%	(198)	5%	939	5%	(333)
	(5)%	198	(5)%	(939)	(5)%	333
Canadian Dollars	5%	(225)	5%	(188)	5%	(24)
	(5)%	225	(5)%	188	(5)%	24
Euros	5%	(415)	5%	(149)	5%	—
	(5)%	415	(5)%	149	(5)%	—
						(43)
						123
						—
						—

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on the profit after tax and retained profit of each entity of the Target Group measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Target Group which expose the Target Group to foreign currency risk as at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Target Group's presentation currency.

**(e) Fair value measurement**

*(i) Financial assets and liabilities measured at fair value*

The fair value of the Target Group's financial instruments are categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value measurement*. The level, into which a fair value measurement is classified, is determined with the reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.
- Level 2 valuations: Fair values measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair values measured using significant unobservable inputs.

*Valuation techniques and inputs used in Level 2 fair value measurement*

The fair value of foreign currency forward contracts in Level 2 is determined by forward exchange rate and discounted cash flow method. The discount rate used is the risk-free rate.

*Information about Level 3 fair value measurements*

At 31 December 2022, 2023, 2024 and 30 June 2025, the carrying amount and fair value of the unlisted equity investment is immaterial. The financial instruments are measured at fair value on a recurring basis and their fair value measurements fall into Level 3 of the fair value hierarchy described above.

During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Target Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

***(ii) Fair values of financial instruments carried at other than fair value***

The carrying amounts of the Target Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2022, 2023 and 2024 and 30 June 2025.

**24 DISPOSAL OF A SUBSIDIARY**

On 8 April 2022, the Target Group entered into a sale and purchase agreement with Xiamen Guomao Huarui Investment Co., Ltd. (previously known as Xiamen Guomao Capital Co., Ltd.), a related company controlled by the controlling shareholder of the Target Company (the "Purchaser"), to dispose of its entire equity interest in Guomao Yingtai Financial Leasing (Xiamen) Co., Ltd. which was principally engaged in financial leasing business at cash consideration of RMB223,406,000. The disposal was completed on 30 April 2022 and Guomao Yingtai Financial Leasing (Xiamen) Co., Ltd. then ceased to be a subsidiary of the Target Company.

## APPENDIX II ACCOUNTANTS' REPORT ON XINDECO ITG AUTOMOBILE GROUP

The net assets of Guomao Yingtai Financial Leasing (Xiamen) Co., Ltd. at the date of disposal were as follows:

	As at 30 April 2022 RMB'000
<b>Analysis of assets and liabilities over which control was lost:</b>	
Property, plant and equipment	192
Intangible assets	672
Finance lease receivables	524,175
Deferred tax assets ( <i>Note 21</i> )	4,710
Other receivables	7,792
Cash and cash equivalents	25,308
Trade and other payables	(330,497)
Income tax payables	<u>(9,651)</u>
Net assets disposed of	<u>222,701</u>
<b>Consideration received:</b>	
Cash consideration received	<u>223,406</u>
<b>Gain on disposal of a subsidiary:</b>	
Cash consideration received	223,406
Net assets disposed of	<u>(222,701)</u>
Gain on disposal	<u>705</u>
<b>Net cash inflow arising from disposal:</b>	
Cash consideration received	<u>223,406</u>
Less: cash and cash equivalents disposed of	<u>(25,308)</u>
	<u>198,098</u>

### 25 BUSINESS COMBINATION

#### Acquisition of Poly Automobile Co., Ltd.

Pursuant to a sales and purchase agreement (“SPA”), the Target Group acquired 55% of the equity interests of Poly Automobile Co., Ltd. and its subsidiaries (“Poly Automobile”) from CRRC Tongying (Tianjin) Enterprise Management Partnership Enterprise (Limited Partnership) and CCB Trust Co., Ltd. on 31 January 2023 (“the Acquisition Date”). The total consideration comprised a cash consideration of RMB109,231,000.

Poly Automobile is principally engaged in 4S dealership business and supply chain business in the PRC.

The revenue and net loss that Poly Automobile contributed to the Target Group during the 11-month period ended 31 December 2023 were approximately RMB1,021,611,000 and RMB44,320,000, respectively. If the acquisition had occurred on 1 January 2023, management estimates that the Target Group’s consolidated revenue and consolidated loss for the financial year ended 31 December 2023 would have been RMB8,208,346,000 and RMB149,825,000, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the above acquisition would have been the same if the acquisition had occurred on 1 January 2023.

	<b>Pre-acquisition carrying amount</b> <i>RMB'000</i>	<b>Fair value adjustment</b> <i>RMB'000</i>	<b>Recognized values on acquisition</b> <i>RMB'000</i>
Property, plant and equipment <i>(Note 8)</i>	124,626	5,819	130,445
Inventories	438,370	(2,093)	436,277
Right-of-use assets <i>(Note 10)</i>	134,358	—	134,358
Loans and borrowings <i>(Note 16(c))</i>	(740,000)	—	(740,000)
Lease liabilities <i>(Note 16(c))</i>	(152,403)	—	(152,403)
Other net identifiable assets	100,888	3,013	103,901
Deferred tax assets/(liabilities) <i>(Note 21)</i>	<u>9,336</u>	<u>(3,944)</u>	<u>5,392</u>
Net identifiable assets	(84,825)	2,795	(82,030)
Non-controlling interests arising from the acquisition			41,084
Goodwill arising from the acquisition <i>(Note 11)</i>			<u>150,177</u>
Total consideration			<u>109,231</u>
Analysis of the net cash flow in respect of the acquisition:			
Total consideration in cash			109,231
Less: cash acquired			(14,422)
Less: consideration payable			<u>(19,141)</u>
Net cash outflow on acquisition			<u>75,668</u>

Pre-acquisition carrying amounts were determined based on applicable HKFRS Accounting Standards immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values. The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the Poly Automobile's management and the advantageous distribution network of Poly Automobile.

26 MATERIAL RELATED PARTY TRANSACTIONS

Name of party	Relationship
ITG Holding 廈門國貿控股集團有限公司	Controlling Shareholder
Xiamen Xindeco Ltd. 廈門信達股份有限公司	Parent Company
Xiamen Guomao TEDA Bonded Logistics Co., Ltd. 廈門國貿泰達保稅物流有限公司	Fellow subsidiary
Xiamen Guomao Financial Center Development Co., Ltd. 廈門國貿金融中心開發有限公司	Fellow subsidiary
Huadong Industries Xiamen Co., Ltd. 華東實業廈門公司	Fellow subsidiary
Xiamen Shuncheng Asset Management Co., Ltd. 廈門順承資產管理有限公司	Fellow subsidiary
Xiamen Guomao Group Co., Ltd. 廈門國貿集團股份有限公司	Fellow subsidiary
Xiamen Xinda Optoelectronics Technology Co., Ltd. 廈門市信達光電科技有限公司	Fellow subsidiary
ITG Finance 廈門國貿控股集團財務有限公司	Fellow subsidiary
Xiamen Hi-tech Talent Development Co., Ltd. 廈門高新人才開發有限公司	Fellow subsidiary
Xiamen XGMA Machinery Co., Ltd. 廈門廈工機械股份有限公司	Fellow subsidiary
Xiamen Guomao Construction Development Co., Ltd. 廈門國貿建設開發有限公司	Fellow subsidiary
Dingze Insurance Agency Co., Ltd. 鼎澤保險代理有限公司	Fellow subsidiary
Xiangtan Baoze Auto Sales Service Co., Ltd. 湘潭寶澤汽車銷售服務有限公司	Fellow subsidiary
Guangzhou Baotaixing Auto Sales Service Co., Ltd. 廣州寶泰行汽車銷售服務有限公司	Fellow subsidiary
Guangdong Zhongqi Southern Auto Sales Service Co., Ltd. 廣東中汽南方汽車銷售服務有限公司	Fellow subsidiary
Shenzhen Baotaixing Automobile Sales and Service Co., Ltd. 深圳寶泰行汽車銷售服務有限公司	Fellow subsidiary
Xiamen Haiyi Group Co., Ltd. 廈門海翼集團有限公司	Fellow subsidiary
Guomao Yingtai Financial Leasing (Xiamen) Co., Ltd. 國貿盈泰融資租賃(廈門)有限公司	Fellow subsidiary
Haiyi Real Estate (Sanming) Co., Ltd. 海翼地產(三明)有限公司	Fellow subsidiary
Xiamen Xiahe Property Management Co., Ltd. 廈門廈禾物業管理有限公司	Fellow subsidiary
Fuzhou Rongyue Real Estate Co., Ltd. 福州榕悅房地產有限公司	Fellow subsidiary
Xiamen Xinda IoT Technology Co., Ltd. 廈門信達物聯科技有限公司	Fellow subsidiary
Baoda Investment (Hong Kong) Co., Ltd. 寶達投資(香港)有限公司	Fellow subsidiary
Foshan Tengxing Automobile Sales and Service Co., Ltd. 佛山騰星汽車銷售服務有限公司	Fellow subsidiary

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<b>Name of party</b>	<b>Relationship</b>
Xiamen Guomao TEDA Logistics Co., Ltd. 廈門國貿泰達物流有限公司	Fellow subsidiary
Xiamen Xinbada Logistics Co., Ltd. 廈門新霸達物流有限公司	Fellow subsidiary
Xiamen Guomao Real Estate Group Co., Ltd. 廈門國貿地產集團有限公司	Fellow subsidiary
Xiamen Guomao Real Estate Co., Ltd. 廈門國貿房地產有限公司	Fellow subsidiary
Dongguan Jieyun Automobile Sales and Service Co., Ltd. 東莞捷運汽車銷售服務有限公司	Fellow subsidiary
Hubei Aoze Automobile Sales and Service Co., Ltd. 湖北奧澤汽車銷售服務有限公司	Fellow subsidiary
Hubei Changze Automobile Sales and Service Co., Ltd. 湖北長澤汽車銷售服務有限公司	Fellow subsidiary
Shenzhen Nanfang Tengxing Automobile Sales Service Co., Ltd. 深圳市南方騰星汽車銷售服務有限公司	Fellow subsidiary
Wuhan Baoze Automobile Sales Co., Ltd. 武漢寶澤汽車銷售服務有限公司	Fellow subsidiary
Wuhan Luze Automobile Sales and Service Co., Ltd. 武漢路澤汽車銷售服務有限公司	Fellow subsidiary
Wuhan Tengxing Automobile Sales and Service Co., Ltd. 武漢騰星汽車銷售服務有限公司	Fellow subsidiary
Fumao Micro (Fujian) Business Technology Co., Ltd. 福貿米高(福建)商務科技有限公司	Fellow subsidiary
Zhuhai Baoze Auto Sales Service Co., Ltd. 珠海寶澤汽車銷售服務有限公司	Fellow subsidiary
Anjiaxiang (Xiamen) Security Services Co., Ltd. 安嘉享(廈門)保安服務有限公司	Fellow subsidiary
Xiamen Guomao Urban Services Group Co., Ltd. 廈門國貿城市服務集團股份有限公司	Fellow subsidiary
Xiamen Guomao Customs Declaration Co., Ltd. 廈門國貿報關有限公司	Fellow subsidiary
Xiamen Guomao Huaxiangyuan Tea Industry Co., Ltd. 廈門國貿華祥苑茶業有限公司	Fellow subsidiary
Xiamen Guomao Commercial Property Service Co., Ltd. 廈門國貿商寫物業服務有限公司	Fellow subsidiary
Xiamen Zhengtong Auto Group Co., Ltd. 廈門正通汽車集團有限公司	Fellow subsidiary
Huadong Industrial (Xiamen) Co., Ltd. 華東實業(廈門)有限公司	Fellow subsidiary
Xiamen Yuanda International Freight Forwarding Co., Ltd. 廈門遠達國際貨運代理有限公司	Fellow subsidiary
Xiamen Guomao Lecheng Digital Technology Co., Ltd. 廈門國貿樂城數字科技有限公司	Fellow subsidiary
Xiamen Vocational Skills Training Center Co., Ltd. 廈門市職業技能培訓總站有限公司	Fellow subsidiary
Xiamen Youhao International Travel Agency 廈門市友好國際旅行社	Fellow subsidiary
Xiamen Guomao Taihe Rehabilitation Hospital Co., Ltd. 廈門國貿泰和康復醫院有限公司	Fellow subsidiary
Xiamen Guomao Yingtai Information Technology Co., Ltd. 廈門國貿盈泰信息科技有限公司	Fellow subsidiary

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<b>Name of party</b>	<b>Relationship</b>
Xiamen Foreign Service Center Co., Ltd. 廈門市對外服務中心有限公司	Fellow subsidiary
Linxia Xialin Group Co., Ltd. 臨夏廈臨集團有限公司	Associate of the Controlling Shareholder
Wuhan Jiewo Technology Information Service Co., Ltd. 武漢捷沃科技信息服務有限公司	Fellow subsidiary
Tianxiada Financial Leasing (Xiamen) Co., Ltd. 天下達融資租賃(廈門)有限公司	Fellow subsidiary
Tianxiada Auto Service (Xiamen) Co., Ltd. 天下達汽車服務(廈門)有限公司	Fellow subsidiary
Guomao Futures Co., Ltd. 國貿期貨有限公司	Fellow subsidiary
Xiamen Guomao Convention & Exhibition Group Co., Ltd. 廈門國貿會展集團有限公司	Fellow subsidiary
Fuzhou Rongmao Real Estate Co., Ltd. 福州榕貿房地產有限公司	Fellow subsidiary
Xiamen Guomao Commercial Property & Cultural Tourism Co., Ltd. 廈門國貿商產文旅有限公司	Fellow subsidiary
Shenzhen Chixing Auto Sales Service Co., Ltd. 深圳馳星汽車銷售服務有限公司	Fellow subsidiary
Shenzhen Huashunbao Auto Sales Service Co., Ltd. 深圳華順寶汽車銷售服務有限公司	Fellow subsidiary
Changsha Ruibao Auto Sales Service Co., Ltd. 長沙瑞寶汽車銷售服務有限公司	Fellow subsidiary
Xiamen Hi-tech Yundai Technology Co., Ltd. 廈門高新雲道科技有限公司	Fellow subsidiary
Xiamen Guomao Phoenix International Exhibition Co., Ltd. 廈門國貿鳳凰國際展覽有限公司	Fellow subsidiary
Xiamen Guomao Convention & Exhibition Operation Co., Ltd. 廈門國貿會展運營有限公司	Fellow subsidiary
Fujian Xinda Optoelectronics Technology Co., Ltd. 福建省信達光電科技有限公司	Fellow subsidiary
Xiamen Guomao Chushan Tourism Investment Co., Ltd. 廈門國貿銅山旅遊投資有限公司	Fellow subsidiary
Xiamen Xinda International Trade Co., Ltd. 廈門信達國際貿易有限公司	Fellow subsidiary
Shandong Xinda IoT Application Technology Co., Ltd. 山東信達物聯應用技術有限公司	Fellow subsidiary
Jieyang Baotaixing Automobile Sales and Service Co., Ltd. 揭陽寶泰行汽車銷售服務有限公司	Fellow subsidiary
Jingdezhen Shengtong Trading Co., Ltd. 景德鎮升通貿易有限公司	Fellow subsidiary
Qingyuan Nanfang Toyota Sales and Service Co., Ltd. 清遠南方豐田汽車銷售服務有限公司	Fellow subsidiary
Xiamen International Trade and Financial Center Development Co., Ltd. 廈門國貿金融中心開發有限公司	Fellow subsidiary
Xiamen Guomao Zhuba Tourism Investment Co., Ltd. 廈門國貿竹壩旅遊投資有限公司	Fellow subsidiary
Xiamen Xinda Information Technology Group Co., Ltd. 廈門信達電子信息科技有限公司	Fellow subsidiary

Name of party	Relationship
Fuzhou Zhongqi Nanfang Automobile Sales Service Co., Ltd. 福建中汽南方汽車銷售服務有限公司	Fellow subsidiary
Shenzhen Dingwo Automobile Sales and Service Co., Ltd. 深圳鼎沃汽車銷售服務有限公司	Fellow subsidiary
Xiamen Special Economic Zone Foreign Trade Group Corporation 廈門經濟特區對外貿易集團有限公司	Fellow subsidiary
Xiamen Baoda Investment Co., Ltd. 廈門寶達投資有限公司	Fellow subsidiary
Xiamen Meisui Supermarket Co., Ltd. (deregistered on 8 November 2024) 廈門美歲超市有限公司	Fellow subsidiary

*Note:* The English translation of the Target Company names is for reference only. The official names of the companies established in the PRC are in Chinese.

**(a) Recurring transactions**

	Six months ended				
	Year ended 31 December			30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Purchase of goods and services	1,432	29,374	5,218	3,785	2,034
Sales of goods or provision of services	3,841	8,984	1,595	702	587

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Target Group has obtained financial guarantees from Xiamen Xindeco Ltd. for banking facilities and bank loans and borrowings of RMB352,111,000, RMB303,985,000, RMB71,950,000 and RMB37,450,000, respectively.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Target Group has provided financial guarantees to Xiamen Xindeco Ltd. for banking facilities and bank loans and borrowings of RMB400,000,000, RMB400,000,000, RMB400,000,000 and RMB400,000,000, respectively.

During the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024 and 2025, total interest expenses for the interest-bearing borrowings due to related parties was Nil, RMB223,000, RMB7,622,000, RMB4,365,000 (unaudited) and RMB576,000.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Target Group has entered into certain lease arrangements in respect of certain leasehold properties from related parties. At the commencement date of the leases, the Target Group initially recognised a right-of-use asset and a lease liability of RMB303,000, RMB14,111,000, RMB12,593,000 and Nil.

**(b) Non-Recurring transactions**

During the years ended 31 December 2022, the Target Group disposed of its entire equity interest in Guomao Yingtai Financial Leasing (Xiamen) Co., Ltd. to a related party, Xiamen Guomao Huarui Investment Co., Ltd., for a cash consideration of RMB223,406,000, and recognised a gain of RMB705,000 (see Note 24).

(c) Balances with related parties

	At 31 December	At 30 June		
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
<b>Cash deposits in:</b>				
ITG Finance	—	—	883	17,052
<b>Interest-bearing borrowings due to related parties:</b>				
ITG Finance	—	99,900	70,724	29,018
<b>Trade receivables due from related parties:</b>				
Shenzhen Baotaixing Automobile Sales and Service Co., Ltd.	—	—	—	137
Xiamen Xiahe Property Management Co., Ltd.	—	—	—	8
Xiamen Guomao Group Co., Ltd.	—	—	—	6
Fuzhou Rongmao Real Estate Co., Ltd.	—	—	—	4
Baoda Investment (Hong Kong) Co., Ltd.	—	2,785	—	—
Xiamen XGMA Machinery Co., Ltd.	—	—	28	—
	—	2,785	28	155
<b>Other receivables due from related parties:</b>				
Xiamen Guomao TEDA Bonded Logistics Co., Ltd.	288	288	288	288
Huadong Industrial (Xiamen) Co., Ltd.	192	192	192	192
Xiamen Guomao Financial Center Development Co., Ltd.	22	31	26	26
Xiamen Shuncheng Asset Management Co., Ltd.	900	—	—	—
Xiamen Xindeco Ltd. (i)	1,008,629	701,054	334,615	296,755
Xiamen Guomao Group Co., Ltd.	—	243	243	243
	<u>1,010,031</u>	<u>701,808</u>	<u>335,364</u>	<u>297,504</u>
<b>Other payables due to related parties:</b>				
Xiamen Xindeco Optoelectronics Technology Co., Ltd.	3	—	—	—
Xiamen Xindeco IoT Technology Co., Ltd.	650	—	—	—
Xiamen Guomao Holding Group Finance Co., Ltd.	—	9	—	—
	<u>653</u>	<u>9</u>	<u>—</u>	<u>—</u>

(i) As at 31 December 2022, 2023, 2024 and 30 June 2025, other receivables due from Xiamen Xindeco Ltd. mainly represented cash deposits under a centralised fund management arrangement. The amounts are interest-free and repayable on demand.

**27 IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

At 31 December 2022, 2023 and 2024 and 30 June 2025, the directors of the Target Company consider the immediate parent and ultimate controlling party of the Target Group to be Xiamen Xindeco Ltd. and ITG Holding, which are incorporated in the PRC. Xiamen Xindeco Ltd. produces consolidated financial statements in accordance with Accounting Standards for Business Enterprises in the PRC which are available from Unit 1101, Building A, ITG Center, No.4688 Xianyue Road, Huli district, Xiamen City.

**28 COMPANY-LEVEL STATEMENTS OF FINANCIAL POSITION**

	At 31 December 2022 RMB'000	At 31 December 2023 RMB'000	2024 RMB'000	At 30 June 2025 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	11,004	643	478	384
Right-of-use assets	14,608	43,234	54,396	47,304
Intangible assets	4,678	5,494	5,140	4,781
Interests in subsidiaries	1,015,856	1,186,982	1,200,461	1,205,461
Deferred tax assets	10,759	10,086	10,869	11,002
	<u>1,056,905</u>	<u>1,246,439</u>	<u>1,271,344</u>	<u>1,268,932</u>
<b>Current assets</b>				
Inventories	—	—	—	326
Trade receivables	3	814	373	314
Prepayments, deposits and other receivables	303,869	295,396	2,330	3,705
Cash and cash equivalents	205	18,820	70	608
	<u>304,077</u>	<u>315,030</u>	<u>2,773</u>	<u>4,953</u>
<b>Current liabilities</b>				
Loans and borrowings	300,000	399,900	—	—
Lease liabilities	8,492	10,814	13,404	14,152
Trade and other payables	12,583	49,213	80,924	124,883
	<u>321,075</u>	<u>459,927</u>	<u>94,328</u>	<u>139,035</u>
<b>Net current liabilities</b>	<u>(16,998)</u>	<u>(144,897)</u>	<u>(91,555)</u>	<u>(134,082)</u>
<b>Total assets less current liabilities</b>	<u>1,039,907</u>	<u>1,101,542</u>	<u>1,179,789</u>	<u>1,134,850</u>
<b>Non-current liabilities</b>				
Loans and borrowings	—	—	52,000	27,500
Lease liabilities	6,565	32,840	43,009	35,700
Trade and other payables	940	844	744	695
	<u>7,505</u>	<u>33,684</u>	<u>95,753</u>	<u>63,895</u>
<b>NET ASSETS</b>	<u>1,032,402</u>	<u>1,067,858</u>	<u>1,084,036</u>	<u>1,070,955</u>
<b>Equity</b>				
Share capital	437,884	437,884	437,884	437,884
Reserves	594,518	629,974	646,152	633,071
<b>TOTAL EQUITY</b>	<u>1,032,402</u>	<u>1,067,858</u>	<u>1,084,036</u>	<u>1,070,955</u>

**29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEARS ENDED 31 DECEMBER 2022, 2023 AND 2024 AND SIX MONTHS ENDED 30 JUNE 2025**

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Target Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Target Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

**HKFRS 18, *Presentation and disclosure in financial statements***

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Target Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

**SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Target Company or any of its subsidiaries in respect of any period subsequent to 30 June 2025.

*The following is the text of a report set out on pages III-1 to III-13, received from ITG Auto (Thailand)'s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the circular.*



## **ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF ITG AUTO (THAILAND) CO., LTD. TO THE DIRECTORS OF CHINA ZHENGTONG AUTO SERVICES HOLDINGS LIMITED**

### **Introduction**

We report on the historical financial information of ITG AUTO (THAILAND) CO., LTD. (the "Target Company") set out on pages III-4 to III-13, which comprises the statement of financial position of the Target Company as at 30 June 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows, for the period from 14 May 2025 (date of incorporation) to 30 June 2025 (the "Relevant Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages III-4 to III-13 forms an integral part of this report, which has been prepared for inclusion in the circular of China ZhengTong Auto Services Holdings Limited (the "Company") dated 24 December 2025 (the "Circular") in connection with the proposed acquisition of the Target Company.

### **Directors' responsibility for Historical Financial Information**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

The Underlying Financial Statements of the Target Company as defined on page III-4, on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Underlying Financial Statements that is free from material misstatement, whether due to fraud or error.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Target Company's financial position as at 30 June 2025, and of the Target Company's financial performance and cash flows for the Relevant Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*****Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page III-4 have been made.

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

Date: 24 December 2025

## HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Target Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

### Statement of profit or loss and other comprehensive income

(Expressed in RMB'000)

	For the period from 14 May 2025 (date of incorporation) to 30 June 2025	Note	RMB'000
Other income	3		<u>207</u>
<b>Profit from operations and before taxation</b>			207
Income tax			<u>(41)</u>
<b>Profit for the period</b>			<u>166</u>
<b>Other comprehensive income for the period:</b>			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Target Company			(31)
Other comprehensive income for the period			<u>(31)</u>
<b>Total comprehensive income for the period</b>			<u><u>135</u></u>

The accompanying notes form part of the Historical Financial Information.

**Statement of financial position***(Expressed in RMB'000)*

	At 30 June 2025	
	<i>Note</i>	<i>RMB'000</i>
<b>Current assets</b>		
Time deposits		5,000
Cash and cash equivalents	4	<u>17,738</u>
		<u>22,738</u>
<b>Current liabilities</b>		
Other payables	6	561
Income tax payables		<u>42</u>
		<u>603</u>
<b>NET ASSETS</b>		<u><u>22,135</u></u>
<b>CAPITAL AND RESERVES</b>	5	
Share capital		22,000
Reserves		<u>135</u>
<b>TOTAL EQUITY</b>		<u><u>22,135</u></u>

The accompanying notes form part of the Historical Financial Information.

**Statement of changes in equity***(Expressed in RMB'000)*

	<b>Paid-in capital RMB'000 (Note 5(a))</b>	<b>Exchange reserve RMB'000</b>	<b>Retained earnings RMB'000</b>	<b>Total equity RMB'000</b>
<b>Balance at 14 May 2025 (date of incorporation)</b>	-----	-----	-----	-----
Profit for the period	—	—	166	166
Other comprehensive income	—	(31)	—	(31)
Total comprehensive income for the period	—	(31)	166	135
Capital contributions by owners	<u>22,000</u>	—	—	<u>22,000</u>
<b>Balance at 30 June 2025</b>	<b><u>22,000</u></b>	<b>(31)</b>	<b>166</b>	<b><u>22,135</u></b>

The accompanying notes form part of the Historical Financial Information.

**Statement of cash flows***(Expressed in RMB'000)*

	For the period from 14 May 2025 (date of incorporation) to 30 June 2025	Note	RMB'000
<b>Operating activities:</b>			
Profit before taxation			207
Adjustments for:			
— Interest income from bank deposits	3		(10)
— Foreign exchange gain			<u>(191)</u>
<b>Net cash generated from operating activities</b>			<u>6</u>
<b>Investing activities:</b>			
Increase in time deposits			<u>(5,000)</u>
<b>Net cash used in investing activity</b>			<u>(5,000)</u>
<b>Financing activities:</b>			
Advance from related parties			561
Capital contributions by owners			<u>22,000</u>
<b>Net cash generated from financing activity</b>			<u>22,561</u>
<b>Net increase in cash and cash equivalents</b>			17,567
<b>Cash and cash equivalents at the beginning of the period</b>			—
<b>Effect of foreign exchange rate changes</b>			<u>171</u>
<b>Cash and cash equivalents at the end of the period</b>			<u>17,738</u>

The accompanying notes form part of the Historical Financial Information.

**NOTES TO THE FINANCIAL STATEMENTS OF THE TARGET COMPANY****1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION**

ITG Auto (Thailand) Co., Ltd. (the “Target Company”) was incorporated in Bangkok, Thailand on 14 May 2025 as a limited liability company under the laws of Thailand.

ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKAss”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Further details of the material accounting policy information adopted are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Target Company has adopted all applicable new and revised HKFRS Accounting Standards to the Relevant Period, except for any new standards or interpretations that are not yet effective for the Relevant Period. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning 1 January 2025 are set out in Note 8.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to the period presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi (“RMB”). The functional currency of the Target Company is Thai Baht.

**2 MATERIAL ACCOUNTING POLICY INFORMATION****(a) Basis of measurement**

The measurement basis used in the preparation of the Historical Financial Information is the historical cost.

**(b) Use of estimates and judgments**

The preparation of Historical Financial Information in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and demand deposits with banks which are within three months of maturity at acquisition.

**(d) Other payables**

Other payables are initially recognised at fair value. Subsequent to initial recognition, other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

**(e) Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Target Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill;

The Target Company recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Target Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**(f) Interest income**

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

**(g) Translation of foreign currencies**

Transactions in foreign currencies are translated into the respective functional currency of the Target Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

**(h) Related parties**

- (a) A person, or a close member of that person's family, is related to the Target Company if that person:
  - (i) has control or joint control over the Target Company;
  - (ii) has significant influence over the Target Company; or
  - (iii) is a member of the key management personnel of the Target Company or the Target Company's parent.
- (b) An entity is related to the Target Company if any of the following conditions applies:
  - (i) The entity and the Target Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a Company of which it is a part, provides key management personnel services to the Target Company or to the Target Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 3 OTHER INCOME

	For the period from 14 May 2025 (date of incorporation) to 30 June 2025 <i>RMB'000</i>
Interest income	10
Foreign exchange gain	<u>197</u>
	<u><u>207</u></u>

### 4 CASH AND CASH EQUIVALENTS

	At 30 June 2025 <i>RMB'000</i>
Cash at banks	<u><u>17,738</u></u>

### 5 CAPITAL AND RESERVES

#### (a) Paid-in capital

Movements in the authorized, issued and fully paid share capital of the Target Company during the Relevant Period are as follows:

	For the period from 14 May 2025 (date of incorporation) to 30 June 2025	
	Number of shares (thousand)	Amount <i>Thai Baht ('000)</i>
<b>Authorized, issued and fully paid:</b>		
At 14 May 2025 (date of incorporation)	—	—
Capital contributions by owners	<u>20,000</u>	<u>100,000</u>
At 30 June 2025	<u><u>20,000</u></u>	<u><u>100,000</u></u>
RMB equivalent ('000)		<u><u>22,000</u></u>

#### (b) Capital management

The Target Company's primary objectives when managing capital are to safeguard the Target Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Target Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Target Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Target Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Target Company or the requirements of the local rules and regulations.

## 6 MATERIAL RELATED PARTY TRANSACTIONS

Name of party	Relationship
Xiamen ITG Holding Group Co., Ltd. ("ITG Holding") (廈門國貿控股集團有限公司)	Controlling Shareholder
Hong Kong Sindanol Limited ("Hong Kong Sindanol") (香港信達諾有限公司)	Parent Company
Xindeco Resources (Singapore) Pte. Ltd. ("Xindeco Resources") (信達資源(新加坡)有限公司)	Fellow subsidiary

### (a) Balances with related parties

	At 30 June 2025 RMB'000
<b>Payables due to (i):</b>	
Hong Kong Sindanol	495
Xindeco Resources	66
	<hr/>
	561
	<hr/>

(i) The payables due to related parties are unsecured, interest-free and repayable within one year or on demand.

## 7 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2025, the directors of the Target Company consider the immediate parent and ultimate controlling party of the Target Company to be Hong Kong Sindanol and ITG Holding, which are incorporated in the Hong Kong and PRC, respectively.

**8 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD FROM MAY 14, 2025 (DATE OF INCORPORATION) TO JUNE 30, 2025**

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the period from 14 May 2025 (date of incorporation) to 30 June 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Target Company.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Target Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements except for the following:

**HKFRS 18, *Presentation and disclosure in financial statements***

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Target Company does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

**SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 30 June 2025.

Sets out below are the management's discussion and analysis of the Xindeco ITG Automobile Group and ITG Auto (Thailand) for each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025 (the "**Reporting Period**"). The following financial information is based on the financial information set out in Appendix II and Appendix III to this circular.

## **BUSINESS REVIEW**

### **Xindeco ITG Automobile**

Xindeco ITG Automobile was incorporated in PRC in February 2002 with a registered capital of approximately RMB437.88 million. Xindeco ITG Automobile is one of the leading automotive dealer groups in Fujian Province and maintains a diversified brand portfolio, comprehensive sales network and standardized service system, with continuously expanding brand advantages and scale effects. Its ecosystem business structure has been further enhanced through coordinated development of multiple business segments including vehicle export, vehicle re-export and pre-owned car operations.

As of 30 June 2025, Xindeco ITG Automobile has built an automotive service network centered in Fujian market that radiates to multiple provinces across China. Xindeco ITG Automobile operated over 50 automotive dealership 4S stores, new energy vehicle experience centres, and body and paint centres, and distributed 29 brands including Maserati, BMW, Audi, Lexus, Tesla, Cadillac, Alfa Romeo, Hongqi, Volkswagen, Toyota, Honda, AITO, IM, brands under Huawei HIMA, EXEED and Chery iCar.

### **ITG Auto (Thailand)**

ITG Auto (Thailand) was incorporated in Thailand in May 2025 with a registered capital of THB 100 million, and its principal businesses include automobile dealership and after-sales maintenance services. ITG Auto (Thailand) is at the start up stage and has not commenced substantive operation.

## **FINANCIAL REVIEW**

### **Revenue**

For each of the three years ended 31 December 2022, 2023, and 2024, and for the six months ended 30 June 2025, Xindeco ITG Automobile recorded revenues of approximately RMB7,368.0 million, RMB8,130.1 million, RMB8,642.8 million, and RMB3,574.3 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) did not generate any revenue.

**Cost of Sales**

For each of the three years ended 31 December 2022, 2023, and 2024, and for the six months ended 30 June 2025, the cost of sales of Xindeco ITG Automobile were approximately RMB6,942.4 million, RMB7,719.9 million, RMB8,197.1 million, and RMB3,352.3 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) had no cost of sales.

**Gross profit**

For each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the gross profit of Xindeco ITG Automobile amounted to approximately RMB425.5 million, RMB410.2 million, RMB445.7 million and RMB222.0 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) had no gross profit.

**Selling and Distribution Expenses**

For each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, the selling and distribution expenses of Xindeco ITG Automobile amounted to approximately RMB304.8 million, RMB354.3 million, RMB331.9 million and RMB151.9 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) recorded no selling and distribution expenses.

**Administrative Expenses**

For each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, the administrative expenses of Xindeco ITG Automobile amounted to approximately RMB188.4 million, RMB289.7 million, RMB261.9 million and RMB100.9 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) recorded no administrative expenses.

**Financial Expenses**

For each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, Xindeco ITG Automobile recorded financial expenses of approximately RMB42.2 million, RMB75.2 million, RMB75.3 million and RMB21.2 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) recorded no financial expenses.

### **Other Income**

For each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, Xindeco ITG Automobile recorded other income of approximately RMB179.8 million, RMB164.0 million, RMB157.6 million and RMB55.0 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) recorded other income of approximately RMB0.2 million, including foreign exchange gains of approximately RMB0.2 million, and interest income of approximately RMB0.01 million.

### **Profit/(Loss) Before Tax**

For each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, the total profit/(loss) (before tax) of Xindeco ITG Automobile amounted to approximately RMB66.1 million, RMB(149.2) million, RMB(70.7) million and RMB3.1 million, respectively.

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) recorded a total profit (before tax) of approximately RMB0.2 million.

## **MATERIAL RELATED PARTY TRANSACTIONS**

### **Xindeco ITG Automobile Group**

#### *Purchase of goods and services, sales of goods and provision of services*

Over the Reporting Period, Xindeco ITG Automobile Group had recurring transactions with its related parties, namely ITG Holding and its controlled entities (including Xiamen Xindeco) and its associates (the “**Related Parties**”).

For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, Xindeco ITG Automobile Group purchased goods and services from the Related Parties amounting to approximately RMB1.4 million, RMB29.4 million, RMB5.2 million and RMB2.0 million, respectively, and Xindeco ITG Automobile Group sold goods or provided services to the Related Parties amounting to approximately RMB3.8 million, RMB9.0 million, RMB1.6 million and RMB0.6 million, respectively.

Upon Completion (PRC), to the extent that any such purchase of goods and services, sales of goods and provisions of services between Xindeco ITG Automobile Group and the Related Parties are subject to written agreements prior to Completion (PRC) (such as provision of property management and security services by Related Parties to Xindeco ITG Automobile Group, provision of vehicle towing services to Related Parties, etc.) and which, following Completion (PRC) would constitute continuing connected transactions or

connected transactions under the Listing Rules, the Company will comply with the applicable connected transaction requirements under the Listing Rules, including (a) complying with the annual review and disclosure requirements including publishing an announcement in relation to Completion (PRC) and annual reporting after Completion (PRC), and (b) comply with all connected transaction requirements when such agreements are renewed or their terms are varied in accordance with Rule 14A.60 of the Listing Rules.

For purchases of goods and services, sales of goods and provisions of services between Xindeco ITG Automobile Group and the Related Parties that are not subject to written agreements prior to Completion (PRC) but are expected to take place on a continuing basis following Completion (PRC), based on information obtained by the Company as at the Latest Practicable Date, the following transactions will be exempted from the connected transaction requirements under the Listing Rules upon Completion (PRC):

<b>Transactions</b>	<b>Exemption(s) under the Listing Rules</b>
Purchase of goods from supermarkets by Xindeco ITG Automobile Group	14A.76 ( <i>de minimis</i> ) and/or 14A.97 (buying of consumer goods)
Purchase of offices supplies by Xindeco ITG Automobile Group	
Electricity provided to premises owned by Xindeco ITG Automobile Group	
Purchase of flight tickets by Xindeco ITG Automobile Group	
Staff training services provided to Xindeco ITG Automobile Group	14A.76 ( <i>de minimis</i> ) and/or 14A.98 (sharing of administrative services)
Subscription fees for electronic training programme paid by Xindeco ITG Automobile Group	
Export custom clearance services fees paid by Xindeco ITG Automobile Group	
System maintenance fees for email and other enterprise resource planning systems paid by Xindeco ITG Automobile Group	
Car parking space management fees paid by Xindeco ITG Automobile Group	14A.76 ( <i>de minimis</i> )

The Company will monitor and review these transactions upon Completion (PRC) with a view to complying with the applicable Listing Rules from time to time.

For other purchases of goods and services, sales of goods and provisions of services between Xindeco ITG Automobile Group and the Related Parties which were ad hoc in nature over the Reporting Period and were not subject to any continuing agreements, such as ad hoc purchase of vehicles from Related Parties, and for any new connected transactions which may be entered between Xindeco ITG Automobile Group and connected person of the Company after Completion (PRC), the Company will also comply with the applicable connected transaction requirements under the Listing Rules after Completion (PRC).

***Financial guarantees and assistance***

As at 31 December 2022, 2023, 2024 and 30 June 2025, Xindeco ITG Automobile Group had obtained financial guarantees from Xiamen Xindeco for banking facilities and bank loans and borrowings of approximately RMB352.1 million, RMB304.0 million, RMB72.0 million and RMB37.5 million, respectively; and Xindeco ITG Automobile Group had provided financial guarantees to Xiamen Xindeco for banking facilities and bank loans and borrowings of RMB400 million, RMB400 million, RMB400 million and RMB400 million, respectively.

As at the Latest Practicable Date, Xindeco ITG Automobile Group no longer provided any financial guarantees to Xiamen Xindeco nor obtained any financial guarantees from Xiamen Xindeco for banking facilities and bank loans and borrowings.

As at 31 December 2022, 2023, 2024 and 30 June 2025, Xindeco ITG Automobile Group had interest-bearing borrowings due to ITG Finance of approximately Nil, RMB99.9 million, RMB70.7 million and RMB29.0 million, respectively. Based on information obtained by the Company, as at 30 November 2025, Xindeco ITG Automobile Group had interest-bearing borrowings due to ITG Finance of approximately RMB44.02 million.

Upon Completion (PRC), in relation to any continuing financial assistance between Xindeco ITG Automobile Group and the Related Parties which constitutes a connected transaction, the Company will comply with the applicable connected transaction requirements under the Listing Rules, including (a) complying with the annual review and disclosure requirements including publishing an announcement in relation to Completion (PRC) and annual reporting after Completion (PRC), and (b) comply with all connected transaction requirements when such agreements are renewed or their terms are varied in accordance with Rule 14A.60 of the Listing Rule.

***Leases of properties***

As at 31 December 2022, 2023, 2024 and 30 June 2025, Xindeco ITG Automobile Group had entered into certain lease arrangements in respect of certain leasehold properties from Related Parties. At the commencement date of the leases, the Group initially recognised a right-of-use asset and a lease liability of approximately RMB0.3 million, RMB14.1 million, RMB12.6 million and Nil.

Upon Completion (PRC), in relation to any continuing lease arrangements between Xindeco ITG Automobile Group and the Related Parties which constitutes a connected transaction, the Company will comply with the applicable connected transaction requirements under the Listing Rules, including (a) complying with the annual review and disclosure requirements including publishing an announcement in relation to Completion (PRC) and annual reporting after Completion (PRC), and (b) comply with all connected transaction requirements when such agreements are renewed or their terms are varied in accordance with Rule 14A.60 of the Listing Rules.

***Deposit services and other financial services***

As at 31 December 2022, 2023, 2024 and 30 June 2025, Xindeco ITG Automobile Group had cash deposits in ITG Finance of approximately Nil, Nil, RMB0.9 million and RMB17.1 million, respectively. During the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2025, total interest expenses for the interest-bearing borrowings due to Related Parties was Nil, RMB0.2 million, RMB7.6 million, and RMB0.6 million, respectively.

As disclosed by the Company on 11 December 2025, the Company and ITG Finance had entered into a financial services agreement pursuant to which ITG Finance agreed to provide certain financial services to the Group, including deposit services, payment and settlement services and other financial services which do not require the deposit or entrustment of assets by the Group for a term of three years commencing on 1 January 2026. Upon Completion (PRC), deposit services and other financial services to be provided by ITG Finance to Xindeco ITG Automobile Group will be subject to the terms and annual caps of such financial services agreement as disclosed in the announcement dated 11 December 2025.

**ITG Auto (Thailand)**

From 14 May 2025 (date of incorporation) to 30 June 2025, ITG Auto (Thailand) had no material related parties transactions.

**LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE****Xindeco ITG Automobile**

As at 31 December 2022, 2023 and 2024, and 30 June 2025, the total current assets of Xindeco ITG Automobile amounted to approximately RMB2,628.1 million, RMB3,125.1 million, RMB2,471.0 million and RMB2,245.3 million, respectively. Current assets mainly consist of inventories, trade receivables, prepayments, deposits and other receivables, pledged bank deposits, and cash and cash equivalents. Among which, as at 31 December 2022, 2023 and 2024, prepayments, deposits and other receivables amounted to approximately RMB1,503.7 million, RMB1,486.8 million and RMB962.1 million, respectively; as at 30 June 2025, prepayments, deposits and other receivables amounted to approximately RMB964.4 million; as at 31 December 2022, 2023 and 2024, cash and cash equivalents amounted to approximately RMB80.9 million, RMB114.7 million and RMB17.9 million, respectively; as at 30 June 2025, cash and cash equivalents amounted to approximately RMB48.8 million. The primary source of liquid capital of Xindeco ITG Automobile were income from operations and borrowings.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the total current liabilities of Xindeco ITG Automobile were approximately RMB2,141.5 million, RMB3,090.1 million, RMB2,493.9 million and RMB2,207.1 million, respectively. The current liabilities mainly consist of loans and borrowings, lease liabilities, trade payables and other payables, income tax payable, and other financial liabilities. Specifically, as at 31 December 2022, 2023 and 2024, the loans and borrowings were approximately RMB713.6 million, RMB1,232.4 million and RMB724.7 million respectively; as at 30 June 2025, the loans and borrowings amounted to approximately RMB775.1 million.

As at 31 December 2022, 2023 and 2024, the total assets of Xindeco ITG Automobile were approximately RMB3,541.9 million, RMB4,469.3 million and RMB3,599.4 million respectively; the total liabilities were approximately RMB2,366.3 million, RMB3,541.1 million and RMB2,814.6 million respectively; and the total owner's equity was approximately RMB1,175.6 million, RMB928.1 million and RMB784.8 million, respectively. As at 31 December 2022, 2023, 2024, the gearing ratio of Xindeco ITG Automobile (i.e., total liabilities divided by total assets) was approximately 66.8%, 79.2% and 78.2%, respectively.

As at 30 June 2025, the total assets of Xindeco ITG Automobile were approximately RMB3,317.6 million; the total liabilities were approximately RMB2,543.1 million; and the total owner's equity was approximately RMB774.5 million. As at 30 June 2025, the gearing ratio of Xindeco ITG Automobile (i.e., total liabilities divided by total assets) was approximately 76.7%.

**ITG Auto (Thailand)**

As at 30 June 2025, the total current assets of ITG Auto (Thailand) were approximately RMB22.7 million, consisting of fixed deposits and cash and cash equivalents.

As at 30 June 2025, the total current liabilities of ITG Auto (Thailand) were approximately RMB0.6 million, mainly including taxes and surcharges payable of approximately RMB0.04 million and other payables of approximately RMB0.6 million.

As at 30 June 2025, the total assets of ITG Auto (Thailand) were approximately RMB22.7 million; the total liabilities were approximately RMB0.6 million; and the total owner's equity was approximately RMB22.1 million. As at 30 June 2025, the gearing ratio of ITG Auto (Thailand) (i.e., total liabilities divided by total assets) was approximately 2.7%.

## **MATERIAL INVESTMENT, ACQUISITION AND DISPOSAL**

With a view to optimise its automobile distributorship brand portfolio and network, Xindeco ITG Automobile acquired 55% of the equity interests of Poly Automobile Co., Ltd. and its subsidiaries ("Poly Automobile") from CRRC Tongying (Tianjin) Enterprise Management Partnership Enterprise (Limited Partnership) and CCB Trust Co., Ltd. on 31 January 2023. The total consideration comprised a cash consideration of approximately RMB109.2 million. Poly Automobile is principally engaged in 4S dealership business and supply chain business in the PRC.

Save for the above acquisition, for each of the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, neither Xindeco ITG Automobile nor ITG Auto (Thailand) had any other material investment, acquisition or disposal.

### **Future Plans for Material Investment or Capital Assets**

As at 30 June 2025, neither Xindeco ITG Automobile nor ITG Auto (Thailand) had any plans for new material investments or capital assets.

## **CHARGE ON ASSETS**

### **Xindeco ITG Automobile**

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the assets of Xindeco ITG Automobile used as collateral for bills payable and loans and borrowings included: (1) property, plant and equipment, amounting to approximately RMB6.2 million, RMB4.8 million, RMB3.6 million and RMB3.1 million respectively; (2) land use rights, amounting to approximately RMB7.1 million, RMB6.8 million, RMB6.6 million, and RMB6.5 million respectively; (3) inventories of approximately RMB237.1 million, RMB364.9 million, RMB229.8 million and RMB284.0 million, respectively; (4) bank deposits, amount to approximately RMB191.6 million, RMB281.5 million, RMB583.4 million, and RMB409.2 million respectively.

### **ITG Auto (Thailand)**

As at 30 June 2025, no assets of ITG Auto (Thailand) were pledged.

**NET GEARING RATIO****Xindeco ITG Automobile**

Xindeco ITG Automobile monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, it defines net debt as interest-bearing loans and borrowings, lease liabilities, less cash and cash equivalents and pledged bank deposits. As at 31 December 2022, 2023 and 2024, the adjusted net liabilities of Xindeco ITG Automobile were approximately RMB657.7 million, RMB1,250.1 million and RMB446.2 million respectively; the total equity was approximately RMB1,175.6 million, RMB928.1 million and RMB784.8 million respectively. As at 31 December 2022, 2023 and 2024, the adjusted net gearing ratio of Xindeco ITG Automobile (i.e. adjusted net liabilities divided by total equity) was approximately 0.56%, 1.35% and 0.57% respectively. As at 30 June 2025, the adjusted net liabilities of Xindeco ITG Automobile were approximately RMB667.9 million; the total equity was approximately RMB774.5 million; the adjusted net gearing ratio was approximately 0.86%.

**ITG Auto (Thailand)**

As at 30 June 2025, ITG Auto (Thailand) was in a net cash position; consequently, the net gearing ratio is not applicable.

**FOREIGN CURRENCY RISK****Xindeco ITG Automobile**

The currency risk borne by Xindeco ITG Automobile mainly arises from borrowings and cash balances denominated in foreign currencies. The currencies related to this risk are mainly United States Dollars, Canadian Dollars and Euros. Xindeco ITG Automobile has entered into certain forward contracts and option contracts to purchase the corresponding foreign currencies at specific exchange rates on specific future dates, to mitigate the impact of its foreign currency risk arising from assets/liabilities denominated in foreign currencies.

**ITG Auto (Thailand)**

ITG Auto (Thailand) operates primarily in Thailand, with its core business transacted in Thai Baht. The principal currency associated with this risk is the Thai Baht.

**CONTINGENT LIABILITIES**

As at 31 December 2022, 2023 and 2024 and 30 June 2025, Xindeco ITG Automobile and ITG Auto (Thailand) did not have any contingent liabilities that would have a material adverse impact on their financial position or operating results.

**STAFF AND REMUNERATION POLICY****Xindeco ITG Automobile**

As at 31 December 2022, 2023 and 2024, the number of employees in service of Xindeco ITG Automobile was 2,706, 2,967 and 2,725 respectively, and the staff costs (including contribution to defined contribution retirement plans and equity-settled share-based transactions) for the year ended 31 December 2022, 2023 and 2024 were approximately RMB321.6 million, RMB398.4 million and RMB380.3 million respectively. As at 30 June 2025, the number of employees in service of Xindeco ITG Automobile was 2,598, and the staff costs (including contribution to defined contribution retirement plans and equity-settled share-based transactions) for the six months ended 30 June 2025 was approximately RMB168.0 million.

The employee remuneration plans of Xindeco ITG Automobile are determined with reference to the company's operation, the personal performance and experience of individual staff, and upon considering the current market wages. Xindeco ITG Automobile also contributes to the employees' social security benefits schemes in accordance with the PRC Labour Law and local government regulations, and these social security contributions include pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund. In addition, Xindeco ITG Automobile also conducts regular employee training programmes to enhance their skills.

**ITG Auto (Thailand)**

As at 30 June 2025, ITG Auto (Thailand) had no employees in service, and the total remuneration (including social security contributions) from 14 May 2025 (date of incorporation) to 30 June 2025 was nil.

For further particulars regarding the financial information of the Xindeco ITG Automobile Group and ITG Auto (Thailand), please refer to the historical financial information set out in Appendix II and Appendix III to this circular.

*The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this circular.*



**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPIILATION OF PRO FORMA FINANCIAL INFORMATION**

**TO THE DIRECTORS OF CHINA ZHENGTONG AUTO SERVICES HOLDINGS  
LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of China ZhengTong Auto Services Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2025 and related notes as set out in Appendix V to the circular dated 24 December 2025 (the "Circular") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix V to the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 100% equity interest in Xiamen Xindeco ITG Automobile Group Co., LTD. (the "Acquisition (PRC)") and 100% equity interest in ITG Auto (Thailand) Co., Ltd. (the "Acquisition (Thailand)") (together, the "Acquisitions") on the Group's financial position as at 30 June 2025 as if the Acquisitions had taken place at 30 June 2025. As part of this process, information about the Group's financial position as at 30 June 2025 has been extracted by the Directors from the interim report of the Group for the six months ended 30 June 2025, on which a review report has been published.

**Directors' Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**KPMG**

*Certified Public Accountants*

Hong Kong

24 December 2025

*The information set forth in this appendix does not form part of the Accountants' Reports received from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of Xindeco ITG Automobile and ITG Auto (Thailand), as set forth in Appendix II and Appendix III to this circular, and is included herein for illustrative purposes only.*

*The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group set forth in Appendix I and the Accountants' Reports set forth in Appendix II and Appendix III to this circular.*

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

### A. Introduction

The following is an unaudited pro forma consolidated statements of assets and liabilities (the “**Unaudited Pro Forma Financial Information**”) of China ZhengTong Auto Services Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), as enlarged by Xiamen Xindeco ITG Automobile Group Co., Ltd (“**Xindeco ITG Automobile**”) and its subsidiaries (together “**Xindeco ITG Automobile Group**”) and ITG Auto (Thailand) Co., Ltd. (“**ITG Auto (Thailand)**”), which had been prepared on the basis of the notes set out below and in accordance with Paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects of the proposed acquisition of 100% equity interests in Xindeco ITG Automobile (the “**Acquisition (PRC)**”) and 100% equity interests in ITG Auto (Thailand) (the “**Acquisition (Thailand)**”) by the Group (together, the “**Acquisitions**”) on the Group’s assets and liabilities as if the Acquisitions had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information has been prepared based on (1) the unaudited consolidated statement of financial position of the Group as at 30 June 2025, which has been extracted from the Group’s interim report for the six months ended 30 June 2025; and (2) the audited consolidated statement of financial position of Xindeco ITG Automobile Group as at 30 June 2025, and (3) the audited statement of financial position of the ITG Auto (Thailand) as at 30 June 2025, which has been extracted from the Accountants’ Reports of Xindeco ITG Automobile Group and ITG Auto (Thailand) set out in Appendix II and Appendix III respectively to this circular, after making pro forma adjustments as summarised in the accompanying notes that are factually supportable and directly attributable to the Acquisitions.

The Group, Xindeco ITG Automobile Group and ITG Auto (Thailand) are collectively referred to as the “Enlarged Group”.

The Unaudited Pro Forma Financial Information has been prepared by the Directors of the Company for illustrative purpose only and is based on certain assumptions, estimates, uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the Acquisitions been completed as at 30 June 2025, where applicable, or at any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Group for the six months ended 30 June 2025, the Accountants' Reports on the financial information of Xindeco ITG Automobile Group and ITG Auto (Thailand) as set out in Appendix II and Appendix III respectively to this circular, and other financial information included elsewhere in this circular.

**B. Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2025**

	Xindeco			The Enlarged Group as at 30 June 2025	
	The Group as at 30 June 2025	ITG Automobile as at 30 June 2025	ITG Auto (Thailand) as at 30 June 2025	Pro forma adjustments	RMB'000
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)
<b>Non-current assets</b>					
Property, plant and equipment	5,641,808	366,836	—	—	—
Investment properties	493,887	4,948	—	—	498,835
Right-of-use assets	2,410,547	290,588	—	—	2,701,135
Intangible assets	2,159,073	5,180	—	—	2,164,253
Goodwill	494,851	334,190	—	—	829,041
Interest in associates	18,642	—	—	—	18,642
Interest in a joint venture	32,103	—	—	—	32,103
Deferred tax assets	771,973	70,415	—	—	842,388
Long-term receivables	426,072	—	—	—	426,072
Other financial assets	514,406	176	—	—	514,582
Pledged bank deposits	502,440	—	—	—	502,440
Time deposits	5,000	—	—	—	5,000
	<u>13,470,802</u>	<u>1,072,333</u>	<u>—</u>	<u>—</u>	<u>14,543,135</u>
<b>Current assets</b>					
Inventories	3,599,258	728,099	—	—	4,327,357
Trade and bills receivables	980,337	94,820	—	—	1,075,157
Prepayments, deposits and other receivables	4,721,307	964,352	—	—	5,685,659
Other financial assets	57,039	31	—	—	57,070
Pledged bank deposits	3,413,573	409,177	—	—	3,822,750
Time deposits	—	—	5,000	—	5,000
Cash and cash equivalents	<u>872,939</u>	<u>48,832</u>	<u>17,738</u>	<u>(815,629)</u>	<u>(8,010)</u>
	<u>13,644,453</u>	<u>2,245,311</u>	<u>22,738</u>	<u>(815,629)</u>	<u>(8,010)</u>
					<u>15,088,863</u>
<b>Current liabilities</b>					
Loans and borrowings	14,631,705	775,122	—	—	15,406,827
Lease liabilities	263,675	78,187	—	—	341,862
Trade and other payables	5,002,134	1,343,955	561	—	6,346,650
Income tax payables	301,174	9,843	42	—	311,059
Other financial liabilities	<u>13,772</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,772</u>
	<u>20,212,460</u>	<u>2,207,107</u>	<u>603</u>	<u>—</u>	<u>22,420,170</u>
<b>Net current (liabilities)/ assets</b>	<b><u>(6,568,007)</u></b>	<b><u>38,204</u></b>	<b><u>22,135</u></b>	<b><u>(815,629)</u></b>	<b><u>(8,010)</u></b>
<b>Total assets less current liabilities</b>	<b><u>6,902,795</u></b>	<b><u>1,110,537</u></b>	<b><u>22,135</u></b>	<b><u>(815,629)</u></b>	<b><u>(8,010)</u></b>
					<b><u>7,211,828</u></b>

The Group as at 30 June 2025	Xindeco		ITG Automobile Group as at 30 June 2025	ITG Auto (Thailand) as at 30 June 2025	The Enlarged Group as at 30 June 2025
	RMB'000 (Note 1)	RMB'000 (Note 2)			
<b>Non-current liabilities</b>					
Loans and borrowings	3,315,440	115,956	—	—	—
Lease liabilities	981,686	156,672	—	—	—
Deferred tax liabilities	867,855	10,810	—	—	—
Trade and other payables	85,731	52,590	—	—	—
Other financial liabilities	6,040	—	—	—	—
	<u>5,256,752</u>	<u>336,028</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>NET ASSETS</b>	<u>1,646,043</u>	<u>774,509</u>	<u>22,135</u>	<u>(815,629)</u>	<u>(8,010)</u>
					<u>1,619,048</u>

**C. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

1. The amounts are extracted from the unaudited consolidated statement of financial position of the Group at 30 June 2025 as set out in the published interim report of the Group for the six months ended 30 June 2025.
2. The amounts are extracted from the Accountants' Reports on Xindeco ITG Automobile Group and ITG Auto (Thailand) at 30 June 2025 as set out in Appendix II and Appendix III respectively to this circular.
3. This adjustment represents the provisional amount of considerations for the Acquisitions, to be satisfied by cash as if the Acquisitions had been completed on 30 June 2025.

On 5 December 2025, Xiamen ZhengTong Motors Group Co., Ltd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Xiamen Xindeco Ltd. and Xindeco ITG Automobile for the acquisition of 100% of the equity interest of Xindeco ITG Automobile. The provisional amount of cash consideration is RMB793,493,700, which shall be subject to an adjustment to reflect any change to the consolidated total equity of Xindeco ITG Automobiles attributable to its equity shareholders for an agreed upon period.

On the same day, Tongda Group (China) Co., Ltd. and Rising Wave Development Limited, both wholly-owned subsidiaries of the Company, entered into a sale and purchase agreement with Hong Kong Sindanol Limited, Xindeco Resources (Singapore) Pte. Ltd. and ITG Auto (Thailand) for the acquisition of 100% of the issued share capital of ITG Auto (Thailand). The provisional amount of consideration is RMB22,135,000, which shall be subject to an adjustment to reflect any change to net asset value of ITG Auto (Thailand) for an agreed upon period.

The final considerations are subject to change based on the aforementioned adjustments to reflect any changes to the consolidated total equity of Xindeco ITG Automobiles and net asset value of ITG Auto (Thailand) for an agreed upon period. As such, the final consideration will be determined as of the date of completion of the Acquisitions and may differ from the provisional amount of considerations disclosed above in the pro forma financial information. No such adjustments have been included for the purposes of the pro forma financial information.

4. The adjustment represents the settlement of estimated transaction costs, including legal and professional fees of approximately RMB8,010,000, that are directly attributable to the Acquisitions.
5. No other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 30 June 2025.

*The following is the text of the valuation report dated 25 September 2025 prepared for the purpose of incorporation in this circular received from the Valuer in connection with the valuation of the entire equity interest of Xindeco ITG Automobile.*

### **DISCLAIMER**

- I. This asset valuation report is prepared in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance, and the Asset Appraisal Practice Standards and Professional Ethics Standards issued by the China Appraisal Society.
- II. The principal or any other user of this asset valuation report shall use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the asset valuation report. If the principal or other user of this asset valuation report uses this asset valuation report in violation of the foregoing provisions, the asset valuer and its signing asset valuation professionals shall not bear the liability thereof.
- III. This asset valuation report shall only be used by the principal and other users of this asset valuation report as agreed in the asset appraisal contract and users of the asset valuation report stipulated by laws and administrative regulations. In addition, any other institutions and individuals cannot become the users of this asset valuation report.
- IV. Users of this asset valuation report should understand the valuation conclusion correctly. The valuation conclusion is not equal to the realizable price of the valuation target, and the valuation conclusion should not be considered as the guarantee of the realizable price of the valuation target.
- V. Users of this asset valuation report shall pay attention to the assumptions and premises for the concluding of the valuation conclusion as well as the special notes and restrictions over use contained herein.
- VI. We, as the asset valuation agency, and our asset valuation professionals shall abide by the laws, administrative regulations and the asset valuation standards, adhere to the principles of independence, objectivity and fairness, and bear the liability for this asset valuation report they have provided in accordance with the laws.
- VII. The lists of assets and liabilities involved in the valuation target shall be declared by the principal or the valued entity and confirmed by signature, affixation of seal or adoption of other forms permitted by laws. The principal and parties concerned shall be responsible for the authenticity, integrity and legality of the documents they have provided in accordance with the laws.
- VIII. The asset valuation agency and asset valuation professionals are not interested, either presently or expectedly, in the valuation target contained in this asset valuation report, not interested, either presently or expectedly, in relevant concerned parties, and not biased against relevant concerned parties.

IX. The asset valuer has carried out on-site inspection on the valuation target and its assets involved as set out in the asset valuation report, paid necessary attention to the legal titles of the valuation target and its assets involved, verified the information related to the legal titles of the valuation target and its assets involved, and truthfully disclosed the issues identified in the process, and requested the principal and parties concerned to perfect their ownership so as to meet the requirements for issuing an asset valuation report.

X. The analysis, judgment and conclusion as set out in the asset valuation report issued by us, as the asset valuation agency, are subject to the assumptions and effects or limitations as set out in the asset valuation report. Users of the asset valuation report shall give due consideration to the assumptions, limitations, notes on special matters and their impact on the valuation conclusions set out herein.

## ASSET VALUATION REPORT

### THE ENTIRE SHAREHOLDERS' EQUITY VALUE OF XIAMEN XINDECO ITG AUTOMOBILE GROUP CO., LTD\* INVOLVED IN THE EQUITY TRANSFER PROPOSED BY XIAMEN XINDECO LTD.\*

#### SUMMARY

JIA XUE PING GU PING BAO ZI [2025] NO.8100048

#### IMPORTANT NOTICE

The following content is excerpted from the main body of the asset valuation report. To understand the details of the valuation business and correctly interpret the valuation conclusion, please read the full text of the asset valuation report.

Xiamen Academic Practice Valuer Co., Ltd. has been engaged by Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) (hereinafter referred to as “**Xiamen Xindeco**”) and Xiamen ZhengTong Automobile Group Co., Ltd\* (廈門正通汽車集團有限公司) (hereinafter referred to as “**Xiamen ZhengTong**”) to appraise the market value of the entire shareholders' equity interest in Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司) (“**Xinda ITG Group**”) on the valuation benchmark date. The asset valuation report is summarized as follows:

**Valuation purpose:** Pursuant to the Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors of Xiamen Xindeco, Xiamen Xindeco proposes to transfer its equity interest in Xinda ITG Group, hence an asset valuation agency is required to evaluate the entire shareholders' equity value of Xinda ITG Group.

**Valuation target:** the entire shareholders' equity value in Xinda ITG Group.

**Valuation scope:** all assets and liabilities of Xinda ITG Group as at the valuation benchmark date.

**Valuation benchmark date:** 31 March 2025.

**Type of value:** market value.

**Valuation approaches:** the project is valued adopting asset-based approach and income approach and the valuation result derived from the asset-based approach will be selected as the final valuation conclusion.

Valuation conclusion: Upon valuation, as of the valuation benchmark date, being 31 March 2025, under the assumption conditions stated in this asset valuation report, subject to the statements on special matters and usage restrictions herein, and based on the value type of market value, the appraisal procedures and methods employed in this report, it was determined that the total shareholders' equity value in Xinda ITG Group, the valuation target, is RMB Seven Hundred Ninety-Three Million, Four Hundred Ninety-Three Thousand, and Seven Hundred only (in figures: RMB793,493,700).

When applying the valuation conclusion, users of this asset valuation report must fully consider and assess the impact of the assumptions, limiting conditions, and notes on special matters as set forth in this asset valuation report on the valuation conclusion.

This asset valuation report is intended solely for use by the users specified herein and is to be used only for the valuation purpose and use explicitly stated in the asset valuation report. Except where disclosure is required by law, the content of this asset valuation report shall not be extracted, quoted, or disclosed in public media without the prior consent of the asset valuation agency.

According to prevailing regulations, the validity period of this asset valuation report is typically one year, calculated from the valuation benchmark date being 31 March 2025, until 30 March 2026. Generally, this asset valuation report may only be used when the interval between the valuation benchmark date and the date of the intended economic action does not exceed one year. The conclusions of this asset valuation report become invalid if this one-year period is exceeded, or even within the year if significant fluctuations occur in the price standards of the appraised assets or material changes affect the factors influencing the value of the valuation target.

This asset valuation report is dated 25 September 2025.

## ASSET VALUATION REPORT

### THE ENTIRE SHAREHOLDERS' EQUITY VALUE OF XIAMEN XINDECO ITG AUTOMOBILE GROUP CO., LTD\* INVOLVED IN THE EQUITY TRANSFER PROPOSED BY XIAMEN XINDECO LTD.\*

#### MAIN BODY

JIA XUE PING GU PING BAO ZI [2025] NO.8100048

Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) and Xiamen ZhengTong Automobile Group Co., Ltd\* (廈門正通汽車集團有限公司)

In accordance with the engagement by the Company, we, Xiamen Academic Practice Valuer Co., Ltd., have appraised the market value of the entire shareholders' equity of Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司) involved in the proposed equity transfer by Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) as at 31 March 2025, by way of adopting the asset-based approach and income approach and carrying out necessary valuation procedures in accordance with the relevant laws, administrative regulations and asset valuation standards while sticking to the principles of independence, objectiveness and fairness. We report the details of the asset valuation as follows:

#### I. THE PRINCIPAL, THE VALUED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION COMMISSION CONTRACT

##### (I) Overview of Principal I

Company name: Xiamen Xindeco Ltd.\* (廈門信達股份有限公司)

Unified social credit code: 913502001549967873

Residence: Unit 1101, Building A, ITG Center, No.4688 Xianyue Road, Huli District, Xiamen

Legal representative: Wang Mingcheng

Registered capital: RMB675,807,106

Type of enterprise: Other joint stock limited company (listed)

Business scope: General projects: engages in investment activities with self-owned capital; information technology consulting services; wholesale of edible agricultural products; sales of agricultural and sideline products; software sales; software

development; information system integration services; data processing and storage support services; integrated circuit design; sales of electronic components and electromechanical component equipment; sales of special production equipment for lighting fixtures; sales of machinery and equipment; sales of special electronic equipment; sales of optoelectronic devices; wholesale of electronic components; sales of mechanical parts and components; sales of electronic products; digital content production services (excluding publication and distribution); general cargo warehousing services (excluding hazardous chemicals and other projects requiring permit approval); grain and oil storage services; sales agency; domestic trade agency; commission sales; trade brokerage; trade brokerage and agency (excluding auction); sales of petroleum products (excluding hazardous chemicals); sales of metal tools; sales of new metal functional materials; sales of high-performance non-ferrous metals and alloy materials; sales of metal materials; sales of high-quality special steel materials; sales of civil aviation materials; sales of metal ores; sales of building materials; sales of construction steel products; sales of coal and coal products; sales of non-metallic minerals and products; sales of new ceramic materials; sales of rare earth functional materials; sales of gold and silver products; retail of sporting goods and equipment; wholesale of sporting goods and equipment; retail of clothing and accessories; retail of footwear and hats; sales of knitwear and textiles; wholesale of clothing and accessories; sales of knitwear, textiles and raw materials; wholesale of footwear and hats; wholesale of hardware products; sales of daily masks (non-medical); sales of furniture parts and components; sales of forgings and powder metallurgy products; takeaway delivery services; loading and unloading services. (Unless otherwise subject to approval by law, all business activities shall be operated independently based on the business license in accordance with the law). Permitted projects: food business; food business (sales of pre-packaged food); storage services for customs supervisory goods (excluding hazardous chemicals); import and export agency; import and export of gold and its products; technology import and export; goods import and export. (For projects subject to approval according to laws, business activities may only be commenced after approval by relevant authorities, and specific business projects are subject to the approval documents or permits issued by relevant authorities).

## **(II) Overview of Principal II**

Company name: Xiamen ZhengTong Automobile Group Co., Ltd\* (廈門正通汽車集團有限公司)

Unified social credit code: 91350200MA8URQBY5W

Residence: Unit 431-H, 4th Floor, Building C, Xiamen International Shipping Center, No. 93 Xiangyu Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone

Legal representative: Wu Yingjie

Registered capital: RMB200 million

Type of enterprise: Other joint stock limited company (listed)

Business scope: General projects: sales of new motor vehicles; research and development of automotive parts and components; retail of automotive parts and accessories; wholesale of automotive parts and accessories; general cargo warehousing services (excluding hazardous chemicals and other projects requiring permit approval); sales of automotive decoration products; sales of mechanical and electrical equipment; import and export agency; information consulting services (excluding licensed information consulting services); socio-economic consulting services; financial advisory services; advertising design and agency; graphic design; corporate image planning; marketing planning. (Unless otherwise subject to approval by law, all business activities shall be operated independently based on the business license in accordance with the law) Permitted projects: road freight transport (excluding dangerous goods). (For projects subject to approval according to laws, business activities may only be commenced after approval by relevant authorities, and specific business projects are subject to the approval documents or permits issued by relevant authorities).

### **(III) Overview of the Valued Entity**

#### *1. Corporate profile*

Company name: Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司)

Unified social credit code: 913502007054949018

Residence: 21/F, Building B, ITG Center, No.4688 Xianyue Road, Huli District, Xiamen

Legal representative: Wang Mingcheng

Registered capital: RMB437,884,260

Type of enterprise: Other joint stock limited company (unlisted)

Business scope: automobile retail; retail of automotive parts and accessories; retail of other electronic products; retail of hardware; automobile leasing (non-operational); commercial information consulting; property management; management of self-owned real estate; retail of other daily necessities; import and export of various commodities and technologies (catalogue of imported and exported goods not attached), except for commodities and technologies restricted or prohibited by the state; wholesale of other machinery equipment and electronic products; automobile wholesale; other warehousing services (excluding projects requiring permit approval); automotive maintenance and upkeep (excluding repair and car washing); power supply; construction and operation of electric vehicle charging facilities; wholesale of electrical equipment; other unlisted electric power production; electrical installation; provision of construction

equipment services; information system integration services; software development; contract energy management; other unlisted scientific and technological promotion and application services.

## 2. *Corporate History*

### (1) *Establishment of the Company*

Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司) was established by Xiamen ITG Group Corp., Ltd., Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) and such individuals as Huang Jinsong and Zeng Tingyi in February 2002 with a registered capital of RMB35.00 million, in particular, Xiamen ITG Group Corp., Ltd. contributed RMB30 million with a shareholding ratio of 85.71%, Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) contributed RMB4.65 million with a shareholding ratio of 13.29%; and each of Zeng Tingyi and Huang Jinsong contributed RMB65,000, both with a shareholding ratio of 0.1857%; each of Chen Xiaopeng, Chen Wenwei, Liu Xiaotao, Dai Yiyong, Yang Juan and Dou Ronglan contributed RMB35,000, with a shareholding ratio of 0.10%; and Chen Xiali contributed RMB10000, with a shareholding ratio of 0.0286%.

### (2) *Historical Capital Contributions and Changes*

In 2005, based on a resolution of a shareholders' meeting, it was agreed that Zeng Tingyi, Chen Wenwei and Chen Xiali transfer 0.1857%, 0.10%, and 0.0286% shares they held to Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司), while the registered capital of the Company was reduced from RMB35 million to RMB10 million. Such capital decrease had been approved by the Xiamen Municipal Development and Reform Commission and relevant capital verification and refunds for the capital reduction has been processed in December 2005. Following the capital reduction, the shareholding ratios are as follows: Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司) held 86.0243%, Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) held 13.29%, Huang Jinsong held 0.1857%, while each of Chen Xiaopeng, Liu Xiaotao, Dai Yiyong, Yang Juan, and Dou Ronglan held 0.10%. The capital reduction has been verified by Xiamen Xianghe Accounting Firm Ltd.\* (廈門祥和會計師事務所有限公司) in the "Capital Verification Report Xianghesuo (2005) No. 1618."

In 2007, based on a resolution of a shareholders' meeting, Huang Jinsong and other individuals were agreed to transfer their equity interests to Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司). Following the transfer, the shareholding ratio of Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司) became 86.71%, and that of Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) became 13.29%.

In 2012, based on a resolution of a shareholders' meeting, the Company increased its registered capital to RMB100.00 million, with the increase of RMB90.00 million being subscribed by Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司). After the capital increase, the total number of shares was 100 million shares. Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司) held 98.67%, and Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) held 1.33%. This capital increase was verified by Xiamen Yinxing Accounting Firm Co., Ltd. (廈門銀興會計師事務所有限公司) in the "Capital Verification Report (XYX Verification (2012) No. 1033)."

In 2018, based on a resolution of a shareholders' meeting, Xiamen ITG Group Corp., Ltd.\* (廈門國貿集團股份有限公司) and Shanghai Qirun Industrial Co., Ltd.\* (上海啟潤實業有限公司) were agreed to transfer their entire equity interests. Following the transfer, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) subscribed for 98.671 million shares in cash, representing a registered capital contribution of RMB98.671 million and a shareholding ratio of 98.67%. Xiamen Xindeco Automobile Investment Group Co., Ltd.\* (廈門市信達汽車投資集團有限公司) subscribed for 1.329 million shares, representing a registered capital contribution of RMB1.329 million and a shareholding ratio of 1.33%.

In July 2019, Xinda ITG Group issued 160,000,000 shares at an issue price of RMB2.50 per share to raise capital. In this capital increase, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) provided an additional capital contribution of RMB160 million, subscribing for 258.671 million shares in cash, representing a registered capital contribution of RMB258.671 million and a shareholding ratio of 99.49%. Xiamen Xindeco Automobile Investment Group Co., Ltd.\* (廈門市信達汽車投資集團有限公司) subscribed for 1.329 million shares, representing a registered capital contribution of RMB1.329 million and a shareholding ratio of 0.51%. This capital increase generated capital reserve of RMB240 million.

In November 2019, Xiamen Xindeco Automobile Investment Group Co., Ltd.\* (廈門市信達汽車投資集團有限公司) transferred its entire equity interests to Xiamen Xindeco Investment Management Co., Ltd.\* (廈門信達投資管理有限公司) for a price of RMB3.2796 million. After the transfer, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) subscribed for 258.671 million shares in cash, representing a registered capital contribution of RMB258.671 million and a shareholding ratio of 99.49%. Xiamen Xindeco Investment Management Co., Ltd.\* (廈門信達投資管理有限公司) subscribed 1.329 million shares, representing a registered capital contribution of RMB1.329 million and a shareholding ratio of 0.51%.

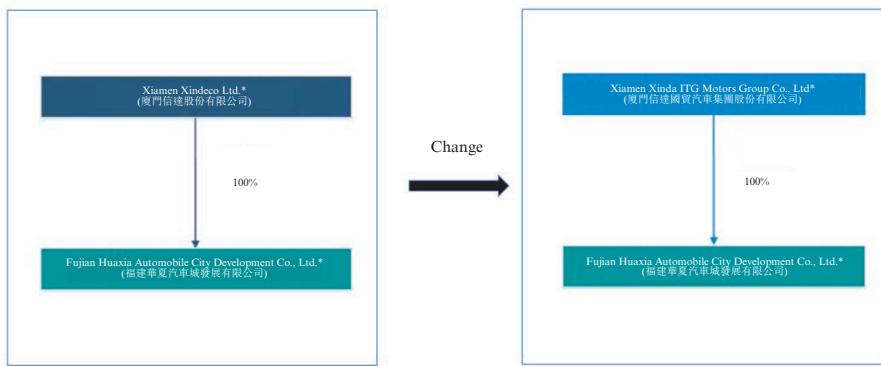
In November 2019, Xinda ITG Group issued 85,828,180 ordinary shares with a par value of RMB1.00 per share at an issue price of RMB2.50 per share, for the acquisition of 100% equity interest of Xiamen Xindeco Automobile Investment Group Co., Ltd.\* (廈門市信達汽車投資集團有限公司).

司) held by Xiamen Xindeco Ltd.\* (廈門信達股份有限公司). Upon completion of this transaction, the registered capital of Xinda ITG Group increased to RMB345.82818 million. In particular, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) subscribed for 258.671 million shares in cash and 85.82818 million shares via equity swap, representing a total registered capital contribution of RMB344.49918 million and a shareholding ratio of 99.62%. Xiamen Xindeco Investment Management Co., Ltd.\* (廈門信達投資管理有限公司) subscribed for 1.329 million shares, representing a registered capital contribution of RMB1.329 million and a shareholding ratio of 0.38%. The changes described above are illustrated in the following diagram:



In November 2020, Xinda ITG Group issued 92,056,080 ordinary shares with a par value of RMB1.00 per share at an issue price of RMB2.50 per share, for the acquisition of the 100% equity interest in Fujian Huaxia Automobile City Development Co., Ltd.\* (福建華夏汽車城發展有限公司) held by Xiamen Xindeco Ltd.\* (廈門信達股份有限公司). Upon completion of this transaction, the registered capital of Xinda ITG Group increased to RMB437,884,260. After this capital increase, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) subscribed for 258,671,000 shares in cash and 177,884,260 shares via equity swap, representing a total registered capital contribution of RMB436,555,260 and 99.7% of the Company's shares. Xiamen Xindeco Investment Management Co., Ltd.\* (廈門信達投資管理有限公司) subscribed

1,329,000 shares in cash, representing a registered capital contribution of RMB1,329,000 and 0.3% of the Company's shares. The changes described above are illustrated in the following diagram:



In February 2025, Xiamen Xindeco Investment Management Co., Ltd.\* (廈門信達投資管理有限公司) transferred to Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) the entire equity interest it held in Xinda ITG Group. Upon the transfer, Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) held 437,884,260 shares, representing a shareholding ratio of 100%.

As of the valuation benchmark date, the paid-in capital of Xinda ITG Group was RMB437,884,260. The committed capital contribution, paid-in capital contribution and capital contribution proportion of each shareholder are as follows:

No.	Name of shareholder	Committed capital contribution (RMB'000)	Committed proportion	Paid-in capital contribution (RMB'000)	Paid-in proportion
1	Xiamen Xindeco Ltd.* (廈門信達股份有限公司)	43,788.426	100.00%	43,788.426	100.00%
	<b>Total</b>	<b>43,788.426</b>	<b>100.00%</b>	<b>43,788.426</b>	<b>100.00%</b>

**3. Property Rights and Operating Management Structure**

*(1) Overview of subsidiaries and affiliated companies*

As of the valuation benchmark date, Xinda ITG Group has made paid-in capital contribution to subsidiaries and affiliated companies. The overview of subsidiaries and affiliated companies are presented in the table below:

*Unit: RMB0'000*

No.	Name of Company	Date of establishment	Registered capital	Segment	Direct shareholding %	Indirect shareholding %
1	Xiamen Xindeco Automobile Investment Group Co., Ltd.* (廈門市信達汽車投資集團有限公司)	28 April 2013	11,500.00	Investment company	100.00	
2	Poly Automobile Co., Ltd.	28 September 2015	10,000.00	Investment company	55.00	
3	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司)	9 April 2020	3,000.00	4S store and maintenance	60.00	
4	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	30 August 2002	2,000.00	4S store and maintenance	100.00	
5	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金 Lexus汽車銷售服務有限公司)	25 January 2019	1,000.00	4S store and maintenance	100.00	
6	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	19 April 2010	2,000.00	4S store and maintenance	100.00	
7	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	28 August 2019	1,000.00	4S store and maintenance	100.00	
8	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	6 September 2007	2,000.00	4S store and maintenance	100.00	
9	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	18 April 2012	1,000.00	4S store and maintenance	100.00	
10	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	23 June 2011	3,000.00	4S store and maintenance	40.00	60.00

**APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE**

No.	Name of Company	Date of establishment	Registered capital	Segment	Direct shareholding %	Indirect shareholding %
11	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	30 November 2018	1,000.00	4S store and maintenance	100.00	
12	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	26 September 2011	1,200.00	4S store and maintenance	100.00	
13	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	6 December 2006	1,000.00	4S store and maintenance	100.00	
14	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	25 November 2020	2,000.00	4S store and maintenance	60.00	
15	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	6 July 2000	1,000.00	4S store and maintenance	100.00	
16	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	24 November 2005	1,000.00	4S store and maintenance	100.00	
17	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	10 September 2012	1,000.00	4S store and maintenance	100.00	
18	Fujian Huaxia Lida Automotive Service Co., Ltd.	16 April 2015	1,000.00	Others	100.00	
19	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	10 June 2010	2,000.00	4S store and maintenance	40.00	60.00
20	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	27 August 2010	800.00	4S store and maintenance	100.00	
21	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	12 June 2010	2,000.00	4S store and maintenance	40.00	60.00
22	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	27 May 2021	1,000.00	4S store and maintenance	70.00	
23	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	27 April 1998	1,200.00	4S store and maintenance	50.00	

**APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE**

No.	Name of Company	Date of establishment	Registered capital	Segment	Direct shareholding %	Indirect shareholding %
24	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	18 January 2012	600.00	4S store and maintenance	100.00	
25	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	30 August 2013	1,500.00	4S store and maintenance	40.00	60.00
26	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	10 December 2004	1,000.00	4S store and maintenance	40.00	60.00
27	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達汽車銷售服務有限公司)	26 December 2003	1,000.00	4S store and maintenance	40.00	60.00
28	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	10 November 2008	3,000.00	4S store and maintenance	10.00	60.00
29	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	16 August 2002	1,000.00	4S store and maintenance	20.00	80.00
30	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	16 November 2005	1,200.00	4S store and maintenance	5.00	95.00
31	Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	20 July 1998	2,500.00	4S store and maintenance		100.00
32	Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	15 July 1998	1,000.00	4S store and maintenance		100.00
33	Fujian ITG Dongben Automobile Trading Co., Ltd.* (福建國貿東本汽車貿易有限公司)	18 July 2002	1,000.00	4S store and maintenance		100.00
34	Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	16 March 2001	1,000.00	4S store and maintenance		100.00
35	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	12 April 2007	500.00	4S store and maintenance		100.00
36	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	8 May 2017	2,000.00	4S store and maintenance		55.00

**APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE**

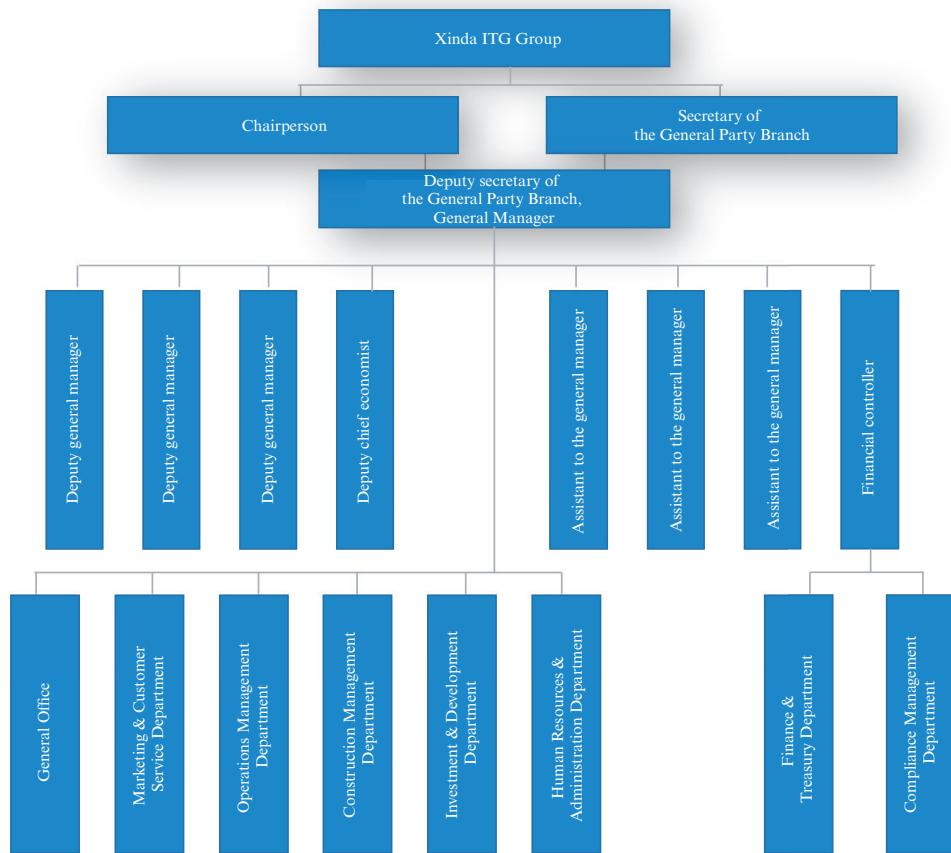
No.	Name of Company	Date of establishment	Registered capital	Segment	Direct shareholding %	Indirect shareholding %
37	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	6 April 2017	2,000.00	4S store and maintenance		55.00
38	Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	2 November 2015	2,000.00	4S store and maintenance		55.00
39	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	10 November 2015	2,000.00	4S store and maintenance		55.00
40	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	3 May 2017	2,000.00	4S store and maintenance		55.00
41	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	1 April 2017	2,000.00	4S store and maintenance		55.00
42	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	19 April 2017	2,000.00	4S store and maintenance		55.00
43	Fujian Huaxia Automobile City Development Co., Ltd.* (福建華夏汽車城發展有限公司)	23 July 1992	10,000.00	Others		100.00
44	Fujian Xinda Yinhe Import & Export Co., Ltd.* (福建信達銀河進出口有限公司)	29 September 2020	5,000.00	Others		55.00
45	Xiamen Guomao Automobile City Development Co., Ltd.* (廈門國貿美車城發展有限公司)	12 August 2005	200.00	Others		100.00
46	Xiamen Xindeco Tongshang Automobile Sales & Service Co., Ltd.	3 November 2015	1,000.00	Others		100.00
47	Quanzhou Guomao Automobile Co., Ltd.* (泉州國貿汽車有限公司)	19 July 2007	2,000.00	Others		100.00
48	Tianjin Xinda Automobile Import & Export Co., Ltd.* (天津信達汽車進出口有限公司)	8 November 2021	2,000.00	Others		100.00
49	Xiamen Xindeco Xingyao Co., Ltd.* (廈門信達星曜有限公司)	26 May 2022	2,000.00	Others		55.00
50	Xiamen ITG Tongrun Automobile Service Co., Ltd.* (廈門國貿通潤汽車服務有限公司)	30 January 2013	1,000.00	Others		100.00
51	Shenzhen Qida Automobile Sales Service Co., Ltd.* (深圳旗達汽車銷售服務有限公司)	21 August 2021	1,000.00	Others		100.00

**APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE**

No.	Name of Company	Date of establishment	Registered capital	Segment	Direct shareholding %	Indirect shareholding %
52	Xiamen ITG Qitai Automobile Service Co., Ltd.* (廈門國貿啟泰汽車服務有限公司)	13 March 2018	1,000.00	Others	100.00	
53	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	18 March 2013	1,000.00	Others	100.00	
54	Xiamen ITG Motors Import & Export Corp., Ltd.* (廈門國貿汽車進出口有限公司)	3 December 2015	1,000.00	Others	100.00	
55	Xiamen Int'l Trade Furun Automobile Service Co., Ltd.* (廈門國貿福潤汽車服務有限公司)	30 January 2013	1,000.00	Others	100.00	
56	Xiamen Xinda Taoliangche Technology Co., Ltd.* (廈門信達淘觀車科技有限公司)	31 October 2017	1,000.00	Others	100.00	
57	Xiamen Xinda Yiche Technology Co., Ltd.* (廈門信達宜車科技有限公司)	23 April 2023	1,000.00	Others	51.00	
58	Xiamen Xinda New Energy Vehicle Service Co., Ltd.* (廈門信達新能源汽車服務有限公司)	6 January 2016	500.00	Others	100.00	
59	Cheyoubao (Xiamen) Technology Co., Ltd.* (車由寶(廈門)科技有限公司)	29 June 2018	2,000.00	Others	20.00	
60	Fuzhou Xinda Business Services Co., Ltd.* (福州信達商務服務有限公司)	22 February 2022	100.00	Others	100.00	
61	Fuzhou Minshen Automobile Trading Co., Ltd.* (福州閩神汽車貿易有限公司)	6 September 2002	600.00	Others	100.00	
62	Fujian Minchen Automobile Trading Co., Ltd.* (福建省閩晨汽車貿易有限公司)	3 September 1996	200.00	Others	100.00	
63	Hello Tech Energy (Shanghai) Co., Ltd.* (華保新能源(上海)有限公司)	8 September 2017	100.00	Others	55.00	
64	Kunming Poly Toyota Automobile Sales & Service Co., Ltd.	27 September 2020	1,000.00	Others	28.05	

(2) *Operational Management Structure of the Company*

The valued entity has established a modern corporate organizational structure, which currently includes the General Office, Marketing & Customer Service Department, Operations Management Department, Construction Management Department, Investment & Development Department, Human Resources & Administration Department, Finance & Treasury Department, and Compliance Management Department. The organizational chart as of the benchmark date is presented below:



**4. Assets, Financial and Operational Condition in Recent Years**

(1) The assets and financial position for the past 2 years and as at the benchmark date are presented in the table below:

**Assets, Liabilities and Results of Operation (Consolidated Statements)**

*Unit: RMB'000*

Items	31 March 2025	31 December 2024	31 December 2023
Assets	323,462.47	359,942.47	446,928.56
Liabilities	244,656.60	281,461.47	354,114.80
Owners' equity	78,805.86	78,481.00	92,813.76
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion
Items	January to March 2025	2024	2023
Operating income	168,181.01	881,668.67	830,797.61
Total profits	1,288.53	-7,067.68	-14,921.53
Net profit	322.97	-7,603.19	-13,862.55
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion

**Assets, Liabilities and Results of Operation  
(Individual Statement of the Parent)**

Unit: RMB'000

Items	31 March 2025	31 December 2024	31 December 2023
Assets	216,142.97	223,921.10	270,299.11
Liabilities	108,708.07	115,517.42	163,513.25
Owners' equity	107,434.90	108,403.67	106,785.85
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion
Items	January to March 2025	2024	2023
Operating income	263.26	2,873.82	4,618.84
Total profits	-975.84	1,616.50	3,926.47
Net profit	-968.78	1,694.85	3,859.13
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion	Mazars Certified Public Accountants LLP* (中審眾環 會計師事務所(特 殊普通合夥)), standard unqualified opinion

(2) Operating Condition of the Company:

Xiamen XINDECO ITG Motors Group Co., Ltd. (廈門信達國貿汽車集團股份有限公司) has been engaged in the automotive distribution industry for over 20 years, operating nearly 50 automotive 4S stores, new energy vehicle experience centers, and collision repair centers. It distributes nearly 29 brands, including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Alfa Romeo, Hongqi, Volkswagen, Toyota, Honda, IM, Huawei AITO, Exeed Sterra, Chery iCAR, among others. While maintaining its strong presence in traditional luxury brands like BMW, Audi, and Lexus, the company continues to expand in the new energy vehicle market, having recently secured authorizations including AITO partnership in Fuzhou, the second iCAR partnership store in Xiamen, and NIO collision repair centers, with business coverage extending across multiple provinces and cities nationwide.

To better serve vehicle owners, Xinda ITG Group has partnered with PICC Property and Casualty Co., Ltd. Xiamen Branch to establish a one-stop, full-process, concierge-style new energy vehicle service center. Spanning approximately 700 square meters, the center offers services including inspections, comprehensive collision repairs, damage assessments, and technical training for NEVs. Equipped with advanced diagnostic equipment, charging facilities, and professional technicians, it meets various needs such as energy replenishment, insurance renewal, and maintenance services for all types of new energy vehicles. This initiative demonstrates Xinda ITG Group's commitment to aligning with national green development strategies and integrating into the "Electric Xiamen" development plan.

While expanding and strengthening its domestic market presence, Xinda ITG Group has also seized tightly the "going global" opportunities for Chinese new energy vehicles. Leveraging its used vehicle export qualifications, the group has continuously innovated its business models and further optimized and upgraded its used car export and overseas warehouse operations. In 2024, Xinda ITG Group exported over 5,000 vehicles, covering 25 countries across Asia, Africa and Latin America. It has also expanded into automotive entrepot trade, collaborating with domestic automakers through business partnerships and joint development of local dealers to penetrate premium markets.

As the automotive industry fully embraces intelligent connectivity, automotive marketing has undergone transformative changes. Recognizing that digital marketing is not only essential for addressing market challenges but also crucial for driving dealership transformation and high-quality development, Xinda ITG Group has actively built video and Douyin account matrices across major new media platforms in recent years. It also innovatively launched the "ITG Hub" mini-program. Serving as the core of Xinda ITG Group's WeChat ecosystem marketing system, this platform integrates user resources across multiple segments, offering services and products beyond vehicles. Even non-car owners can make diverse purchases through the "ITG Hub". Additionally, Xinda ITG Group has actively explored differentiated marketing strategies. Particularly in livestreaming, beyond traditional approaches aimed at capturing customer leads, the group has vigorously developed loyalty marketing and pioneered a "spot-style livestreaming" model. Data shows that in 2024, Xindeco ITG Motors conducted nearly 31,200 livestream sessions across all brands, accumulating over 20 million views, nearly 3,000 new vehicle sales, more than 5,500 after-sales service orders, and total online payments approaching RMB1 million.

**5. *Relationship between the principal and the valued entity***

The principal of this appraisal are Xiamen Xindeco and ZhengTong Automobile Group, while the valued entity is Xinda ITG Group. Xiamen Xindeco is the parent company of the valued entity, and ZhengTong Automobile Group is a related party entity under the same control as the valued entity.

**(IV) Overview of the Principal, the Valued Entity and Other Users of the Asset Valuation Report as Agreed in the Asset Valuation Commission Contract**

The users of the asset valuation report include the principals, other users of the asset valuation report as stipulated in the asset valuation commission contract, and asset valuation report users specified by laws and administrative regulations. No other users of the asset valuation report are stipulated in the asset valuation commission contract.

**II. PURPOSE OF VALUATION**

Pursuant to the Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors of Xiamen Xindeco, Xiamen Xindeco proposes to transfer its equity interest in Xinda ITG Group, hence an asset appraisal agency is required to evaluate the entire shareholders' equity value in Xinda ITG Group.

The valuation conclusion is provided exclusively for the purpose of serving as a value reference for the equity transfer by Xiamen Xindeco. It shall not be used for any other economic purposes or applications, nor shall they be conflated with any other asset valuation reports. Users of this asset valuation report may use the conclusion solely for the purpose of this valuation. The conclusion must not be used in a segmented manner, and intermediate processes or content corresponding to the valuation conclusion shall not be utilized.

**III. TARGET AND SCOPE OF VALUATION**

**(I) Based on the principals' commission, the valuation target is the entire shareholders' equity value of Xinda ITG Group.**

(II) The scope of this valuation covers all assets and liabilities of Xinda ITG Group as of the valuation benchmark date. The specific scope of valuation includes:

1. Assets and liabilities listed in the balance sheet of Xinda ITG Group as at 31 March 2025, as detailed in the table below:

Unit: RMB'000

No.	Items	Book value of consolidated statements	Book value of individual statement
I	Total current assets	213,833.76	89,378.70
II	Total non-current assets	109,628.70	126,764.27
2-1	Debt investments		
2-2	Other debt investments		
2-3	Long-term receivables		
2-4	Long-term equity investments		120,046.09
2-5	Other equity instrument investments		
2-6	Other non-current financial assets	17.60	
2-7	Investment properties	360.72	
2-8	Fixed assets	26,763.54	39.55
2-9	Construction in progress	554.27	
2-10	Productive biological assets		
2-11	Oil & gas assets		
2-12	Right-of-use assets	22,954.58	5,085.01
2-13	Intangible assets	7,541.26	496.06
2-14	Development expenditures		
2-15	Goodwill	33,419.04	
2-16	Long-term deferred expenses	10,930.24	3.58
2-17	Deferred tax assets	7,087.45	1,093.98
2-18	Other non-current assets		
	<b>Total assets</b>	<b>323,462.47</b>	<b>216,142.97</b>
III	Total current liabilities	215,057.73	99,712.55
IV	Total non-current liabilities	29,598.87	8,995.52
	<b>Total liabilities</b>	<b>244,656.60</b>	<b>108,708.07</b>
	<b>Owners' equity</b>	<b>78,805.86</b>	<b>107,434.90</b>

The book values presented in the table above have been audited by a Chinese certified public accountant, as detailed in the “Audit Report Zhong Huan Shen Zi (2025) No. 3000019” issued by Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所(特殊普通合夥)).

## 2. Types and Quantities of Off-balance-sheet Assets Declared by the Enterprise

Based on the documentation submitted by Xinda ITG Group, the off-balance-sheet items included in this scope of valuation consist of 38 automotive dealership rights (covering 21 brands). These rights are held by various subsidiaries and affiliated companies of Xinda ITG Group (excluding dealership rights held by the subsidiary Poly Automobile Co., Ltd. and its associated companies). The specific details are as follows:

No.	Name of investees	Corresponding car brands	Start date	End date
1	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司)	iCAR	4 April 2024	3 April 2029
2	Xiamen Xinda Qiming Automobile Co., Ltd., Nanhai 3rd Rd. No.1 Branch* (廈門信達啟明汽車有限公司南海三路第一分公司)	Dongfeng Nissan	1 July 2020	30 June 2028
3	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司城南分公司)	Dongfeng Nissan	1 July 2020	30 June 2028
4	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	FAW-Audi	15 September 2023	15 September 2026
5	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金Lexus汽車銷售服務有限公司)	Lexus	7 November 2019	30 April 2028
6	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	GAC Honda	1 April 2024	31 March 2027
7	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	FAW-Audi	1 December 2021	28 September 2026
8	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	iCAR	26 February 2025	25 February 2030
9	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	Cadillac	1 July 2022	30 June 2028
10	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
11	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	Cadillac	1 July 2021	2 September 2025
12	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	SAIC Volkswagen	1 January 2023	31 December 2027

APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE

No.	Name of investees	Corresponding car brands	Start date	End date
13	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	Beijing Hyundai	1 October 2024	30 September 2027
14	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	iCAR	4 September 2024	3 September 2029
15	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	IM	1 November 2022	31 October 2025
16	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	FAW-Audi	15 September 2023	15 September 2026
17	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	Dongfeng Honda	1 January 2025	31 December 2029
18	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	Beijing Hyundai	12 June 2024	31 December 2025
19	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
20	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	Dongfeng Honda	1 March 2025	31 December 2029
21	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
22	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	Hongqi	6 August 2021	5 August 2026
23	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	FAW Toyota	1 July 2022	30 June 2028
24	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	AITO	1 January 2025	31 December 2025
25	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
26	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	Dongfeng Honda	1 January 2025	31 December 2029
27	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
28	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
29	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	GAC Honda	1 April 2024	31 March 2027

No.	Name of investees	Corresponding car brands	Start date	End date
30	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	GAC Toyota	3 May 2024	3 May 2025
31	Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen	1 January 2025	31 December 2029
32	Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW Volkswagen	16 October 2020	16 October 2025
33	Fujian ITG Dongben Automobile Trading Co., Ltd.* (福建國貿東本汽車貿易有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
34	Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	GAC Honda	18 March 2025	31 December 2025
35	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	STELATO	10 January 2025	31 December 2025
36	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Luxeed	10 January 2025	31 December 2025
37	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Seres	1 January 2025	31 December 2025
38	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	Buick	7 June 2024	6 June 2027

**(III)** The above-mentioned target and scope of valuation are consistent with the valuation target and scope involved in the principals' proposed equity transfer.

**(IV)** Reference to the asset type, quantity and carrying amount involved in the report conclusion issued by other agencies

This valuation utilized the audit report of Xinda ITG Group as of the valuation benchmark date provided by the principals as the basis for valuation. This audit report was issued by Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所(特殊普通合夥)) on 4 July 2025 under Report No. Zhong Huanthe Audit Report Zhong Huan Shen Zi (2025) No. 3000019 with standard unqualified opinions.

Based on the audited results in the audit report, Xinda ITG Group had total assets of RMB3,234,624,700, total liabilities of RMB2,446,566,000, and owners' equity of RMB788,058,600 as of the valuation benchmark date. From January to March 2025, the operating income was RMB1,681,810,100, the total profit was RMB12,885,300, and the net profit was RMB3,229,700. The individual statements as of the valuation benchmark date show total assets of RMB2,161,429,700, total liabilities of RMB1,087,080,700, and owners' equity of RMB1,074,349,000. For the period January to March 2025, operating income was RMB2,632,600, total profit was RMB-9,758,400, and net profit was RMB-9,687,800.

Except for the foregoing, no report conclusions issued by other agencies have been used.

#### (V) Overview of major assets

The primary assets of the valued entity included in the scope of this valuation are long-term equity investments and other intangible assets. The overview of these major assets is as follows:

##### 1. *Long-term equity investments*

A total of 47 long-term equity investments with an acquisition cost of RMB1,202,460,916.47 are included in the scope of this valuation. In particular, an impairment provision of RMB2,000,000.00 has been recorded for the long-term equity investment in Cheyoubao (Xiamen) Technology Co., Ltd.\* (車由寶(廈門)科技有限公司). As of the valuation benchmark date, the book value of the long-term equity investments is RMB1,200,460,916.47. The profile of the long-term equity investor is as follows:

Unit: RMB0'000

No.	Name of investees	Date of acquisition	Way of acquisition	Shareholding ratio %	Book value
1	Xiamen Xindeco Automobile Investment Group Co., Ltd.* (廈門市信達汽車投資集團有限公司)	November 2019	Business combination under common control	100.00	21,614.08
2	Poly Automobile Co., Ltd.	January 2023	Business combination not under common control	55.00	10,923.18
3	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司)	April 2020	Establishment	60.00	1,800.00
4	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	May 2020	Business combination not under common control	100.00	22,800.00
5	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金 Lexus汽車銷售服務有限公司)	January 2019	Establishment	100.00	7,860.00
6	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	December 2013	Business combination not under common control	100.00	2,248.54
7	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	August 2019	Establishment	100.00	700.00

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No.	Name of investees	Date of acquisition	Way of acquisition	Shareholding ratio %	Book value
8	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	December 2012	Establishment	100.00	1,853.52
9	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	November 2016	Business combination not under common control	100.00	3,726.97
10	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	0.00
11	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	April 2020	Establishment	100.00	1,000.00
12	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	September 2011	Establishment	100.00	1,200.00
13	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	July 2011	Business combination not under common control	100.00	2,416.05
14	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	November 2020	Establishment	60.00	1,200.00
15	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	November 2002	Business combination not under common control	100.00	2,227.45
16	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	November 2005	Establishment	100.00	1,000.00
17	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	August 2012	Establishment	100.00	800.00
18	Fujian Huaxia Lida Automotive Service Co., Ltd.	May 2015	Establishment	100.00	1,000.00
19	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	0.00
20	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	November 2019	Business combination under common control	100.00	0.00
21	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	0.00

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No.	Name of investees	Date of acquisition	Way of acquisition	Shareholding ratio %	Book value
22	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	May 2021	Establishment	70.00	700.00
23	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	April 2009	Business combination not under common control	50.00	300.00
24	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	November 2019	Business combination under common control	100.00	0.00
25	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	0.00
26	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	2,746.44
27	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達汽車銷售服務有限公司)	November 2019	Business combination under common control	40.00	0.00
28	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	November 2019	Business combination under common control	10.00	861.31
29	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	November 2019	Business combination under common control	20.00	890.15
30	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	November 2019	Business combination under common control	5.00	206.82
31	Fujian Huaxia Automobile City Development Co., Ltd.* (福建華夏汽車城發展有限公司)	October 2020	Business combination under common control	100.00	17,777.14
32	Fujian Xinda Yinhe Import & Export Co., Ltd.* (福建信達銀河進出口有限公司)	September 2020	Establishment	55.00	538.00
33	Xiamen Guomao Automobile City Development Co., Ltd.* (廈門國貿美車城發展有限公司)	December 2012	Establishment	100.00	191.44
34	Quanzhou Guomao Automobile Co., Ltd.* (泉州國貿汽車有限公司)	July 2007	Establishment	100.00	2,000.00
35	Tianjin Xinda Automobile Import & Export Co., Ltd.* (天津信達汽車進出口有限公司)	November 2021	Establishment	100.00	2,000.00

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No.	Name of investees	Date of acquisition	Way of acquisition	Shareholding ratio %	Book value
36	Xiamen Xindeco Xingyao Co., Ltd.* (廈門信達星曜有限公司)	July 2022	Establishment	55.00	165.00
37	Xiamen ITG Tongrun Automobile Service Co., Ltd.* (廈門國貿通潤汽車服務有限公司)	January 2013	Business combination not under common control	100.00	790.00
38	Shenzhen Qida Automobile Sales Service Co., Ltd.* (深圳旗達汽車銷售服務有限公司)	August 2021	Establishment	100.00	1,000.00
39	Xiamen ITG Qitai Automobile Service Co., Ltd.* (廈門國貿啟泰汽車服務有限公司)	May 2018	Establishment	100.00	1,000.00
40	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	January 2013	Business combination not under common control	100.00	700.00
41	Xiamen ITG Motors Import & Export Corp., Ltd.* (廈門國貿汽車進出口有限公司)	April 2016	Establishment	100.00	1,000.00
42	Xiamen Int'l Trade Furun Automobile Service Co., Ltd.* (廈門國貿福潤汽車服務有限公司)	January 2013	Business combination not under common control	100.00	700.00
43	Xiamen Xinda Taoliangche Technology Co., Ltd.* (廈門信達淘靚車科技有限公司)	December 2017	Establishment	100.00	1,000.00
44	Xiamen Xinda Yiche Technology Co., Ltd.* (廈門信達宜車科技有限公司)	July 2023	Establishment	51.00	510.00
45	Xiamen Xinda New Energy Vehicle Service Co., Ltd.* (廈門信達新能源汽車服務有限公司)	January 2016	Establishment	100.00	500.00
46	Cheyoubao (Xiamen) Technology Co., Ltd.* (車由寶(廈門)科技有限公司)	August 2018	Associate	20.00	0.00
47	Fuzhou Xinda Business Services Co., Ltd.* (福州信達商務服務有限公司)	March 2022	Establishment	100.00	100.00

**2. Other intangible assets**

The other intangible assets included in the scope of this valuation primarily consist of software such as Kingdee Automotive Management Software, WPS, Cloud Office Software, Digital Cloud Platform, as well as automotive dealership rights.

The software was acquired through external purchases and is utilized by Xinda ITG Group for financial, procurement, and sales management, with a carrying value of RMB4,960,581.95.

As of the valuation benchmark date, Xinda ITG Group holds a total of 56 automotive dealership rights (covering 27 brands), all of which are off-balance-sheet assets. The details of the automotive dealership rights are as follows:

No.	Name of company	Auto brand	Start date of authorization	End date of authorization
1	Xiamen Xinda Qiming Automobile Co., Ltd., Nanhai 3rd Rd. No.1 Branch* (廈門信達啟明汽車有限公司南海三路第一分公司)	iCAR	22 February 2024	20 February 2026
2	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司) Nanhai 3rd Road Branch No.1	Dongfeng Nissan	1 July 2020	30 June 2028
3	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司) Chengnan Branch	Dongfeng Nissan	1 July 2020	30 June 2028
4	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	FAW-Audi	15 September 2023	15 September 2026
5	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金 Lexus汽車銷售服務有限公司)	Lexus	7 November 2019	30 April 2028
6	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	GAC Honda	1 April 2024	31 March 2027
7	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	FAW-Audi	15 September 2023	28 September 2026
8	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	iCAR	26 February 2025	25 February 2030
9	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	Cadillac	1 July 2022	30 June 2028

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No.	Name of company	Auto brand	Start date of authorization	End date of authorization
10	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
11	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	Cadillac	1 July 2021	30 June 2026
12	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	SAIC Volkswagen	1 January 2020	31 December 2027
13	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	Beijing Hyundai	3 June 2024	31 December 2025
14	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	iCAR	4 September 2024	3 September 2029
15	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	IM	1 November 2022	31 October 2025
16	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	FAW-Audi	15 September 2023	15 September 2026
17	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
18	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	Beijing Hyundai	12 June 2024	31 December 2025
19	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
20	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
21	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026

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No.	Name of company	Auto brand	Start date of authorization	End date of authorization
22	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	Hongqi	6 August 2021	6 August 2026
23	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	FAW Toyota	1 July 2022	30 June 2028
24	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	AITO	18 February 2023	31 December 2025
25	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
26	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2029
27	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
28	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
29	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	GAC Honda	1 April 2024	31 March 2027
30	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	GAC Toyota	3 May 2024	3 May 2026
31	Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen	1 January 2020	31 December 2029
32	Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW-Volkswagen	16 October 2020	16 October 2025
33	Fujian ITG Dongben Automobile Trading Co., Ltd.* (福建國貿東本汽車貿易有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
34	Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	GAC Honda	15 February 2022	31 March 2027

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No.	Name of company	Auto brand	Start date of authorization	End date of authorization
35	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	STELATO	10 January 2025	31 December 2025
36	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Luxeed	10 January 2025	31 December 2025
37	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Seres	1 January 2025	31 December 2025
38	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Tesla Collision Repair Center	2 January 2021	30 January 2026
39	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Maserati	27 September 2017	27 September 2025
40	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	ONVO Collision Repair Center (under NIO)	13 November 2024	31 March 2027
41	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Alfa Romeo	27 September 2017	8 November 2025
42	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Alfa Romeo	1 November 2017	31 October 2025
43	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Maserati	3 June 2020	3 June 2025
44	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025
45	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Xiaomi After-Sales Service	22 March 2024	21 March 2026
46	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	VOYAH Collision Repair Center	30 April 2022	29 April 2025
47	Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Maserati	17 February 2021	17 February 2026
48	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Maserati	3 February 2021	3 February 2026
49	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Tesla Collision Repair Center	14 July 2021	14 July 2025
50	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Maserati	11 June 2018	31 August 2025

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No.	Name of company	Auto brand	Start date of authorization	End date of authorization
51	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Alfa Romeo	24 October 2017	23 October 2025
52	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Maserati	30 June 2022	30 June 2025
53	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Tesla Collision Repair Center	29 November 2021	31 December 2025
54	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Maserati	4 June 2019	30 May 2027
55	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025
56	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	Buick	7 June 2024	6 June 2027

In particular, the brands primarily operated by the subsidiary Poly Automobile Co., Ltd. and its affiliated companies include Alfa Romeo, Maserati, and Tesla Collision Repair businesses. As of the valuation benchmark date, some of Poly Automobile's Alfa Romeo authorizations are nearing expiration, while the authorizations for Maserati and Tesla Collision Repair Center are expected to be continuously renewed. However, due to multiple factors including changes in the domestic automotive consumer market, Maserati sales in Mainland China have declined. In recent years, Xinda ITG Group has been undergoing transition and restructuring of its Maserati store operations, seeking to transition its core brand operations or introduce new energy brands. Considering that Poly Automobile Co., Ltd. is still in a transition period, making it difficult to reasonably forecast future expected revenue, Xinda ITG Group did not include the automotive dealership rights of Poly Automobile Co., Ltd. and its affiliated companies in the scope of valuation for this declaration. Consequently, no valuation was performed on these automotive dealership rights. As of the valuation benchmark date, Poly Automobile Co., Ltd. and its affiliated companies hold a total of 18 automotive dealership rights, detailed as follows:

No.	Name of investees	Corresponding auto brand	Start date of authorization	End date of authorization
1	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Tesla Collision Repair Center	2 January 2021	30 January 2026
2	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Maserati	27 September 2017	27 September 2025

**APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE**

No.	Name of investees	Corresponding auto brand	Start date of authorization	End date of authorization
3	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	ONVO (under NIO) maintenance and service	13 November 2024	31 March 2027
4	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Alfa Romeo	27 September 2017	8 November 2025
5	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Alfa Romeo	1 November 2017	31 October 2025
6	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Maserati	3 June 2020	3 June 2025
7	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025
8	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Xiaomi After-Sales Service	22 March 2024	21 March 2026
9	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	VOYAH Collision Repair Center	30 April 2022	29 April 2025
10	Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Maserati	17 February 2021	17 February 2026
11	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Maserati	3 February 2021	3 February 2026
12	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Tesla Collision Repair Center	14 July 2021	14 July 2025
13	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Maserati	11 June 2018	31 August 2025
14	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Alfa Romeo	24 October 2017	23 October 2025
15	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Maserati	30 June 2022	30 June 2025
16	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Tesla Collision Repair Center	29 November 2021	31 December 2025
17	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Maserati	4 June 2019	30 May 2027
18	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025

In summary, upon verification and confirmation by the valued entity, there are a total of 38 automotive dealership rights (covering 21 brands) within the scope of this valuation as of the benchmark date. All these rights are held by companies under Xinda ITG Group (excluding the dealership rights of the subsidiary Poly Automobile Co., Ltd. and its affiliated companies). These dealership rights were not recorded in the accounts as of the valuation benchmark date. The specific details are as follows:

No.	Name of investees	Corresponding auto brands	Start date	End date
1	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司)	iCAR	22 February 2024	20 February 2026
2	Xiamen Xinda Qiming Automobile Co., Ltd., Nanhai 3rd Rd. No.1 Branch* (廈門信達啟明汽車有限公司南海三路第一分公司)	Dongfeng Nissan	1 July 2020	30 June 2028
3	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司) Chengnan Branch	Dongfeng Nissan	1 July 2020	30 June 2028
4	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	FAW-Audi	15 September 2023	15 September 2026
5	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金雷克薩斯汽車銷售服務有限公司)	Lexus	7 November 2019	30 April 2028
6	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	GAC Honda	1 April 2024	31 March 2027
7	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	FAW-Audi	15 September 2023	28 September 2026
8	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	iCAR	26 February 2025	25 February 2030
9	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	Cadillac	1 July 2022	30 June 2028
10	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026

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No.	Name of investees	Corresponding auto brands	Start date	End date
11	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	Cadillac	1 July 2021	30 June 2026
12	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	SAIC Volkswagen	1 January 2020	31 December 2027
13	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	Beijing Hyundai	3 June 2024	31 December 2025
14	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	iCAR	4 September 2024	3 September 2029
15	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	IM	1 November 2022	31 October 2025
16	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	FAW-Audi	15 September 2023	15 September 2026
17	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
18	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	Beijing Hyundai	12 June 2024	31 December 2025
19	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
20	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
21	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
22	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	Hongqi	6 August 2021	6 August 2026
23	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	FAW Toyota	1 July 2022	30 June 2028

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No.	Name of investees	Corresponding auto brands	Start date	End date
24	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	AITO	18 February 2023	31 December 2025
25	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
26	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2029
27	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
28	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
29	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	GAC Honda	1 April 2024	31 March 2027
30	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	GAC Toyota	3 May 2024	3 May 2026
31	Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen	1 January 2020	31 December 2029
32	Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW-Volkswagen	16 October 2020	16 October 2025
33	Fujian ITG Dongben Automobile Trading Co., Ltd.* (福建國貿東本汽車貿易有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
34	Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	GAC Honda	15 February 2022	31 March 2027
35	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	STELATO	10 January 2025	31 December 2025
36	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Luxeed	10 January 2025	31 December 2025

No.	Name of investees	Corresponding auto brands	Start date	End date
37	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Seres	1 January 2025	31 December 2025
38	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	Buick	7 June 2024	6 June 2027

#### IV. TYPE OF VALUE AND ITS DEFINITION

The type of value of this asset valuation is market value.

Market value refers to the estimated amount of the value that can be realized by the valuation target under normal and fair transaction as at the valuation benchmark date when the voluntary buyer and the voluntary seller act rationally without any coercion under proper market conditions.

The following factors have been mainly considered in selecting market value as the type of value of the valuation conclusion in this valuation: (1) purpose of valuation: Xiamen Xindeco's proposed equity transfer is a normal market economic behavior, and relevant market value can be accepted by all parties to the economic behavior; (2) market condition: this valuation does not set any restrictions or requirements on the market condition; (3) valuation target: this valuation does not set any restrictions or requirements on the subject of valuation; (4) relevance between the type of value and valuation assumptions: the valuation assumptions of this valuation are set based on a simulated fully open market with adequate competition to exclude the impact of non-market and abnormal factors on the valuation conclusion.

#### V. VALUATION BENCHMARK DATE

The valuation benchmark date of this asset valuation is 31 March 2025.

Using the end of the accounting period as the valuation benchmark date can fully reflect the overall asset and liability conditions of the valuation target.

The definition of the asset valuation scope, determination of valuation price and selection of valuation parameters in this asset valuation are based on the internal financial statements of the enterprise, the external economic environment and market conditions on that day. All the pricing standards in the asset valuation report are the price standards effective on the valuation benchmark date.

## VI. VALUATION BASIS

The valuation basis followed in this asset valuation mainly includes the basis of economic behavior, the basis of laws and regulations, valuation criterion and asset ownership, pricing basis adopted during valuation and calculation and other references, with details as follows:

### (I) Basis of Economic Behavior

1. Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors.

### (II) Basis of Major Laws and Regulations

1. The Law of the People's Republic of China on State-owned Assets of Enterprises (5th session of the 11th Standing Committee of the National People's Congress and implemented as from 1 May 2009);
2. The Asset Appraisal Law of the People's Republic of China (Passed at the 21st session of the 12th Standing Committee of the National People's Congress and implemented as from 1 December 2016);
3. Company Law of the People's Republic of China (Amended at the 7th session of the 14th Standing Committee of the National People's Congress and implemented as from 1 July 2024);
4. The Securities Law of the People's Republic of China (amendment at the 15th session of the 13th Standing Committee of the National People's Congress and implemented as from 1 March 2020);
5. The Civil Code of the People's Republic of China (3rd session of the 13th Standing Committee of the National People's Congress and implemented as from 1 January 2021);
6. Urban Maintenance and Construction Tax Law of the People's Republic of China (21st session of the 13th Standing Committee of the National People's Congress and implemented as from 1 September 2021);
7. Enterprise Income Tax Law of the People's Republic of China (as amended at the 7th session of the 13th Standing Committee of the National People's Congress and implemented as from 29 December 2018);
8. Measures for the Administration of the Assessment of State-Owned Assets (as amended by Order No. 732 of the State Council and implemented as from 29 November 2020);
9. Interim Regulations of the People's Republic of China on Value Added Tax (as amended by Order No. 691 of the State Council and implemented as from 19 November 2017);

10. Implementation Rules for the Provisional Regulations of the PRC on Value-added Tax (as amended by Order No. 65 of the Ministry of Finance and State Taxation Administration and implemented as from 1 November 2011);
11. Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Ministry of Finance, STA and General Administration of Customs Announcement No. 39 in 2019 and implemented as from 1 April 2019);
12. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (State Council SASAC Decree No.12, implemented as from 1 September 2005);
13. Notice on Relevant Matters Concerning Strengthening the Administration of Valuation of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274, implemented as from 12 December 2006);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Decree No.32 of the State Council SASAC and Ministry of Finance, implemented as from 24 June 2016);
15. Provisions on Certain Issues Concerning the Administration of Assessment of State-Owned Assets (Order No.14 of the Ministry of Finance and implemented as from 1 January 2002);
16. Provisions on Compulsory Scrapping Standards for Motor Vehicles (Ministry of Commerce, NDRC, Ministry of Public Security, Ministry of Environmental Protection Order No.12 in 2012, implemented as from 1 May 2013);
17. Measures for the Supervision and Administration of State-owned Assets of Enterprises in Xiamen (Order No. 157 of Xiamen Municipal People's Government, implemented as from 1 February 2015);
18. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises of Xiamen (Xiamen State-owned Assets No. 546 in 2007);
19. Supervision and Administration Measures for State-owned Asset Trading and Transfer by Xiamen Municipal State-Owned Enterprises (Xiamen State-owned Asset Regulation (2022) No.366);
20. Notice of the Xiamen Municipal People's Government State-owned Assets Supervision and Administration Commission on Optimizing Matters Related to Asset Valuation Management for Municipal State-Owned Enterprises (Xiamen State-owned Asset [2024] No.280);

21. The Financial Supervision and Administration Measures on the Assets Evaluation Industry (Order No. 97 of the Ministry of Finance);
22. The Notice on Relevant Matters Concerning the Examination of Assessment Reports on State-owned Assets of Enterprises (State Council SASAC, issued on 11 September 2009);
23. Guidelines on the Filing of State-owned Assets Appraisal Projects for Enterprises (Guo Zi Fa Chan Quan [2013] No. 64, implemented on 10 May 2013).

**(III) Basis for standards**

1. Basic Standards for Assets Valuation (Cai Zi [2017] No. 43);
2. Code of Professional Ethics for Asset Valuation (China Appraisal Society [2017] No. 30);
3. Practice Guidelines for Asset Valuation-Asset Valuation Report (China Appraisal Society [2018] No. 35);
4. Practice Guidelines for Asset Valuation-Asset Valuation Procedures (China Appraisal Society [2018] No. 36);
5. Practice Guidelines for Asset Valuation-Asset Valuation Archives (China Appraisal Society [2018] No. 37);
6. Practice Guidelines for Asset Valuation-Enterprise Value (China Appraisal Society [2018] No. 38);
7. Practice Guidelines for Asset Valuation-Asset Valuation Approach (China Appraisal Society [2019] No. 35);
8. Practice Guidelines for Asset Valuation-Asset Valuation Commission Contract (China Appraisal Society [2017] No. 33);
9. Practice Guidelines for Asset Valuation-Using Expert Work and Related Reports (China Appraisal Society [2017] No. 35);
10. Practice Guidelines for Asset Valuation-Intangible Assets (China Appraisal Society [2017] No. 37);
11. Practice Guidelines for Asset Valuation-Real Estate (China Appraisal Society [2017] No. 38);
12. Practice Guidelines for Asset Valuation-Machinery and Equipment (China Appraisal Society [2017] No. 39);

13. Guidance on Valuation Report of State-owned Assets of Enterprises (China Appraisal Society [2017] No. 42);
14. Quality Control Guidance on the Business of Asset Valuation Agency (China Appraisal Society [2017] No. 46);
15. Guiding Opinions on Types of Value under Asset Valuation (China Appraisal Society [2017] No. 47);
16. Guiding Opinions on Legal Ownership of the Asset Valuation Target (China Appraisal Society [2017] No. 48);

as well as the relevant standards, guidelines, guiding opinions and interpretations and explanations thereof.

**(IV) Basis for property rights of assets**

1. Real Estate Title Certificate;
2. Vehicle Driving License;
3. Purchase Contract for equipment;
4. Dealership Authorization Agreements for Automobile Brands;
5. Lease Contract.

**(V) Pricing basis**

1. Financial statements and auditor's reports in recent years and as at the valuation benchmark date of Xinda ITG Group as well as information concerning financial accounting and operation provided by it;
2. Information concerning future profit forecast provided by Xinda ITG Group;
3. Statistic data, technical standard data and policy papers issued by the relevant government agencies;
4. Relevant inquiry information and parameters collected by Xiamen Academic Practice Valuer Co., Ltd.;
5. Handbook of Commonly Used Technical Indicators and Parameters for Asset (Price) Valuation (China Economic Management Press);
6. Rating Standard for the Condition of Houses (Cheng Zhu Zi [1984] No.678);
7. Wind Financial Terminal;

8. Yield of PRC Treasury bonds;
9. Loan Prime Rate (LPR published by the National Interbank Funding Center authorized by the People's Bank of China as at the Valuation benchmark date);
10. RMB central parity announced by the State Administration of Foreign Exchange on the Valuation benchmark date.

**(VI) Other reference materials**

1. Asset Valuation Practice (I) (prepared by China Appraisal Society and published in 2025 by China Financial & Economic Publishing House);
2. Asset Valuation Practice (II) (prepared by China Appraisal Society and published in 2025 by China Financial & Economic Publishing House);
3. Asset Appraisal Expert Guidance No. 8 — Verification in Asset Appraisal (China Appraisal Society [2019] No. 39);
4. Guideline for Asset Appraisal Experts No. 12 — Measurement of Discount Rate in the Income Approach to Appraise Enterprise Value (China Appraisal Society [2020] No. 38);
5. Guidelines for the Application of Regulatory Rules — Valuation Category No. 1 (CSRC Announcement [2021] No.14 and implemented as from 22 January 2021);
6. Onsite inspections and records of asset valuation professionals;
7. Other relevant information collected by Xiamen Academic Practice Valuer Co., Ltd..

**VII. VALUATION APPROACHES**

**(I) Selection of valuation approaches**

According to Article 17 of the Practice Guidelines for Asset Valuation-Enterprise Value, when performing any appraisal of enterprise value, the suitability of the three basic asset valuation methods, namely, the income approach, the market approach and the cost approach (asset-based approach) shall be analyzed based on the purpose of valuation, valuation target, the type of the value, and the availability of information.

The income approach in valuation of enterprise value refers to the valuation method whereby the value of the valuation target is determined by capitalising or discounting the expected income. The use of income approach for the valuation of an enterprise is subject to 3 pre-conditions: (1) the future earnings of the valued entity can

be reasonably expected and measured in monetary terms; (ii) the risks associated with the expected earnings can be measured; and (iii) the period of earnings can be determined or reasonably expected.

The valued entity is a group-based automotive distributor primarily distributing nearly 27 brands including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Infiniti, Alfa Romeo, and brands under HuaweiAITO, among others, with multiple sales outlets per brand. Based on the corporate nature, asset scale, historical operating performance and predictability of future earnings of the valued entity, the adequacy of obtained appraisal data, its future earnings can be reasonably expected and measured in monetary terms. The risks corresponding to the expected earnings can be reasonably measured, and the period of earnings can be reasonably expected, satisfying the application prerequisites for the income approach. Therefore, the income approach was applied on a consolidated basis for this valuation.

The market approach in valuation of enterprise value refers to the comparison between the valuation target and a comparable listed company or a comparable transaction in order to determine the value of the subject of valuation. Two specific methods commonly used in the market approach are listed company comparison method and transaction case comparison method. Listed company comparison method involves obtaining and analyzing the operational and financial data of comparable publicly traded companies, calculating valuation multiples, and determining the value of the valuation target based on comparative analysis. Transaction case comparison method involves obtaining and analyzing data from comparable business sales, acquisitions, and merger cases, calculating valuation multiples, and determining the value of the valued entity based on comparative analysis. Two prerequisites must be met for selecting and using the market approach, the first is that there is an open market for the comparable reference subjects of the valuation target and there are active transactions, and the second is that the necessary information about the transactions is available.

As of the valuation benchmark date, although a certain number of listed companies exist in the industry of the valued entity, significant differences are observed between these listed companies and the valued entity based on the analysis of factors such as business structure, operating model, enterprise scale, asset allocation and utilization, the enterprise's development stage, growth potential, operational risks, and financial risks. The valued entity exhibits poor comparability with peer listed companies, making the listed company comparison method unsuitable for this valuation. In the property rights market, limited by market information conditions, there have been few recent equity transactions in the property rights exchange market that share similar industry characteristics and operating models with the valued entity. The market for comparable equity transactions remains inactive, and the asset valuation professionals were unable to obtain sufficient data on comparable company transactions, acquisitions, or mergers. Alternatively, the obtained data on comparable cases lacked necessary information such as relevant transaction background or operational and financial data, failing to meet the prerequisite conditions for applying

the transaction case comparison method. Consequently, the transaction case comparison method could not be used for this valuation. In conclusion, the market approach is not suitable for this valuation project.

Asset-based approach in valuation of enterprise value refers to a valuation approach that reasonably determines the value of the valuation target by evaluating the value of various assets and liabilities on and off the balance sheet of an enterprise on the basis of the balance sheet of the valued entity on the valuation benchmark date. Two prerequisites must be met for applying the asset-based approach to evaluate the value of an enterprise, the first is that the valued entity can identify various assets and liabilities on and off the balance sheet; and the second is that the asset valuation professionals can evaluate various assets and liabilities of the valued entity.

The valued entity has identified various assets and liabilities on and off the balance sheet and asset valuation professionals are able to select appropriate and specific valuation approach to evaluate and estimate various assets and liabilities of the valued entity. The valued entity has no assets or liabilities which have a significant impact on the value of valuation target and are difficult to identify and value. Therefore, the asset-based approach is suitable for this project valuation.

To sum up, the asset-based approach and income approach are adopted for this valuation and the valuation result derived from the asset-based approach will serve as the final valuation conclusion.

## **(II) Introduction to asset-based approach**

Asset-based approach in valuation of enterprise value refers to a valuation approach that reasonably determines the value of the valuation target by evaluating the value of various assets and liabilities on and off the balance sheet of an enterprise on the basis of the balance sheet of the valued entity on the valuation benchmark date. The models are detailed as follows:

Total shareholders' equity value = Entire appraised value of assets – Entire appraised value of liabilities

The methods for valuating major assets and liabilities of the valued entity are as follows:

### *1. Monetary funds*

Monetary funds are cash at bank and for which the valuers have examined bank statements and other relevant documents. Confirmation requests were sent for bank accounts with significant balances, and the responses reconciled with the bank statements. The bank reconciliation statements contained no outstanding items. The verified carrying amount was taken as the assessed value.

2. *Prepayments*

The valuers performed confirmation procedures for the prepayments and examined relevant original documents, such as lease agreements and payment vouchers. No evidence was found indicating that the suppliers were in bankruptcy or dissolution, or unable to provide goods or services in accordance with the contracts. Therefore, the verified carrying amount was taken as the assessed value.

3. *Other receivables*

On the basis of verifying the accuracy of other receivables, and by leveraging historical data and current investigative findings, a detailed analysis was conducted of the amounts involved, the duration and reasons for the debts, collection status, as well as the capital, creditworthiness, and current operational management status of the debtors. The assessment of other receivables was performed using a combination of specific identification and aging analysis methods to determine the estimated risk loss.

4. *Long-term equity investments*

For long-term equity investments with controlling interests, the invested entity largely followed assessment procedures similar to those of the parent, meeting the requirements for a comprehensive assessment. The asset-based approach was applied to evaluate the entire shareholders' equity value of each subsidiary. The assessed value of the parent's long-term equity investments was determined by multiplying the total shareholders' equity value of the subsidiary derived from the asset-based approach by the parent's shareholding percentage.

The non-controlling long-term equity investment pertains to Cheyoubao (Xiamen) Technology Co., Ltd.\* (車由寶(廈門)科技有限公司). Following communication with Xinda ITG Group, the valuers were unable to perform a comprehensive asset assessment procedure and could only obtain the corresponding financial statements, with no access to other materials. Based on an analysis of its financial statements, the carrying value of its owners' equity was negative as of the valuation benchmark date, and the likelihood of significant asset appreciation or depreciation was low. Therefore, the assessed value of the entire shareholders' equity of Cheyoubao (Xiamen) Technology Co., Ltd.\* (車由寶(廈門)科技有限公司) was determined as zero.

5. *Fixed assets (electronic device)*

Based on the purpose of this valuation and in accordance with the going concern principle, with reference to market prices and considering the characteristics of the equipment and the data collected, the cost approach was primarily adopted for the valuation. For certain equipment, such as computers purchased earlier, the assessed value was determined based on their second-hand recovery value.

Appraised value = Replacement cost × Newness rate

(1) Determination of replacement cost of equipment

All equipment included in the scope of this valuation consists of electronic devices that require no installation (or where installation is handled by the supplier) and involve low transportation costs (or where transportation is covered by the supplier). The replacement cost was determined directly with reference to current market purchase prices.

Based on the regulations of the Circular of the Ministry of Finance and the State Administration of Taxation on Several Issues Concerning the Implementation of VAT Transformation Reform in China (Cai Shui [2008] No. 170), since 1 January 2009, the input tax incurred by ordinary VAT taxpayers in purchasing assets can be deducted from the output tax based on VAT invoices, customs import VAT special payment documents and transportation expense settlement document in accordance with the relevant requirements of the Interim Regulations of the People's Republic of China on Value Added Tax (Decree No. 691 of the State Council) and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value Added Tax (Decree No. 65 of the Ministry of Finance and the State Administration of Taxation). According to the above regulations, the replacement cost determined based on current market purchase price is tax-free.

Calculation formula for replacement cost:

Replacement cost = Purchase price of equipment – Input value-added tax incurred upon the equipment purchase

① Equipment purchase price

Price inquiry is made to the equipment manufacturers, agents and distributors for quotations. For equipment whose market price can be obtained on the benchmark date, the purchase price shall be determined at the market price.

For equipment which no quotation can be obtained from the market, its purchase price shall be determined by consulting the latest price information of mechanical and electrical products and online inquiry.

For those which the market price is difficult to obtain and comparable equipment is difficult to find, the purchase price shall be obtained by using the classified product price index after understanding the content of its book value.

② Determination of input VAT

Input VAT = Equipment purchase price/(1 + VAT rate) × VAT rate

(2) Determination of equipment residue ratio

In the process of valuation, the age-life method was applied to determine the residue ratio of the electronic equipment. The remaining service life of the equipment was estimated based on its economic service life, which was then used to calculate the residue ratio. The formula is as follows:

Residue ratio = Remaining service life/(Actual service life + Remaining service life) × 100%.

6. *Other intangible assets*

For software-based intangible assets, the valuers examined relevant source documents to understand the composition of the original recorded value, the amortization method and period, and reviewed original vouchers. They reconciled the detailed ledgers, general ledger, and balance sheet to verify legality, authenticity, and expense allocation and amortized amounts. The verification confirmed that the ledger and statement amounts are consistent. After confirming the accuracy and authenticity of the amortization, the verified book value was taken as the assessed value.

For the automotive dealership rights, the income approach was applied, specifically the revenue split method.

The technical rationale of the revenue split method is to determine the benefits generated by the automotive dealership rights based on sales revenue and the revenue sharing rate. This starts with the revenue the dealership rights can generate for the company under a certain scale of operation, calculates the potential future earnings, and then multiplies this by a specific revenue sharing rate to determine the benefits the automotive dealership rights can bring to the asset owner. This yields the market value of the assessed intangible asset under a given operational scale as of the valuation benchmark date. The basic calculation formula is:

Assessed Value = Sum of the present values of the expected returns over the future benefit period.

$$P = \sum_{t=1}^n \left( \frac{R_t \times K}{(1+R_i)^t} \right)$$

Wherein: P — Value of automotive dealership rights

$R_t$  — Revenue corresponding to automotive dealership rights

K — Revenue sharing rate (revenue contribution ratio)

t — Period of earnings

$R_i$  — Discount rate

*7. Right-of-use assets*

By reviewing relevant lease contracts, the company's accounting vouchers and source documents confirming right-of-use assets, and obtaining the right-of-use asset calculation sheet prepared by the company in accordance with the new lease standards, the carrying amount of the right-of-use assets was verified. With no significant changes observed between market rents and contractually agreed rents as of the benchmark date, the verified carrying amount was taken as the assessed value.

*8. Long-term deferred expenses*

The replacement cost method was adopted for this valuation. This involves calculating the total cost required to reacquire, construct, or form a refurbishment project in a completely identical or substantially similar new condition as the replacement cost. The value impairment of the improvements is then determined based on their service life and condition, leading to a comprehensive assessed value of the long-term deferred expenses. The calculation formula is as follows: Assessed value = replacement cost  $\times$  Residue ratio.

*9. Deferred income tax assets*

The valuers examined source documents and relevant accounting records to understand the differences between the company's accounting policies and tax deduction regulations, verified the consistency of the detailed ledger, general ledger, and financial statements, and confirmed the basis for income tax calculations. Upon verification of accuracy, the verified carrying amount was taken as the assessed value.

*10. Employee remuneration payable*

The valuers reconciled the general ledger, detailed ledgers, financial statements, and valuation worksheets; obtained relevant payroll calculations, accrual vouchers, and accounting records; reviewed related books and payroll reports; gained an understanding of the company's employee composition and compensation system; verified the calculation standards and basis, and confirmed their authenticity and accuracy. Upon verification of accuracy, the verified carrying amount was taken as the assessed value.

*11. Taxes payable*

The valuers verified the accounting records and vouchers, obtained documentation of tax declarations and payments, and confirmed through on-site inspection the authenticity of the transactions and the accuracy of the amounts recorded. The verified carrying amount was taken as the assessed value.

*12. Other payables*

The valuers reconciled the general ledger, detailed ledgers, financial statements, and valuation worksheets; reviewed relevant source documents and contracts; and verified the carrying amounts. Based on this verification, they conducted a detailed analysis of the other payables, including the amounts, timing, and reasons for their occurrence. No conclusive evidence was found indicating that the amounts were not payable. Upon verification of accuracy, the verified carrying amount was taken as the assessed value.

*13. Non-current liabilities due within a year*

The valuers examined the source documents and financial information related to the non-current liabilities due within one year, obtained relevant lease contracts, loan contracts, and accrued interest schedules, and verified the accuracy of interest calculations, paid rent amounts, outstanding rent obligations, and lease terms. Upon verification of accuracy, the verified carrying amount was taken as the assessed value.

*14. Long-term borrowings*

The valuers reconciled detailed ledgers, general ledger and balance sheets, obtained relevant borrowing contract and detailed borrowing records, and confirmed their authenticity and accuracy. Based on this verification, they conducted a detailed analysis of the long-term borrowings, including the amounts, timing, and reasons for their occurrence. No conclusive evidence was found indicating that the amounts were not payable. Consequently, the verified carrying amount was taken as the assessed value.

*15. Lease liabilities*

The valuers reviewed the lease contracts and obtained the present value calculation sheet of lease payments and the amortization schedule of unrecognized financing costs, which were prepared by the enterprise in accordance with the new lease standards. After these documents were verified and confirmed to be accurate, the assessed value was determined based on the audited carrying value.

16. *Deferred income*

The valuers reconciled the detailed ledgers, general ledger, and balance sheet, examined and obtained relevant amortization schedules, government grant documents, accounting records, and vouchers. They verified the accounting content, timing, nature of the transactions, and amounts. For deferred revenue grant amounts exposed to recovery or clawback risks, the assessed value was determined based on the verified carrying amount.

**(III) Introduction to income approach**

**1. Selection of statement caliber**

(1) As of the valuation benchmark date, Xinda ITG Group had made external investments in 64 companies, all of which operate businesses centered around automotive sales or related activities. This project adopts the consolidated financial statements basis, with adjustments made to the historical consolidated financial data. The specific adjustments are as follows: (1) Due to the inapplicability of the income approach for Poly Automobile Co., Ltd., the consolidated financial data of Poly Automobile Co., Ltd. and its subsidiaries were eliminated from the consolidated statements, and Poly Automobile Co., Ltd. was considered as a non-operating asset; (2) The associate Cheyoubao (Xiamen) Technology Co., Ltd.\* (車由寶(廈門)科技有限公司) in which the Group lacks control, was excluded from the consolidation scope.

For the income approach on a consolidated basis, Poly Automobile Co., Ltd. and its subsidiaries, as well as Cheyoubao (Xiamen) Technology Co., Ltd.\* (車由寶(廈門)科技有限公司), were excluded. The details of the companies not included in the consolidation scope are as follows:

No.	Full name	Short name	Look-through shareholding ratio
1	Poly Automobile Co., Ltd.	Poly Automobile	55.00%
2	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Beijing Poly	55.00%
3	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Kunming Poly	55.00%
4	Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Chengdu Poly	55.00%
5	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Shenzhen Poly	55.00%
6	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Guangzhou Poly	55.00%
7	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Shanghai Poly	55.00%
8	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Chongqing Poly	55.00%

No.	Full name	Short name	Look-through shareholding ratio
9	Hello Tech Energy (Shanghai) Co., Ltd.* (華保新能源(上海)有限公司)	Hello Tech Energy	55.00%
10	Kunming Poly Toyota Automobile Sales & Service Co., Ltd.	Kunming Poly Toyota	28.05%
11	Cheyoubao (Xiamen) Technology Co., Ltd.* (車由寶(廈門)科技有限公司)	Xiamen Cheyoubao	20%

Of the 64 companies under Xinda ITG Group's external investments, apart from the aforementioned 11 companies excluded from the current consolidation scope, the remaining companies have been included in the consolidated financial statements on a consolidated basis.

In the process of valuation, the income approach was first applied to calculate the equity value of the valued entity on a consolidated basis. The value of non-controlling interests was then deducted to arrive at the equity value attributable to the parent of the valued entity.

## 2. *Income Discount Model*

In the application of the income approach for enterprise valuation, the discounted cash flow (DCF) model is typically selected as the income discount model. The DCF model specifically includes the free cash flow to firm (FCFF) model and the free cash flow to equity (FCFE) model. Under general circumstances, these two types of free cash flow discount models are equivalent. This project adopts the FCFF model.

The FCFF discount model is used in this project, meaning that the free cash flow to the firm is taken as the income basis and discounted to derive the total enterprise value. The value of interest-bearing debt is then subtracted to obtain the total equity value. If the valued entity possesses non-operating assets, surplus assets, and non-operating liabilities as of the valuation benchmark date, the net amount of non-operating assets, surplus assets, and non-operating liabilities shall be added. The specific calculation formula is as follows:

$$\begin{aligned}
 OV &= \sum_{t=1}^n FCFF_t \times DF_t + \frac{FCFF_{n+1} \times DF_n}{(WACC_{n+1} - g)} + \sum C_i \\
 &= \sum_{t=1}^n FCFF_t \times DF_t + \frac{NOPAT_{n+1} \times (1 - \frac{g}{ROIC}) \times DF_n}{(WACC_{n+1} - g)} + \sum C_i \\
 EV &= OV - D
 \end{aligned}$$

Wherein:

OV — Overall value;

EV — Entire equity value of shareholders;

D — Interest-bearing debts;

n — Detailed prediction period;

FCFF<sub>t</sub> — Free cash flow in year t;

WACC<sub>n+1</sub> — Weighted average capital cost of period n+1;

$\sum C_i$  — Net of non-operating assets, surplus assets and non-operating liabilities;

NOPAT<sub>n+1</sub> — Net operating profit after tax of period N+1;

ROIC — Return on invested capital;

g — Growth rate of returns;

DF<sub>t</sub> — Discount factor for period t.

In particular, the discount factor for each year within the forecast period is calculated based on the following formula:

$$DF_1 = \frac{1}{(1 + WACC_1 \times F)}$$

$$DF_2 = \frac{1}{(1 + WACC_1 \times F) \times (1 + WACC_2)}$$

$$DF_3 = \frac{1}{(1 + WACC_1 \times F) \times (1 + WACC_2) \times (1 + WACC_3)}$$

$$DF_n = \frac{1}{(1 + WACC_1 \times F) \times (1 + WACC_2) \times (1 + WACC_3) \times \dots \times (1 + WACC_n)}$$

Wherein:

“F” — number of years for the first period of the forecast, calculated as the number of months in the first period of the forecast divided by 12.

### **3. *Method for determining discount rate and major parameters***

The income approach model selected for this valuation project is the Discounted Cash Flow (DCF) model based on FCFF. The discount rate must be consistent with the income metric applied. Therefore, the Weighted Average Cost

of Capital (WACC) is used as the discount rate. WACC refers to the average cost of a company's capital from all sources, weighted by the proportion of each source in the total capital structure. The formula for calculating WACC is:

$$WACC = \frac{E}{D+E} \times R_e + \frac{D}{D+E} \times R_d \times (1 - T)$$

Wherein:

$R_e$  — Return on equity capital;

$R_d$  — Return of debt capital;

$T$  — Corporate income tax rate.

*(1) Cost of equity capital*

The Capital Asset Pricing Model is used to estimate the cost of equity capital. The formula is as follows:

$$R_e = R_f + \beta \times (R_m - R_f) + R_s$$

Wherein:

$R_e$  — Cost of equity capital;

$R_f$  — Risk-free rate;

$\beta$  — Beta coefficient, which measures its sensitivity relative to the movements in the market return;

$R_m$  — Expected market return;

$(R_m - R_f)$  — Market risk premium;

$R_s$  — Company-specific risk adjustment factor.

*① Risk-free rate*

The risk-free rate is the return on investment from a risk-free asset, representing the compensation investors require for the time value of money, even in the absence of any risk. The risk-free rate is typically determined based on the market yield to maturity of medium to long-term government bonds that match the income forecast period of the business. For enterprises with an income forecast period exceeding 10 years, the yield to maturity of long-term government bonds with approximately 10 years remaining to maturity as of the valuation benchmark date is generally selected. For those with an income forecast

period of less than 10 years, the yield to maturity of long-term government bonds with a corresponding remaining term is used. As the income forecast period for this project is perpetual, the average yield to maturity of 10-year government bonds issued and outstanding as of the valuation benchmark date is adopted as the risk-free rate.

②  $\beta$  coefficient

The beta coefficient is a risk metric used to measure the volatility of a security or an investment portfolio relative to the overall market. In this project, the beta coefficient for the valued entity is determined indirectly by selecting comparable companies that are publicly traded and similar to the valued entity, and then adjusting their beta coefficients accordingly.

③ Market risk premium

The market risk premium, also referred to as the equity risk premium (ERP), represents the excess return that investors require for holding a fully diversified market portfolio over the risk-free rate. Therefore, it is necessary to first determine the expected market return and then calculate the corresponding risk-free rate.

Given that stock prices are volatile and uncertain, to reasonably mitigate the interference caused by unsystematic stock fluctuations, it is essential to estimate the average return on stock investments over a sufficiently long period. This helps to minimize potential discrepancies arising from unsystematic stock volatility. Considering the characteristics of China's stock market volatility, we obtained the constituent data of the CSI 300 Index as of the end of each year from 2010 to 2024 via Wind Info. From these, we selected constituents that have been listed for 10 years or more and calculated the geometric average of the stock market returns as the expected market return for the respective year.

④ Company-specific risk adjustment factor

The company-specific risk adjustment factor is an indicator used to measure the difference in risk between the valued entity and the comparable listed companies. In this valuation, the company-specific risk adjustment factor is further broken down into a size premium and an other company-specific risk premium.

$$\begin{aligned} \text{Company-specific risk adjustment factor} &= \text{Size excess return rate} \\ &+ \text{Other company-specific risk excess return rate} \end{aligned}$$

(2) *Cost of debt capital*

The forecast is based on the valued entity's debt capital and its projected increases and decreases. The average cost of debt capital during the valued entity's steady-state period essentially reflects its credit rating and objective financing cost. Therefore, the cost of debt rate is determined based on the average cost of debt capital rate during the steady-state period.

(3) *Capital structure*

In the process of calculating the capital structure, the values of equity capital and debt capital refer to their market values. Determining the capital structure is necessary for assessing the equity value of the enterprise, while determining the capital structure itself requires knowing the equity value of the enterprise. Thus, the capital structure and the equity value of the enterprise are interdependent, forming a circular reference problem. This circularity is resolved through the use of an iterative method.

## **VIII. IMPLEMENTATION PROCESS AND CONDITIONS OF THE VALUATION PROCEDURES**

The preliminary work of this valuation began in May 2025, and valuer entered the site on 13 May 2025, and the valuation was concluded on 25 September 2025. The entire valuation was carried out in five stages:

- (I) Preliminary work of valuation: Clarify basic business matters, accept project entrustment, determine the purpose, target and scope of valuation, valuation benchmark date, and draft the valuation plan;
- (II) Asset inspection phase: Instruct the valued entity to inspect the assets, prepare valuation materials, conduct on-site investigation, collect and sort out valuation materials, verify assets and materials;
- (III) Estimation for valuation and estimation phase: selection of appropriate valuation approaches, collection of market information and making estimation for valuation;
- (IV) Valuation summary and report submission phase: summarize and analyze valuation results, prepare the report and internal audit. Communicate with the entrusting party on the content of the report and form a final valuation conclusion after independent analysis, and submit the formal asset valuation report to the entrusting party;
- (V) Organize and compile valuation files.

## IX. VALUATION ASSUMPTIONS

In this valuation, the professional asset valuer followed the following valuation assumptions:

### (I) General Assumption

1. Transactional assumption. Transactional assumption refers to assuming that all assets to be appraised are in the trading process, and the valuation conducted by asset valuation professionals is based on a simulated market with the same trading conditions of the assets to be appraised. Transactional assumption is the most fundamental assumption for the appraisal of assets.
2. Open market assumption. Open market assumption indicates that assets can be traded freely in a market with perfect competition, and the price is determined based on the judgement of independent purchasers and sellers on the value of assets under certain market supply conditions. Open market assumption is a kind of hypothetical explanation or restriction on the conditions of the market to be entered and the impact of assets under relatively healthy market conditions. The so-called open market refers to a market with perfect competition and there are numerous purchasers and sellers. In such a market, both purchasers and sellers have ample opportunity and time to acquire market information, and their tradings are on a voluntary, rational, non-compulsory, and unrestricted basis. The open market assumption is based on the fact that assets can be traded publicly in the market.
3. Going concern assumption. Going concern assumption refers to the assumption that the operating activities of an operating entity can continue on an ongoing basis, and that the operating activities of the entity will not be suspended or terminated within a predictable time in the future. Assuming that an operating entity is composed of some assets and liabilities according to a specific purpose and needs to perform a certain function, it is actually assumed that the operating entity will continue to follow this specific purpose and continue the specific function for a predictable time in the future.

### (II) Specific Assumptions

1. It is assumed that there will be no significant changes in the social, political, legal, regulatory, or economic environments of the countries or regions that significantly impact the business of the valued entity and its subsidiaries and affiliated companies. It is assumed that there will be no significant changes in the fiscal policies, monetary policies, tax policies, interest rates, exchange rates, tax rates, or policy-based levies/fees in effect in the countries or regions that significantly impact the business of the valued entity and its subsidiaries and affiliated companies.

2. It is assumed that there will be no significant changes in the industrial policies, market access systems, and regulatory requirements relevant to the industries in which the valued entity and its subsidiaries and affiliated companies operate. It is assumed that the competitive landscape and environment of the industries in which the valued entity and its subsidiaries and affiliated companies operate will not undergo significant changes.
3. It is assumed that the ownership certificates, financial accounting information, and other materials provided by the principal and the valued entity are authentic, complete, and lawful. It is assumed that the preparation of the financial statements provided by the principal and the valued entity to our appraisal agency fully complies with the requirements of the Accounting Standards for Business Enterprises. It is assumed that the valued entity and its subsidiaries and affiliated companies have not engaged in financial fraud, profit manipulation, concealment of material facts, or fabrication of materially false content. Regarding the audit reports provided by the principal or the valued entity to our appraisal agency, it is assumed that the audits performed by the certified public accountants fully comply with relevant laws, regulations, and audit standards.
4. It is assumed that the strategic positioning and business scope of the valued entity and its subsidiaries and affiliated companies will remain consistent with their current direction. It is assumed that there will be no significant changes in the business models, sales strategies, or credit policies of the valued entity and its subsidiaries and affiliated companies.
5. It is assumed that the operations of the valued entity and its subsidiaries and affiliated companies are lawful and compliant. It is assumed that the quality of all assets within the scope of the valuation meets relevant national standards and is sufficient to maintain their normal use. It is assumed that the acquisition, usage, upgrades, and renovations of the assets involved in the valuation target comply with relevant laws and regulations. It is assumed that the business premises of the valued entity and its subsidiaries and affiliated companies can all be successfully renewed upon lease expiration. It is assumed that all licenses involving administrative permits held by the valued entity and its subsidiaries and affiliated companies can be renewed upon expiry of their permit terms. It is assumed that the 38 dealership authorization agreements (covering 21 brands) declared by Xinda ITG Group can all be smoothly renewed during the future forecast period.
6. It is assumed that the management of the valued entity and its subsidiaries and affiliated companies is diligent, responsible, and possesses sufficient management capability and good professional ethics. It is assumed that the internal control systems of the valued entity and its subsidiaries and affiliated companies are effective and sound, and that their risk management measures are adequate and appropriate. It is assumed that the valued entity and its

subsidiaries and affiliated companies will maintain the stability and continuity of their current senior management and key technical personnel, and that there will be no significant adverse changes in such personnel.

7. It is assumed that all contracts, agreements, and bid winning notifications that have not yet been executed or fully executed by the valued entity and its subsidiaries and affiliated companies are valid and can be fully executed as scheduled.
8. It is assumed that the accounting policies to be adopted by the valued entity and its subsidiaries and affiliated companies in the future will be substantially consistent in all material respects with those used in preparing this report.
9. It is assumed that no litigation, mortgages, guarantees, or other matters that would significantly impact the results of operation of the valued entity and its subsidiaries and affiliated companies will arise during the future earnings period.
10. It is assumed that the operations and business of the valued entity and its subsidiaries and affiliated companies will not be severely interrupted by any force majeure events or uncontrollable unforeseeable factors, including but not limited to war, military operations, natural disasters, major calamities (such as floods and typhoons), epidemics, or serious accidents.

The valuation conclusions in this valuation report are valid contingent upon the simultaneous satisfaction of the aforementioned assumptions. Should these assumptions change significantly, our appraisal agency (評估機構) and the relevant valuers assume no responsibility for different valuation conclusions that may be derived as a result of such changes.

## X. VALUATION CONCLUSION

The book value declared by Xinda ITG Group included in the scope of valuation are assets, liabilities and owners' equity amounting to RMB2,161,429,700, RMB1,087,080,800 and RMB1,074,349,000, respectively.

In accordance with relevant laws, administrative regulations and valuation criteria for asset valuation, we have performed the asset valuation procedures adhering to the principles of independence, impartiality and objectivity, adopted the asset-based approach and income approach for the valuation, and reached the following conclusions:

### **(I) Valuation Result Derived from Asset-based Approach**

Using the asset-based approach, as of the valuation benchmark date being 31 March 2025, the assessed value of the total assets of Xinda ITG Group included in the scope of valuation is RMB One Thousand Eight Hundred Eighty Million Five Hundred Seventy-four Thousand Four Hundred (in figures: RMB1,880,574,400),

representing a devaluation rate of 12.99%. The assessed value of the total liabilities is RMB One Thousand Eighty-seven Million Eighty Thousand Seven Hundred (in figures: RMB1,087,080,700), with a difference rate of 0.00%. The entire shareholders' equity value of Xinda ITG Group is RMB Seven Hundred Ninety-Three Million, Four Hundred Ninety-Three Thousand, and Seven Hundred only (in figures: RMB793,493,700), representing a decrease in assessed value of RMB280,855,300 and a depreciation ratio of 26.14%. Details are as follows:

Unit: RMB0'000

Items	Book value	Appraised amount	Increase	% increase in value
I. Current assets	89,378.70	89,378.71	0.01	0.00
II. Non-current assets	126,764.27	98,678.73	-28,085.54	-22.16
Including: Debt investments				
Other debt investments				
Long-term receivables				
Long-term equity investments	120,046.09	76,914.23	-43,131.86	-35.93
Other equity instrument investments				
Other non-current financial assets				
Investment properties				
Fixed assets	39.55	49.89	10.34	26.14
Construction in progress				
Productive biological assets				
Oil & gas assets				
Right-of-use assets	5,085.01	5,085.01	0.00	0.00
Intangible assets	496.06	15,525.89	15,029.83	3,029.84
Development expenditures				
Goodwill				
Long-term deferred expenses	3.58	9.72	6.14	171.51
Deferred income tax assets	1,093.98	1,093.98	0.00	0.00
Other non-current assets				
III. Total assets	<b>216,142.97</b>	<b>188,057.44</b>	<b>-28,085.53</b>	<b>-12.99</b>
IV. Total current liabilities	99,712.55	99,712.55	0.00	0.00
V. Total non-current liabilities	8,995.53	8,995.52	0.00	0.00
VI. Total liabilities	<b>108,708.07</b>	<b>108,708.07</b>	<b>0.00</b>	<b>0.00</b>
VII. Owners' equity	<b>107,434.90</b>	<b>79,349.37</b>	<b>-28,085.53</b>	<b>-26.14</b>

For details of the valuation conclusion derived from the asset-based approach, please refer to the asset valuation table.

## (II) Valuation Conclusion Derived from Income Approach

Using the income approach, as of the valuation benchmark date being 31 March 2025, the total assessed equity value of Xinda ITG Group is RMB Eight Hundred Eleven Million Four Hundred Sixty-Eight Thousand Eight Hundred (in figures: RMB811,468,800). The carrying value of Xinda ITG Group's parent as of the valuation benchmark date was RMB1,074,349,000, representing a decrease in assessed

value of RMB262,880,200 and a devaluation rate of 24.47%. The carrying value of equity attributable to owners of the parent was RMB811,166,900, with an assessed value increase of RMB301,900 and an appreciation rate of 0.04%.

### **(III) Analysis of the Difference in the Valuation Results of the Two Approaches**

The asset-based approach and income approach were adopted for this valuation. The total shareholders' equity value arrived by adopting the income approach is RMB811,468,800, and the total shareholders' equity value arrived by adopting the asset-based approach is RMB793,493,700, and there is a difference of RMB17,975,100 with a difference rate of 2.27%. The main reasons for the difference between the two valuation methods:

1. The asset-based approach follows the logic of reassessing the valuation target. Based on the valued entity's balance sheet as of the valuation benchmark date, it evaluates the value of identifiable on- and off-balance-sheet assets and liabilities, reflecting the replacement value of the valuation target. The key factors influencing the results of the asset-based approach include: (1) whether all on- and off-balance-sheet assets and liabilities of the valued entity have been fully identified; (2) whether appropriate specific valuation methods have been selected for the identified assets and liabilities based on their specific circumstances, and whether their contribution to corporate value has been properly considered during the application of these methods.
2. The income approach is grounded in the principle of expected returns, adopting the logic of capitalizing earnings. It estimates corporate value by discounting future returns, measuring value from the perspective of the entity's future earning capacity. The results of the income approach are primarily influenced by the following factors: (1) whether the forecast of the valued entity's future returns is reasonable and supported by sufficient evidence or basis; (2) whether macroeconomic risks, industry risks, and entity-specific risks faced by the valued entity have been reasonably quantified.

Therefore, the two valuation approaches adopted in this valuation, the asset-based approach and the income approach, differ in their underlying principles and logic, and the factors influencing their results also vary. This is the fundamental reason for the discrepancy in the outcomes of the two approaches. In summary, these differences lead to the variation in the results derived from the two valuation approaches.

#### (IV) Final Selection of Valuation Results

Based on the analysis of the differences between the results of the two valuation approaches mentioned above, the final valuation conclusion was selected after considering factors such as the purpose of the valuation, and the quality and quantity of data used in the different valuation approaches. The following factors were specifically considered:

1. The valued entity is a group-based automotive distributor, primarily distributing brands including BMW, Audi, Lexus, Tesla, Cadillac, Infiniti, and brands under HuaweiAITO, with multiple sales outlets corresponding to the same brand. Its operations are significantly influenced by factors such as automotive brands, manufacturer policies, market conditions, and changes in consumer preferences. Furthermore, the quality of the future earnings forecast is affected by macroeconomic factors, industry development status, earnings forecast methodologies, and forecasting assumptions. The future earnings forecast relies heavily on estimates or judgments made by the valued entity or the asset valuation professionals. These estimates or judgments lack sufficient supporting information or evidence. The aforementioned factors adversely affect the reliability of the income approach results. Therefore, the results derived from the income approach were not selected for the final valuation conclusion in this project.
2. The asset-based approach reflects the enterprise's value from the perspective of its cost of construction or acquisition. During the application of the asset-based approach, the valued entity identified all on- and off-balance-sheet assets and liabilities. The asset valuation professionals selected and applied appropriate specific valuation approaches for each asset and liability based on their specific circumstances. The specific valuation approaches chosen for the individual assets and liabilities considered their contribution to the enterprise value. Furthermore, the calculation formulas or models involved in valuing these assets and liabilities were correct, and the quality of data used in the valuation process was relatively reliable. The results of the asset-based approach better align with the value connotations of the valuation target corresponding to the economic activity in question. Consequently, the results of the asset-based approach were taken as the final valuation conclusion for this project.

For the reasons stated above, the final valuation conclusion selected for this valuation is the result obtained from the asset-based approach. That is, the final conclusion of this asset valuation report is as follows:

Upon valuation, as of the valuation benchmark date being 31 March 2025, under the premise of an open market and going concern, subject to the assumptions set forth in this asset valuation report, considering the statements on special matters and limitations on use contained herein, and based on the value type of market value, following the procedures and methods described in this asset valuation report, the total

shareholders' equity value in Xinda ITG Group, the valuation target, is RMB Seven Hundred Ninety-Three Million, Four Hundred Ninety-Three Thousand, and Seven Hundred only (in figures: RMB793,493,700).

Users of this asset valuation report should consider the impact of the special matters on the valuation conclusion when applying it.

#### **(V) Change in Valuation Conclusion Compared with Book Value and Reasons**

As of the valuation benchmark date being 31 March 2025, the total shareholders' equity value in Xinda ITG Group was determined to be RMB793,493,700. This represents a decrease in value of RMB280,855,300 and a devaluation rate of 26.14%. The principal items contributing to this significant variance were long-term equity investments and intangible assets. The specific reasons for these changes are analyzed below:

1. The book value of long-term equity investments was RMB1,200,460,900, and the assessed value was RMB769,142,300, representing a decrease in assessed value of RMB431,318,600. The reason for this devaluation is the operating losses incurred by certain subsidiaries.
2. The book value of intangible assets was RMB4,960,600, while the assessed value was RMB155,258,900, representing an increase in assessed value of RMB150,298,300. The main reason for this appreciation is that the dealership rights, recognized as off-balance-sheet assets, carried no book value.

### **XI. NOTES ON SPECIAL MATTERS**

User of this asset valuation report should pay attention to the impact of special matters on the valuation conclusion, and attention of users of this asset valuation report is specially drawn to these notes.

#### **(I) Circumstances Where the Ownership and Other Major Materials Are Incomplete or Defective**

1. As of the valuation benchmark date, all building structures and investment properties-buildings held by Fujian Huaxia Automobile City Development Co., Ltd.\* (福建華夏汽車城發展有限公司) within the scope of this valuation lack relevant property ownership certificates. We have not obtained corresponding proof of ownership. Fujian Huaxia Automobile City Development Co., Ltd.\* (福建華夏汽車城發展有限公司) has confirmed that these assets are under its ownership. The floor area, building structure, and date of completion were provided by the valued entity, who bears full responsibility for their legality, accuracy, and completeness. We did not re-measure or recalculate parameters such as these areas in our valuation. We assume no liability for any disputes that may arise from the ownership of these assets. The valuation was conducted under the premise that property

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rights are complete, clear, and uncontested, wholly belonging to the valued entity. No deductions were made for any taxes or fees required to obtain full property ownership certificates. The specific building structures and investment properties — buildings lacking relevant property ownership certificates are as follows:

<b>Property ownership certificates</b>	<b>Name of building structures</b>	<b>Structure</b>	<b>Date of completion</b>	<b>GFA (m<sup>2</sup>)</b>
Ownership certificate has not yet been obtained	AITO and EXEED Showroom	Steel structure	2001	1,645.28
Ownership certificate has not yet been obtained	Lexus Showroom	Steel structure	2001	1,208.48
Ownership certificate has not yet been obtained	Red House	Reinforced concrete	2001	866.84
Ownership certificate has not yet been obtained	Western-style Building	Reinforced concrete	2001	509.20
Ownership certificate has not yet been obtained	Former Auto Department 2 (including the sundry shop)	Mixed structure	2001	403.20
Ownership certificate has not yet been obtained	Harmony Showroom	Steel structure	2001	1,684.61
Ownership certificate has not yet been obtained	Lexus Service Center & Workshop	Steel structure	2001	1,252.16
Ownership certificate has not yet been obtained	Lexus Warehouse	Mixed structure	2001	500.00
Ownership certificate has not yet been obtained	Southeast Service Center	Steel structure	2001	1,224.00
Ownership certificate has not yet been obtained	Harmony Workshop 1	Steel structure	2001	1,894.80
Ownership certificate has not yet been obtained	Harmony Workshop 2	Steel structure	2001	638.00
Ownership certificate has not yet been obtained	Fushen Panel Beating & Paint Shop	Steel structure	2001	556.00
Ownership certificate has not yet been obtained	Fire Water Tank & Pump House	Mixed structure	2004	115.00
Ownership certificate has not yet been obtained	Staff Canteen	Mixed structure	2015	430.00
Ownership certificate has not yet been obtained	New Power Distribution Room	Mixed structure	2011	78.00
Ownership certificate has not yet been obtained	Security Booths (2 units)	Mixed structure	2009	102.76
Ownership certificate has not yet been obtained	Property Main Warehouse	Mixed structure	2001	403.20
Ownership certificate has not yet been obtained	Huaxia Headquarters Office Area	Mixed structure	2001	403.20
<b>Total</b>				<b><u>13,914.73</u></b>

2. As of the valuation benchmark date, all building structures held by Beijing Anyang Weiye Automobile Sales Service Co., Ltd.\* (北京安洋偉業汽車銷售服務有限公司) within the scope of this valuation lack relevant property ownership certificates. We have not obtained corresponding proof of ownership. Beijing Anyang Weiye Automobile Sales Service Co., Ltd.\* (北京安洋偉業汽車銷售服務有限公司) has confirmed that these assets are under its ownership. The floor area, building structure, and date of completion were provided by the valued entity, which bears full responsibility for their legality, accuracy, and completeness. We did not re-measure or recalculate parameters such as these areas in our valuation. We assume no liability for any disputes that may arise from the ownership of these assets. The valuation was conducted under the premise that property rights are complete, clear, and uncontested, wholly belonging to the valued entity. No deductions were made for any taxes or fees required to obtain full property ownership certificates. The specific building structures lacking relevant property ownership certificates are as follows:

Property ownership certificates	Name of building structures	Structure	Date of completion	GFA (m <sup>2</sup> )
Ownership certificate has not yet been obtained	Beijing Anyang Audi 4S Dealership	Steel structure	December 2013	9,753.00
Ownership certificate has not yet been obtained	Canteen	Reinforced concrete	December 2013	500.00
Ownership certificate has not yet been obtained	Insurance Hall	Reinforced concrete	December 2013	200.00
Ownership certificate has not yet been obtained	Dormitory Building	Reinforced concrete	December 2013	1,077.00
Ownership certificate has not yet been obtained	Guard House	Reinforced concrete	December 2013	9.00
Total				<u>11,539.00</u>

3. As of the valuation benchmark date, the building structures owned by Poly Automobile (Chongqing) Co., Ltd.\* (保利汽車(重慶)有限公司) ("Chongqing Poly") within the scope of this valuation have been registered with the Real Property Ownership Certificate (Yu (2021) Liang Jiang Xin Qu Bu Dong Chan Quan Di No. 001284199). The titled owner is Chongqing Huating Motor Vehicle Trading Market Co., Ltd.\* (重慶華廷機動車交易市場有限公司) ("Chongqing Huating"). According to the Land Lease Contract provided by the valued entity, Chongqing Baochuang Automobile Sales Service Co., Ltd.\* (重慶寶創汽車銷售服務有限公司) ("Chongqing Baochuang") leases the land from the land use right owner, Chongqing Huating, and has obtained consent from Chongqing Huating to sublease a portion of the land to Chongqing Poly. The subleased land is located at No. 15 Jinkai Avenue, Gaoxinyuan, Northern New District, Chongqing, with an area of approximately 5,200 square meters. The lease term is from 1 February 2018 to 31 August 2031. The contract stipulates that upon the expiration of

the lease term, if Chongqing Baochuang no longer holds the right of disposition, Chongqing Poly may independently enter into a lease contract with Chongqing Huating. These building structures were constructed with funds provided by Chongqing Poly on the land owned by Chongqing Huating. The construction approvals and the final Real Property Ownership Certificate and other ownership documentation were processed under the name of Chongqing Huating. Chongqing Poly holds the exclusive right to use the buildings and structures it financed and constructed during the contract term. Upon lease expiration, Chongqing Poly holds the priority right to renew the lease under equivalent conditions. At the end of the contract term, ownership of the above-ground buildings and structures reverts to the lessor (Chongqing Huating), with no compensation payable to Chongqing Poly, and Chongqing Poly is not permitted to demolish the structures. Chongqing Poly confirms that it funded the construction of these building structures and asserts ownership of the assets during the contract term. We assumes no liability for any disputes that may arise concerning the ownership of these assets. The specific details are as follows:

Name of owner set out in the certificate	Real estate certificate number	Name of building structure	Structure	Date of completion	GFA (sq.m.)
Chongqing Huating Motor Vehicle Trading Market Co., Ltd.* (重慶華廷機動車交易市場有限公司)	Yu (2021) Liang Jiang Xin Qu Bu Dong Chan Quan Di No. 001284199	House	Reinforced concrete	November 2019	5,655.26

The valuation did not take into account the impact of the aforementioned matters on the valuation conclusions.

4. As of the valuation benchmark date, a portion of the building structures within the scope of this valuation were constructed on leased land. This valuation did not consider the potential impact of lease renewal risk on the valuation conclusion. The general information regarding these self-constructed building structures on leased land is summarized below:

Unit: RMB'000

Company name	Name of building structures	Structure	Date of completion	GFA (sq.m.)	Assessed value
Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	Beijing Anyang Audi 4S Store	Steel structure	December 2023	9,753.00	2,941.24
Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	Canteen	Reinforced concrete	December 2023	500.00	69.77
Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	Insurance Hall	Reinforced concrete	December 2023	200.00	29.55
Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	Dormitory Building	Reinforced concrete	December 2023	1,077.00	167.99
Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	Guard House	Reinforced concrete	December 2023	9.00	1.33
Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	Nanshan Audi Structure	Steel structure	September 2021	6,000.00	2,340.56
Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	Xinda Tongrui Automobile 4S Dealership Building — Showroom	Steel structure	January 2014	2,192.41	403.62
Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	Xinda Tongrui Automobile 4S Dealership Building — Workshop	Reinforced concrete	January 2014	2,279.38	324.84
Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	Vehicle Wrapping Shop	Steel structure	June 2015	56.62	0.00
Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	Pre-owned Vehicle Display Area	Steel structure	September 2015	44.10	0.00
Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen Showroom	Steel structure	December 2011	865.00	116.13

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Company name	Name of building structures	Structure	Date of completion	GFA (sq.m.)	Assessed value
Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen Service Center	Steel structure	December 2016	3,497.00	390.93
Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW-Volkswagen Showroom & After-Sales Service	Steel structure	December 2011	1,777.16	238.59
Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	Station 1	Steel structure	December 2011	976.96	82.82
Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW-Volkswagen After-Sales Service Station 2	Steel structure	December 2012	1,252.16	109.23
Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)		Mixed structure	December 2012	444.60	48.82
Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Showroom Renovation Project	Steel structure	June 2012	866.73	121.43
Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)		Steel structure	June 2012	871.47	77.08
Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	GAC Honda Showroom	Steel structure	June 2012	865.00	114.87
Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	Plant	Steel structure	February 2003	3,497.00	300.53
Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	Customer Lounge	Fixed structure	November 2005	124.00	13.00
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	GAC Honda 4S Dealership	Steel structure	June 2011	7,350.00	1,099.31
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Canteen and Detailing Workshop	Fixed structure	November 2012	150.00	12.51
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Restrooms	Fixed structure	July 2012	35.00	3.17
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Septic Tank Retrofit Project	Brick-concrete structure	July 2012	35.00	0.00
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Parts Shelving	Steel structure	April 2017	720.00	0.99

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Company name	Name of building structures	Structure	Date of completion	GFA (sq.m.)	Assessed value
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Used Parts Warehouse	Brick-concrete structure	February 2005	72.00	6.09
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Car Wash Bay	Brick-concrete structure	December 2012	80.00	6.77
Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	Guardrail Project	Steel structure	January 2013	150.00	0.00
Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Chengdu Maserati 3S Dealership	Steel structure	April 2014	5,062.00	2,031.75
Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Construction Workshop	Reinforced concrete	December 2015	190.06	28.16
Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Building	Steel structure	December 2015	5,655.26	2,108.44

### **(II) Circumstances where the principals do not provide other key information**

Nil.

### **(III) Uncertain factors such as unresolved matters and legal disputes**

#### ***1. Pledges and guarantees***

Pursuant to the Maximum Amount Mortgage Contract No. 5471 Comprehensive Loan 20240007DY01 executed between Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.\* (三明信達通寶汽車銷售服務有限公司) and China Everbright Bank Co., Ltd. Sanming Branch, the collateral consists of the building and land use rights detailed in the Real Property Ownership Certificate Min (2018) San Ming Shi Bu Dong Chan Quan Di No. 0020702. The gross floor area is 4,102.22 square meters, and the maximum mortgage amount is RMB25 million.

#### ***2. Contingent liabilities (Contingent assets)***

Nil.

#### ***3. Matters involving legal dispute***

Nil.

**(IV) Important utilization of expert and relevant reports**

We relied on the Audit Report Zhong Huan Shen Zi (2025) No. 3000019 issued by Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所(特殊普通合夥)). The audit opinion expressed was an unqualified opinion. This report was used to verify the authenticity, legitimacy, and completeness of the book values of various assets and liabilities within the scope of valuation, as provided by the principals and the valued entity. Our evaluation does not mitigate, substitute for, or eliminate any potential accounting responsibilities that may rest with the principals and the valued entity.

**(V) Major subsequent events**

**1. *Matters that may have an impact on the valuation conclusion between the valuation benchmark date and the asset valuation report date***

Neither the principals nor the valued entity has provided, nor have we become aware or identified, any significant subsequent events that would affect the valuation conclusions.

**2.** During the validity period of the report after the valuation benchmark date, if the quantity of assets and the pricing standards change, the following principles shall be applied: (1) When the quantity of assets changes, the amount of assets should be adjusted according to the original valuation method; (2) When the asset price standard changes and has a significant impact on the asset valuation conclusion, the principal shall promptly engage a qualified asset valuation agency to re-determine the appraised value; (3) For changes in the quantity of assets and price standards after the valuation benchmark date, the principal shall give full consideration to the actual price of assets and make corresponding adjustments.

**(VI) Circumstances where the valuation procedure is restricted, the remedial measures taken by the valuation agency and the impact on the valuation conclusion**

**1.** Within the inventory included in the scope of this valuation, a portion consists of in-transit goods (vehicle) and finished goods (vehicle) stored in remote warehouses or during transportation. In our process of valuation, we were unable to conduct physical inventory counts or on-site inspections of these vehicles located off-site. Alternative procedures, such as video-assisted inventory counts and voucher sampling, were performed for verification. This valuation necessarily assumes that the quantities of these inventory items are accurate and their quality is satisfactory.

2. During the valuation process, the asset valuation professionals observed the external appearance of the structures and buildings under valuation and, where possible, inspected their interior condition and usage. No structural or material tests were conducted. During the inspection of the equipment, due to limitations in testing means and the operational status of some units, the assessment of equipment condition relied primarily on the visual observations by the asset valuation professionals, recent inspection data provided by the valued entity, and inquiries made to relevant operating personnel.

**(VII) Other events required to be disclosed**

1. As engaged by Xiamen Xindeco and ZhengTong Automobile Group, the scope of this valuation is strictly based on the valuation declarations provided by the principal and the valued entity. We have not investigated or considered whether the valued entity possesses any other assets, liabilities, or contingent items beyond those listed in the valuation declarations.
2. The future earnings projections of the valued entity obtained by the us form the basis of the income approach in this valuation report. The valuers conducted necessary inquiries, analyses, and evaluations regarding these future earnings projections. After multiple discussions with the management of the valued entity and the principal, and subsequent revisions and refinements by the valued entity, we have relied upon the relevant data from these future earnings projections. Our use of the valued entity's future earnings projections does not constitute a guarantee of the valued entity's future profitability.
3. As of the valuation benchmark date, Xinda ITG Group held a total of 56 automotive dealership authorizations (27 brands), all recognized as off-balance-sheet assets. Among these, the primary brands operated by the subsidiary Poly Automobile Co., Ltd. and its affiliated companies (10 companies in total) include Alfa Romeo, Maserati, and Tesla Collision Repair business. As of the valuation benchmark date, some of Poly Automobile's Alfa Romeo authorizations were nearing expiration. While the authorizations for Maserati and the Tesla Collision Repair Center are expected to be sustainably renewed, the Maserati brand has experienced declining sales in Mainland China, influenced by various factors including changes in the domestic automotive consumer market. In recent years, Xinda ITG Group has been transitioning and adjusting its Maserati dealership operations, seeking to transform its core brand portfolio or introduce new energy vehicle brands. Given that Poly Automobile Co., Ltd. is still in a transition period, making it difficult to reasonably forecast its future expected earnings, Xinda ITG Group did not include the automotive dealership authorizations of Poly Automobile Co., Ltd. and its affiliated companies within the scope of this valuation application. Consequently, these automotive dealership authorizations have not been valued. As of the

valuation benchmark date, Poly Automobile Co., Ltd. and its affiliated companies held a total of 18 automotive dealership authorizations, detailed as follows:

Serial no.	Company no.	Name of investees	Corresponding auto brands	Start date of authorization	End date of authorization
1	233	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Tesla Collision Repair Center	2 January 2021	30 January 2026
2	233	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Maserati	27 September 2017	27 September 2025
3	233	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	ONVO (under NIO) maintenance and service	13 November 2024	31 March 2027
4	233	Poly Automobile (Beijing) Co., Ltd.* (保利汽車(北京)有限公司)	Alfa Romeo	27 September 2017	8 November 2025
5	234	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Alfa Romeo	1 November 2017	31 October 2025
6	234	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Maserati	3 June 2020	3 June 2025
7	234	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025
8	234	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	Xiaomi After-Sales Service	22 March 2024	21 March 2026
9	234	Poly Automobile (Kunming) Co., Ltd.* (保利汽車(昆明)有限公司)	VOYAH Collision Repair Center	30 April 2022	29 April 2025
10	235	Poly Automobile (Chengdu) Co., Ltd.* (保利汽車(成都)有限公司)	Maserati	17 February 2021	17 February 2026
11	236	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Maserati	3 February 2021	3 February 2026
12	236	Poly Automobile (Shenzhen) Co., Ltd.* (保利汽車(深圳)有限公司)	Tesla Collision Repair Center	14 July 2021	14 July 2025
13	237	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Maserati	11 June 2018	31 August 2025
14	237	Poly Automobile (Guangzhou) Co., Ltd.* (保利汽車(廣州)有限公司)	Alfa Romeo	24 October 2017	23 October 2025
15	238	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Maserati	30 June 2022	30 June 2025
16	238	Poly Automobile (Shanghai) Co., Ltd.* (保利汽車(上海)有限公司)	Tesla Collision Repair Center	29 November 2021	31 December 2025
17	239	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Maserati	4 June 2019	30 May 2027
18	239	Poly Automobile (Chongqing) Co., Ltd.* (保利汽車(重慶)有限公司)	Tesla Collision Repair Center	1 May 2021	31 July 2025

In summary, as verified and confirmed by the valued entity, the automotive dealership authorizations within the scope of this valuation totaled 38 items (covering 21 brands) as of the benchmark date. All these authorizations are held by members of Xinda ITG Group (excluding the authorizations of the subsidiary

Poly Automobile Co., Ltd. and its affiliated companies). This portfolio of authorizations was not recorded on the balance sheet as of the valuation benchmark date. The details are as follows:

Serial no.	Company no.	Name of investees	Corresponding auto brands	Start date	End date
1	104	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司)	iCAR	22 February 2024	20 February 2026
2	104	Xiamen Xinda Qiming Automobile Co., Ltd., Nanhai 3rd Rd. No.1 Branch* (廈門信達啟明汽車有限公司南海三路第一分公司)	Dongfeng Nissan	1 July 2020	30 June 2028
3	104	Xiamen Xinda Qiming Automobile Co., Ltd.* (廈門信達啟明汽車有限公司城南分公司)	Dongfeng Nissan	1 July 2020	30 June 2028
4	201	Beijing Anyang Weiye Automobile Sales Service Co., Ltd.* (北京安洋偉業汽車銷售服務有限公司)	FAW-Audi	15 September 2023	15 September 2026
5	202	Fuzhou C&D Jiajin Lexus Automobile Sales Service Co., Ltd.* (福州信達嘉金Lexus汽車銷售服務有限公司)	Lexus	7 November 2019	30 April 2028
6	203	Xiamen Xi'an Zhongbang Automotive Sales Service Co., Ltd.* (廈門西岸中邦汽車銷售服務有限公司)	GAC Honda	1 April 2024	31 March 2027
7	204	Xiamen Xinda Nanshan Automobile Trading Co., Ltd.* (廈門信達南山汽車貿易有限公司)	FAW-Audi	15 September 2023	28 September 2026
8	205	Xiamen Qirun Automobile Sales Service Co., Ltd.* (廈門啟潤汽車銷售服務有限公司)	iCAR	26 February 2025	25 February 2030
9	206	Fuzhou Kaidi Automobile Service Co., Ltd.* (福州凱迪汽車服務有限公司)	Cadillac	1 July 2022	30 June 2028
10	207	Fuzhou Xinda Tongbao Automobile Sales Service Co., Ltd.* (福清信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
11	208	Fujian Xinda Kaidi Automobile Service Co., Ltd.* (福建信達凱迪汽車服務有限公司)	Cadillac	1 July 2021	30 June 2026
12	209	Xiamen ITG Fushen Automobile Trading Co., Ltd.* (廈門國貿福申汽車貿易有限公司)	SAIC Volkswagen	1 January 2020	31 December 2027
13	210	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	Beijing Hyundai	3 June 2024	31 December 2025
14	210	Quanzhou ITG Qirun Automobile Sales Service Co., Ltd.* (泉州國貿啟潤汽車銷售服務有限公司)	iCAR	4 September 2024	3 September 2029

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Serial no.	Company no.	Name of investees	Corresponding auto brands	Start date	End date
15	211	Xiamen Xinda Kangshun Automobile Technology Co., Ltd.* (廈門信達康順汽車科技有限公司)	IM	1 November 2022	31 October 2025
16	212	Xiamen Dabang Tongshang Automobile Trading Co., Ltd.* (廈門大邦通商汽車貿易有限公司)	FAW-Audi	15 September 2023	15 September 2026
17	213	Xiamen Guomao Dongben Automobile Sales Service Co., Ltd.* (廈門國貿東本汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
18	214	Xiamen ITG Baorun Automobile Service Co., Ltd.* (廈門國貿寶潤汽車服務有限公司)	Beijing Hyundai	12 June 2024	31 December 2025
19	216	Sanming Xinda Tongbao Automobile Sales Service Co., Ltd.* (三明信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
20	217	Xiamen Xinda Tongfu Automobile Sales Service Co., Ltd.* (廈門信達通福汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
21	218	Nanping Xinda Tongbao Automobile Sales Service Co., Ltd.* (南平信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
22	219	Quanzhou Qida Automobile Sales Service Co., Ltd.* (泉州旗達汽車銷售服務有限公司)	Hongqi	6 August 2021	6 August 2026
23	220	Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	FAW Toyota	1 July 2022	30 June 2028
24	221	Xiamen Xinda Tongrui Automobile Sales Service Co., Ltd.* (廈門信達通瑞汽車銷售服務有限公司)	AITO	18 February 2023	31 December 2025
25	222	Jinan Xinda Tongfu Automobile Sales Service Co., Ltd.* (濟南信達通福汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
26	223	Fuzhou Xindanuo Automobile Sales Service Co., Ltd.* (福州信達諾汽車銷售服務有限公司)	Dongfeng Honda	28 February 2021	31 December 2029
27	224	Xiamen Xindeco Automobile Sales Service Co., Ltd.* (廈門信達汽車銷售服務有限公司)	Ford	1 January 2024	31 December 2026
28	225	Xiamen Xinda Tongbao Automobile Sales & Service Co., Ltd.* (廈門信達通寶汽車銷售服務有限公司)	BMW	1 January 2024	31 December 2026
29	226	Fujian Xintian Automobile Co., Ltd.* (福建信田汽車有限公司)	GAC Honda	1 April 2024	31 March 2027
30	227	Xiamen Xindanuo Automobile Sales Service Co., Ltd.* (廈門信達諾汽車銷售服務有限公司)	GAC Toyota	3 May 2024	3 May 2026

## APPENDIX VI SUMMARY OF VALUATION REPORT OF XINDECO ITG AUTOMOBILE

Serial no.	Company no.	Name of investees	Corresponding auto brands	Start date	End date
31	228	Fujian Fushen Automobile Sales Service Co., Ltd.* (福建福申汽車銷售服務有限公司)	SAIC Volkswagen	1 January 2020	31 December 2029
32	229	Fujian Fujing Automobile Trading Co., Ltd.* (福建省福京汽車貿易有限公司)	FAW-Volkswagen	16 October 2020	16 October 2025
33	230	Fujian ITG Dongben Automobile Trading Co., Ltd.* (福建國貿東本汽車貿易有限公司)	Dongfeng Honda	28 February 2021	31 December 2026
34	231	Jinan Shanhe Tongda Automobile Co., Ltd.* (濟南山和通達汽車有限公司)	GAC Honda	15 February 2022	31 March 2027
35	232	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	STELATO	10 January 2025	31 December 2025
36	232	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Luxeed	10 January 2025	31 December 2025
37	232	Fujian ITG Qirun Automobile Sales Service Co., Ltd.* (福建國貿啟潤汽車銷售服務有限公司)	Seres	1 January 2025	31 December 2025
38	311	Xiamen Tongbaoda Trading Co., Ltd.* (廈門通寶達貿易有限公司)	Buick	7 June 2024	6 June 2027

4. The valuation conclusion presented in this asset valuation report represents an objective and fair reflection of the total shareholders' equity value as of the benchmark date being 31 March 2025. We assume no responsibility for any significant changes in the total shareholders' equity value that may occur after this benchmark date.

This asset valuation report includes several appendices. These appendices constitute an integral part of this asset valuation report, possess equal legal effect as the main body of the asset valuation report itself, and are only valid when used in conjunction with the main body.

**Users of this asset valuation report should pay special attention to the impact of special matters on the valuation conclusion.**

## XII. LIMITATIONS ON USE OF THE ASSET VALUATION REPORT

### (I) Scope of use of the asset valuation report

#### 1. *Users of the asset valuation report*

The asset valuation report can only be used by the user of asset valuation report stipulated in the asset valuation commission contract, laws and administrative regulations.

**2. *Purpose of the asset valuation report***

The principal and other users of the asset valuation report shall use the asset valuation report in accordance with laws, administrative regulations, and the intentions and purposes specified in the asset valuation report.

**3. *Validity period of the valuation conclusion***

According to the current relevant regulations, the validity period of this asset valuation report is usually one year, commencing from the valuation benchmark date being 31 March 2025 and ending on 30 March 2026. Generally, the asset valuation report can only be used when the valuation benchmark date and the realization date of the economic activities are within one year. When the period is over one year, or even not more than one year, but the price standard of the valuation target fluctuates greatly, the conclusion of the asset valuation report cannot be adopted.

**4. *Extraction, quotation or disclosure of the asset valuation report***

- (1) Without the written permission of the principal, the asset valuation agency and its asset valuation professionals shall not provide or disclose the content of the asset valuation report to any third party, unless otherwise provided by laws and administrative regulations.
- (2) Without the consent of the asset valuation agency, the content of the asset valuation report shall not be excerpted, quoted or disclosed in the public media, unless otherwise stipulated by laws and administrative regulations and otherwise agreed by the relevant parties.

(II) If the principal and other users of the asset valuation report fail to use the asset valuation report in accordance with laws, administrative regulations and the scope of use specified in the asset valuation report, the asset valuation agency and its asset valuation professionals shall not be liable.

(III) Except for the principal, other users of the asset valuation report agreed in the asset valuation commission contract and the users of the asset valuation report stipulated by laws and administrative regulations, any other institution or individual cannot become a user of the asset valuation report.

(IV) The users of the asset valuation report should correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation target, and should not be regarded as a guarantee for the realizable price of the valuation target.

(V) This asset valuation report is prepared on the precondition that the contemplated economic activity complies with relevant national laws and regulations and has obtained approval from the relevant authorities. Furthermore, this asset valuation

report shall become effective only after the principal has submitted it to the relevant authorities for approval or filing in accordance with the relevant state asset regulations.

(VI) The conclusion of this valuation reflects the fair valuation opinions on the valuation target based on the principle of open market under the valuation assumptions listed in this asset valuation report, without considering the mortgage and guarantee that may be undertaken in future, as well as the impact of the price that special parties may lower or add to the appraised price. When the aforementioned conditions and valuation assumptions change, the valuation conclusion will generally become invalid. The asset valuation agency does not assume the relevant legal responsibilities for the invalidation of the valuation conclusion due to changes in these conditions.

(VII) The asset valuation agency has the final right to interpret this asset valuation report.

### **XIII. DATE OF THE ASSET VALUATION REPORT**

The date of an asset valuation report is the date on which the valuation conclusion is formed. The date of this asset valuation report is 25 September 2025.

This is the end of the report.

(This page is intentionally left blank as the signature and seal page for the asset valuation report with designator Jia Xue Ping Gu Ping Bao Zi [2025] No. 0000048)

This asset valuation report bears the official designator Jia Xue Ping Gu Ping Bao Zi [2025] No. 8100048. Upon valuation, as of the valuation benchmark date being 31 March 2025, subject to the assumptions outlined in this asset valuation report, notes on special matters and restrictions on the use of this asset valuation report, and based on the value type of market value and the procedures and methods described, the total shareholders' equity value in Xinda ITG Group, the valuation target, is RMB Seven Hundred Ninety-Three Million, Four Hundred Ninety-Three Thousand, and Seven Hundred only (in figures: RMB793,493,700).

**Xiamen Academic Practice Valuer Co., Ltd.**

**Asset Valuer: Full practicing member,  
asset valuer, Zeng Kaihong**

**Full practicing member,  
asset valuer, Xu Liangling**

*The following is the text of the valuation report dated 26 September 2025 prepared for the purpose of incorporation in this circular received from the Valuer in connection with the valuation of the entire issued share capital of ITG Auto (Thailand).*

### **DISCLAIMER**

- I. This asset valuation report is prepared in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance, and the Asset Appraisal Practice Standards and Professional Ethics Standards issued by the China Appraisal Society.
- II. The principal or any other user of this asset valuation report shall use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the asset valuation report. If the principal or other user of this asset valuation report uses this asset valuation report in violation of the foregoing provisions, the asset valuer and its signing asset valuation professionals shall not bear the liability thereof.
- III. This asset valuation report shall only be used by the principal and other users of this asset valuation report as agreed in the asset appraisal contract and users of the asset valuation report stipulated by laws and administrative regulations. In addition, any other institutions and individuals cannot become the users of this asset valuation report.
- IV. Users of this asset valuation report should understand the valuation conclusion correctly. The valuation conclusion is not equal to the realizable price of the valuation target, and the valuation conclusion should not be considered as the guarantee of the realizable price of the valuation target.
- V. Users of this asset valuation report shall pay attention to the assumptions and premises for the concluding of the valuation conclusion as well as the special notes and restrictions over use contained herein.
- VI. We, as the asset valuation agency, and our asset valuation professionals shall abide by the laws, administrative regulations and the asset valuation standards, adhere to the principles of independence, objectivity and fairness, and bear the liability for this asset valuation report they have provided in accordance with the laws.
- VII. The lists of assets and liabilities involved in the valuation target shall be declared by the principal or the valued entity and confirmed by signature, affixation of seal or adoption of other forms permitted by laws. The principal and parties concerned shall be responsible for the authenticity, integrity and legality of the documents they have provided in accordance with the laws.
- VIII. The asset valuation agency and asset valuation professionals are not interested, either presently or expectedly, in the valuation target contained in this asset valuation report, not interested, either presently or expectedly, in relevant concerned parties, and not biased against relevant concerned parties.

IX. The asset valuer has not carried out on-site inspection on the valuation target and its assets involved as set out in the asset valuation report. The asset valuer has paid necessary attention to the legal titles of the valuation target and its assets involved, and verified the information related to the legal titles of the valuation target and its assets involved.

X. The analysis, judgment and conclusion as set out in the asset valuation report issued by us, as the asset valuation agency, are subject to the assumptions and effects or limitations as set out in the asset valuation report. Users of the asset valuation report shall give due consideration to the assumptions, limitations, notes on special issues and their impact on the valuation conclusion set out herein.

# ASSET VALUATION REPORT

## THE ENTIRE SHAREHOLDERS' EQUITY VALUE OF ITG AUTO (THAILAND) CO., LTD. INVOLVED IN THE EQUITY TRANSFER PROPOSED BY XIAMEN XINDECO LTD.\* AND CHINA ZHENGTONG AUTO SERVICES HOLDINGS LIMITED

### SUMMARY

JIA XUE PING GU PING BAO ZI [2025] NO. 8100052

#### IMPORTANT NOTICE

The following content is excerpted from the main body of the asset valuation report. To understand the details of the valuation business and correctly interpret the valuation conclusion, please read the full text of the asset valuation report.

Xiamen Academic Practice Valuer Co., Ltd. has been engaged by Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) (hereinafter referred to as “Principal I”) and China ZhengTong Auto Services Holdings Limited (hereinafter referred to as “Principal II”) to appraise the market value of the entire shareholders’ equity interest of ITG Auto (Thailand) Co., Ltd. on the valuation benchmark date. The asset valuation report is summarized as follows:

**Valuation purpose:** Pursuant to the Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors, Hong Kong Sindanol Limited and Xindeco Resources (Singapore) Pte. Ltd., subsidiaries of Xiamen Xindeco Ltd.\* (廈門信達股份有限公司), propose to transfer their equity interest in ITG Auto (Thailand) Co., Ltd., hence an asset valuation agency is required to evaluate the entire shareholders’ equity value of ITG Auto (Thailand) Co., Ltd.

**Valuation target:** the entire shareholders’ equity value of ITG Auto (Thailand) Co., Ltd.

**Valuation scope:** all assets and liabilities of ITG Auto (Thailand) Co., Ltd. as at the valuation benchmark date.

**Valuation benchmark date:** 30 June 2025.

**Type of value:** market value.

**Valuation approach:** asset-based approach.

Valuation conclusion: Under the premise of a public market and going concern basis, subject to the assumptions outlined in this asset valuation report and notes on special matters and usage restrictions herein, it was determined that the total shareholders' equity value of ITG Auto (Thailand) Co., Ltd., the valuation target, is RMB Twenty-Two Million One Hundred Thirty-Four Thousand and Nine Hundred (in figure: RMB22,134,900).

When applying the valuation conclusion, users of this asset valuation report must fully consider and assess the impact of the assumptions, limiting conditions, and notes on special matters as set forth in this asset valuation report on the valuation conclusion.

This asset valuation report is intended solely for use by the users specified herein and is to be used only for the valuation purpose and use explicitly stated in the asset valuation report. Except where disclosure is required by law, the content of this asset valuation report shall not be extracted, quoted, or disclosed in public media without the prior consent of the asset valuation agency.

The validity period of this asset valuation report is typically one year, calculated from the valuation benchmark date being 30 June 2025, until 29 June 2026. The conclusions of the asset valuation report become invalid if this one-year period is exceeded, or even within the year if significant fluctuations occur in the price standards of the valuation target.

This asset valuation report is dated 26 September 2025.

# ASSET VALUATION REPORT

## THE ENTIRE SHAREHOLDERS' EQUITY VALUE OF ITG AUTO (THAILAND) CO., LTD. INVOLVED IN THE EQUITY TRANSFER PROPOSED BY XIAMEN XINDECO LTD.\* AND CHINA ZHENGTONG AUTO SERVICES HOLDINGS LIMITED

### MAIN BODY

JIA XUE PING GU PING BAO ZI [2025] NO.8100052

Xiamen Xindeco Ltd.\* (廈門信達股份有限公司)

**China ZhengTong Auto Services Holdings Limited:**

In accordance with the engagement by the Company, we, Xiamen Academic Practice Valuer Co., Ltd., have appraised the market value of the entire shareholders' equity of ITG Auto (Thailand) Co., Ltd. involved in the proposed equity transfer by the Company as at 30 June 2025, by way of adopting the asset-based approach and carrying out necessary valuation procedures in accordance with the relevant laws, administrative regulations and asset valuation standards while sticking to the principles of independence, objectiveness and fairness. We report the details of the asset valuation as follows:

#### I. THE PRINCIPAL, THE VALUED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION COMMISSION CONTRACT

##### (I) Overview of Principal I

Company name: Xiamen Xindeco Ltd.\* (廈門信達股份有限公司)

Unified social credit code: 913502001549967873

Residence: Unit 1101, Building A, ITG Center, No.4688 Xianyue Road, Huli District, Xiamen

Legal representative: Wang Mingcheng

Registered capital: RMB675,807,106

Type of enterprise: Other joint stock limited company (listed)

Business scope: General projects: engages in investment activities with self-owned capital; information technology consulting services; wholesale of edible agricultural products; sales of agricultural and sideline products; software sales; software development; information system integration services; data processing and storage

support services; integrated circuit design; sales of electronic components and electromechanical component equipment; sales of special production equipment for lighting fixtures; sales of machinery and equipment; sales of special electronic equipment; sales of optoelectronic devices; wholesale of electronic components; sales of mechanical parts and components; sales of electronic products; digital content production services (excluding publication and distribution); general cargo warehousing services (excluding hazardous chemicals and other projects requiring permit approval); grain and oil storage services; sales agency; domestic trade agency; commission sales; trade brokerage; trade brokerage and agency (excluding auction); sales of petroleum products (excluding hazardous chemicals); sales of metal tools; sales of new metal functional materials; sales of high-performance non-ferrous metals and alloy materials; sales of metal materials; sales of high-quality special steel materials; sales of civil aviation materials; sales of metal ores; sales of building materials; sales of construction steel products; sales of coal and coal products; sales of non-metallic minerals and products; sales of new ceramic materials; sales of rare earth functional materials; sales of gold and silver products; retail of sporting goods and equipment; wholesale of sporting goods and equipment; retail of clothing and accessories; retail of footwear and hats; sales of knitwear and textiles; wholesale of clothing and accessories; sales of knitwear, textiles and raw materials; wholesale of footwear and hats; wholesale of hardware products; sales of daily masks (non-medical); sales of furniture parts and components; sales of forgings and powder metallurgy products; takeaway delivery services; loading and unloading services. (Unless otherwise subject to approval by law, all business activities shall be operated independently based on the business license in accordance with the law). Permitted projects: food business; food business (sales of pre-packaged food); storage services for customs supervisory goods (excluding hazardous chemicals); import and export agency; import and export of gold and its products; technology import and export; goods import and export. (For projects subject to approval according to laws, business activities may only be commenced after approval by relevant authorities, and specific business projects are subject to the approval documents or permits issued by relevant authorities).

## **(II) Overview of Principal II**

Company name: China ZhengTong Auto Services Holdings Limited

Registration certificate no.: 53330341-000-11-24-A

Residence: FLAT/RM C 32/F LIPPO CENTRE TOWER 1 89 QUEENSWAY  
HK

Business nature: INVESTMENT HOLDING

Legal status: BODY CORPORATE

Effective date: 23 November 2024

Expiration date: 22 November 2025

**(III) Overview of the Valued Entity****1. Corporate profile**

Company name: ITG AUTO (THAILAND) CO., LTD\* (國貿汽車(泰國)有限公司)

Registration no.: 0105568093201

Residence: 2394 Sukhumvit Road, Phra Khanong Nuea, Phra Khanong District, Bangkok

Authorized signatory: Shi Liheng

Registered capital: THB100,000,000.00

**2. Corporate history****(1) Establishment of the Company**

ITG Auto (Thailand) Co., Ltd. is a company jointly established by Hong Kong Sindanol Limited, Xindeco Resources (Singapore) Pte. Ltd., Panida Disbunjong and Khatawoot Moonjan in May 2025 with an initial registered capital of THB100,000,000.00. The specific details are as follows:

No.	Name of shareholders	Committed capital contribution (THB)	Committed proportion	Paid-in capital contribution (THB)	Paid-in proportion
1	Hong Kong Sindanol Limited	90,000,000.00	90.000000%	90,000,000.00	90.000000%
2	Xindeco Resources (Singapore) Pte. Ltd.	9,999,990.00	9.999990%	9,999,990.00	9.999990%
3	Panida Disbunjong	5.00	0.000005%	5.00	0.000005%
4	Khatawoot Moonjan	5.00	0.000005%	5.00	0.000005%
Total		<u><u>100,000,000.00</u></u>	<u><u>100.00%</u></u>	<u><u>100,000,000.00</u></u>	<u><u>100.00%</u></u>

**(2) Historical capital contributions and changes**

In June 2025, Panida Disbunjong and Khatawoot Moonjan transferred all equity interests they held to Xindeco Resources (Singapore) Pte. Ltd. pursuant to the equity transfer agreement.

As of the valuation benchmark date, the committed capital contribution, paid-in capital contribution and capital contribution proportion of each shareholder of ITG Auto (Thailand) Co., Ltd. are as follows:

No.	Name of shareholders	Committed capital contribution (THB)	Committed proportion	Paid-in capital contribution (THB)	Paid-in proportion
1	Hong Kong Sindanol Limited	90,000,000.00	90.00%	90,000,000.00	90.00%
2	Xindeco Resources (Singapore) Pte. Ltd.	10,000,000.00	10.00%	10,000,000.00	10.00%
	Total	<u>100,000,000.00</u>	<u>100.00%</u>	<u>100,000,000.00</u>	<u>100.00%</u>

**3. Assets and financial and operational condition as at the benchmark date**

**Assets, Liabilities and Results of Operation**

*Unit: RMB0'000*

Items	30 June 2025
Assets	2,273.78
Liabilities	60.29
Owners' equity	2,213.49
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環會計師事務所 (特殊普通合夥)), standard unqualified opinion

Items	April to June 2025
Operating income	
Total profits	20.68
Net profit	16.54
Auditor and its opinion	Mazars Certified Public Accountants LLP* (中審眾環會計師事務所 (特殊普通合夥)), standard unqualified opinion

**4. *Relationship between the principals and the valued entity***

The Principal I and Principal II for this valuation are Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) and China ZhengTong Auto Services Holdings Limited, respectively, and the valued entity is ITG Auto (Thailand) Co., Ltd.. The Principal I Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) held 100% equity interest in Hong Kong Sindanol Limited and Xindeco Resources (Singapore) Pte. Ltd., and ITG Auto (Thailand) Co., Ltd. is second-tier subsidiary of Xiamen Xindeco Ltd.\* (廈門信達股份有限公司).

**(IV) Overview of Other Users of the Asset Valuation Report as Agreed in the Asset Valuation Commission Contract**

The users of the asset valuation report include the principals, other users of the asset valuation report as stipulated in the asset valuation commission contract, and asset valuation report users specified by laws and administrative regulations. No other users of the asset valuation report are stipulated in the asset valuation commission contract.

**II. PURPOSE OF VALUATION**

Pursuant to the Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors, Hong Kong Sindanol Limited and Xindeco Resources (Singapore) Pte. Ltd., subsidiaries of Xiamen Xindeco Ltd.\* (廈門信達股份有限公司), propose to transfer their equity interest in ITG Auto (Thailand) Co., Ltd., hence an asset valuation agency is required to evaluate the entire shareholders' equity value of ITG Auto (Thailand) Co., Ltd.

The valuation conclusion is provided exclusively for the purpose of serving as a value reference for the equity transfer by the principals. It shall not be used for any other economic purposes or applications, nor shall they be conflated with any other asset valuation reports. Users of this asset valuation report may use the conclusion solely for the purpose of this valuation. The conclusion must not be used in a segmented manner, and intermediate processes or content corresponding to the valuation conclusion shall not be utilized.

**III. TARGET AND SCOPE OF VALUATION**

**(I)** Based on the commission of Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) and China ZhengTong Auto Services Holdings Limited, the valuation target is the entire shareholders' equity value of ITG Auto (Thailand) Co., Ltd.

**(II)** The scope of this valuation covers all assets and liabilities of ITG Auto (Thailand) Co., Ltd. as of the valuation benchmark date. The specific scope of valuation includes:

1. Assets and liabilities listed in the balance sheet of ITG Auto (Thailand) Co., Ltd. as at 30 June 2025, as detailed in the table below:

*Unit: RMB'000*

<b>Items</b>	<b>Book value</b>
<b>I. Current assets</b>	<b>2,273.78</b>
<b>II. Non-current assets</b>	
Including: Debt investments	
Other debt investments	
Long-term receivables	
Long-term equity investments	
Other equity instrument investments	
Other non-current financial assets	
Investment properties	
Fixed assets	
Construction in progress	
Productive biological assets	
Oil & gas assets	
Right-of-use assets	
Intangible assets	
Development expenditures	
Goodwill	
Long-term deferred expenses	
Deferred tax assets	
Other non-current assets	
<b>III. Total assets</b>	<b>2,273.78</b>
<b>IV. Total current liabilities</b>	<b>60.29</b>
<b>V. Total non-current liabilities</b>	
<b>VI. Total liabilities</b>	<b>60.29</b>
<b>VII. Owners' equity</b>	<b>2,213.49</b>

The book values presented in the table above have been audited by a Chinese certified public accountant, as detailed in the “Audit Report Zhong Huan Shen Zi No. (2025) 3000020” issued by Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所(特殊普通合夥)).

2. Types and Quantities of Off-balance-sheet Assets Declared by the Enterprise

Based on the documentation submitted by ITG Auto (Thailand) Co., Ltd., ITG Auto (Thailand) Co., Ltd. did not involve in off-balance-sheet assets as of the valuation benchmark date.

(III) The above-mentioned target and scope of valuation are consistent with the valuation target and scope involved in the principals' proposed equity transfer.

(IV) Reference to the asset type, quantity and carrying amount (or assessed value) involved in the report conclusion issued by other agencies

In this valuation, Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所 (特殊普通合夥)) audited the audit report on the valuation benchmark date of ITG Auto (Thailand) Co., Ltd. provided by the principals, and issued the Audit Report No. Zhonghuan Shen Zi (2025) 3000020 with standard unqualified opinions on 25 September 2025. Based on the audited results in the audit report, ITG Auto (Thailand) Co., Ltd. had total assets of RMB22,737,775.58, total liabilities of RMB602,879.80, and owners' equity of RMB22,134,895.78 as of the valuation benchmark date. From January to June 2025, the operating income was RMB0.00, the total profit was RMB206,756.99, and the net profit was RMB165,405.59.

Except for the foregoing, no report conclusions issued by other agencies have been used.

#### **IV. TYPE OF VALUE AND ITS DEFINITION**

The type of value of this asset valuation is market value.

Market value refers to the estimated amount of the value that can be realized by the valuation target under normal and fair transaction as at the valuation benchmark date when the voluntary buyer and the voluntary seller act rationally without any coercion under proper market conditions.

The following factors have been mainly considered in selecting market value as the type of value of the valuation conclusion in this valuation: (1) purpose of valuation: The purpose of this valuation is to serve as a reference for the value of the economic behavior of the equity transfer by the principals. It is a normal market economic behavior, and relevant market value can be accepted by all parties to the economic behavior; (2) market condition: this valuation does not set any restrictions or requirements on the market condition; (3) valuation target: this valuation does not set any restrictions or requirements on the subject of valuation; (4) relevance between the type of value and valuation assumptions: the valuation assumptions of this valuation are set based on a simulated fully open market with adequate competition to exclude the impact of non-market and abnormal factors on the valuation conclusion.

#### **V. VALUATION BENCHMARK DATE**

The valuation benchmark date of this asset valuation is 30 June 2025.

The valuation benchmark date of this asset valuation is determined by the principals based on economic behavior plan.

The definition of the asset valuation scope, determination of valuation price and selection of valuation parameters in this asset valuation are based on the internal financial statements of the enterprise, the external economic environment and market conditions on that day. All the pricing standards in the asset valuation report are the price standards effective on the valuation benchmark date.

## **VI. VALUATION BASIS**

The valuation basis followed in this asset valuation mainly includes the basis of economic behavior, the basis of laws and regulations, valuation criterion and asset ownership, pricing basis adopted during valuation and calculation and other references, with details as follows:

### **(I) Basis of Economic Behavior**

1. Project Approval Report on Carrying Out Strategic Cooperation with Strategic Investors.

### **(II) Basis of Major Laws and Regulations**

1. The Law of the People's Republic of China on State-owned Assets of Enterprises (5th session of the 11th Standing Committee of the National People's Congress and implemented as from 1 May 2009);
2. The Asset Appraisal Law of the People's Republic of China (Passed at the 21st session of the 12th Standing Committee of the National People's Congress and implemented as from 1 December 2016);
3. Company Law of the People's Republic of China (Amended at the 7th session of the 14th Standing Committee of the National People's Congress and implemented as from 1 July 2024);
4. The Securities Law of the People's Republic of China (amendment at the 15th session of the 13th Standing Committee of the National People's Congress and implemented as from 1 March 2020);
5. The Civil Code of the People's Republic of China (3rd session of the 13th Standing Committee of the National People's Congress and implemented as from 1 January 2021);
6. Enterprise Income Tax Law of the People's Republic of China (as amended at the 7th session of the 13th Standing Committee of the National People's Congress and implemented as from 29 December 2018);
7. Measures for the Administration of the Assessment of State-Owned Assets (as amended by Order No. 732 of the State Council and implemented as from 29 November 2020);

8. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (State Council SASAC Decree No.12, implemented as from 1 September 2005);
9. Notice on Relevant Matters Concerning Strengthening the Administration of Valuation of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274, implemented as from 12 December 2006);
10. The Notice on Issues Related to Promoting the Transfer of State-Owned Property Rights of Enterprises (《關於促進企業國有產權流轉有關事項的通知》) (SASAC Property [2014] No. 95 published on 11 July 2014);
11. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Decree No.32 of the State Council SASAC and Ministry of Finance, implemented as from 24 June 2016);
12. Provisions on Certain Issues Concerning the Administration of Assessment of State-Owned Assets (Order No.14 of the Ministry of Finance and implemented as from 1 January 2002);
13. Measures for the Supervision and Administration of State-owned Assets of Enterprises in Xiamen (Order No. 157 of Xiamen Municipal People's Government, implemented as from 1 February 2015);
14. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises of Xiamen (Xiamen State-owned Assets No. 546 in 2007);
15. Supervision and Administration Measures for State-owned Asset Trading and Transfer by Xiamen Municipal State-Owned Enterprises (Xiamen State-owned Asset Regulation (2022) No.366);
16. Notice of the Xiamen Municipal People's Government State-owned Assets Supervision and Administration Commission on Optimizing Matters Related to Asset Valuation Management for Municipal State-Owned Enterprises (Xiamen State-owned Asset [2024] No.280);
17. The Financial Supervision and Administration Measures on the Assets Evaluation Industry (Order No. 97 of the Ministry of Finance);
18. The Notice on Relevant Matters Concerning the Examination of Assessment Reports on State-owned Assets of Enterprises (State Council SASAC, issued on 11 September 2009);
19. Guidelines on the Filing of State-owned Assets Appraisal Projects for Enterprises (Guo Zi Fa Chan Quan [2013] No. 64, implemented on 10 May 2013).

**(III) Basis for standards**

1. Basic Standards for Assets Valuation (Cai Zi [2017] No. 43);
2. Code of Professional Ethics for Asset Valuation (China Appraisal Society [2017] No. 30);
3. Practice Guidelines for Asset Valuation-Asset Valuation Report (China Appraisal Society [2018] No. 35);
4. Practice Guidelines for Asset Valuation-Asset Valuation Procedures (China Appraisal Society [2018] No. 36);
5. Practice Guidelines for Asset Valuation-Asset Valuation Archives (China Appraisal Society [2018] No. 37);
6. Practice Guidelines for Asset Valuation-Enterprise Value (China Appraisal Society [2018] No. 38);
7. Practice Guidelines for Asset Valuation-Asset Valuation Approach (China Appraisal Society [2019] No. 35);
8. Practice Guidelines for Asset Valuation-Asset Valuation Commission Contract (China Appraisal Society [2017] No. 33);
9. Practice Guidelines for Asset Valuation-Using Expert Work and Related Reports (China Appraisal Society [2017] No. 35);
10. Guidance on Valuation Report of State-owned Assets of Enterprises (China Appraisal Society [2017] No. 42);
11. Guiding Opinions on Types of Value under Asset Valuation (China Appraisal Society [2017] No. 47);
12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (China Appraisal Society [2017] No. 48);

as well as the relevant standards, guidelines, guiding opinions and interpretations and explanations thereof.

**(IV) Pricing basis**

1. Accounting statements and audit reports as at the valuation benchmark date;
2. Relevant parameters collected by Xiamen Academic Practice Valuer Co., Ltd.;

**(V) Other reference materials**

1. Asset Appraisal Expert Guidance No. 8 — Verification in Asset Appraisal (China Appraisal Society [2019] No. 39);
2. Other relevant information collected by Xiamen Academic Practice Valuer Co., Ltd..

**VII. VALUATION APPROACHES**

**(I) Selection of valuation approaches**

According to Article 17 of the Practice Guidelines for Asset Valuation-Enterprise Value, when performing any appraisal of enterprise value, the suitability of the three basic asset valuation methods, namely, the income approach, the market approach and asset-based approach shall be analyzed based on the purpose of valuation, valuation target, the type of the value, and the availability of information.

The income approach in valuation of enterprise value refers to the valuation method whereby the value of the valuation target is determined by capitalising or discounting the expected income. The use of income approach for the valuation of an enterprise is subject to 3 pre-conditions: (1) the future earnings of the valued entity can be reasonably expected and measured in monetary terms; (ii) the risks associated with the expected earnings can be measured; and (iii) the period of earnings can be determined or reasonably expected.

ITG Auto (Thailand) Co., Ltd. was established in May 2025 and has not yet commenced substantive operations since its establishment. It has not generated any revenue, making it impossible to reasonably forecast its future earnings or adequately measure the risks associated with its expected earnings. These circumstances do not satisfy the fundamental prerequisites for applying the income approach. Therefore, the income approach is not considered appropriate for this valuation.

The market approach in valuation of enterprise value refers to the comparison between the valuation target and a comparable listed company or a comparable transaction in order to determine the value of the subject of valuation. Two specific methods commonly used in the market approach are listed company comparison method and transaction case comparison method. Listed company comparison method involves obtaining and analyzing the operational and financial data of comparable publicly traded companies, calculating valuation multiples, and determining the value of the valuation target based on comparative analysis. Transaction case comparison method involves obtaining and analyzing data from comparable business sales, acquisitions, and merger cases, calculating valuation multiples, and determining the value of the valued entity based on comparative analysis. Two prerequisites must be met for selecting and using the market approach, the first is that there is an open market for the comparable reference subjects of the valuation target and there are active transactions, and the second is that the necessary information about the transactions is available.

Given the lack of a sufficient number of comparable listed companies or comparable transaction cases in the recent market that are similar or identical to the valued entity in terms of business structure, operating model, enterprise scale, asset allocation and utilization, the enterprise's development stage, growth potential, operational risks, and financial risks, the conditions for applying the market approach are not met.

Asset-based approach in valuation of enterprise value refers to a valuation approach that reasonably determines the value of the valuation target by evaluating the value of various assets and liabilities on and off the balance sheet of an enterprise on the basis of the balance sheet of the valued entity on the valuation benchmark date. Two prerequisites must be met for applying the asset-based approach to evaluate the value of an enterprise, the first is that the valued entity can identify various assets and liabilities on and off the balance sheet; and the second is that the asset valuation professionals can evaluate various assets and liabilities of the valued entity.

The valued entity has identified various assets and liabilities on and off the balance sheet and asset valuation professionals are able to select appropriate and specific valuation approach to evaluate and estimate various assets and liabilities of the valued entity. The valued entity has no assets or liabilities which have a significant impact on the value of valuation target and are difficult to identify and value. Therefore, the asset-based approach is suitable for this project valuation.

To sum up, the asset-based approach is adopted for this valuation.

## **(II) Introduction to asset-based approach**

Asset-based approach in valuation of enterprise value refers to a valuation approach that reasonably determines the value of the valuation target by evaluating the value of various assets and liabilities on and off the balance sheet of an enterprise on the basis of the balance sheet of the valued entity on the valuation benchmark date. The models are detailed as follows:

Total shareholders' equity value = Entire appraised value of assets – Entire appraised value of liabilities

The methods for valuating major assets and liabilities of the valued entity are as follows:

### **1. *Monetary funds***

Monetary funds are cash at bank and for which the valuers have examined bank statements and financial records. After verification and confirmation without discrepancy, the verified carrying amount was taken as the assessed value.

**2. *Taxes payable***

The valuers examined relevant accounting records and vouchers, and obtained tax returns to understand the types of taxes applicable to the enterprise, the tax rates, and relevant tax policies. The book value was verified for its authenticity and accuracy. The verified carrying amount was taken as the assessed value.

**3. *Other payables***

The valuers examined the detailed ledger for other payables, reviewed relevant supporting documents such as original vouchers and verified the book value. Based on this verification and having found no discrepancies, the valuers conducted a detailed analysis of the amounts, transaction dates, and reasons for other payables. No conclusive evidence was found indicating that any of the amounts payable were no longer required to be settled. On this basis, the assessed value was determined to be the verified book value.

**VIII. IMPLEMENTATION PROCESS AND CONDITIONS OF THE VALUATION PROCEDURES**

The preliminary work of this valuation began in late June 2025, and the valuation was concluded on 26 September 2025. The entire valuation was carried out in five stages:

- (I) Preliminary work of valuation: Clarify basic business matters, accept project entrustment, determine the purpose, target and scope of valuation, valuation benchmark date, and draft the valuation plan;
- (II) Asset inspection phase: Instruct the valued entity to inspect the assets, prepare valuation materials, collect and sort out valuation materials, verify assets and materials;
- (III) Estimation for valuation and estimation phase: selection of appropriate valuation approaches, collection of market information and making estimation for valuation;
- (IV) Valuation summary and report submission phase: summarize and analyze valuation results, prepare the report and internal audit. Communicate with the entrusting party on the content of the report and form a final valuation conclusion after independent analysis, and submit the formal asset valuation report to the entrusting party;
- (V) Organize and compile valuation files.

## IX. VALUATION ASSUMPTIONS

In this valuation, the professional asset valuer followed the following valuation assumptions:

### (I) General Assumption

#### 1. *Transactional assumption*

Transactional assumption refers to assuming that all assets to be appraised are in the trading process, and the valuation conducted by asset valuation professionals is based on a simulated market with the same trading conditions of the assets to be appraised. Transactional assumption is the most fundamental assumption for the appraisal of assets.

#### 2. *Open market assumption*

Open market assumption indicates that assets can be traded freely in a market with perfect competition, and the price is determined based on the judgement of independent purchasers and sellers on the value of assets under certain market supply conditions. Open market assumption is a kind of hypothetical explanation or restriction on the conditions of the market to be entered and the impact of assets under relatively healthy market conditions.

The so-called open market refers to a market with perfect competition and there are numerous purchasers and sellers. In such a market, both purchasers and sellers have equal status and ample opportunity and time to obtain adequate market information, and their tradings are on a voluntary, rational, non-compulsory, and unrestricted basis. Both parties may make rational judgments about the assets' functions, uses and transaction prices. The open market assumption is based on the fact that assets can be traded publicly in the market.

#### 3. *Going concern assumption*

Going concern assumption refers to the assumption that the operating activities of an operating entity can continue on an ongoing basis, and that the operating activities of the entity will not be suspended or terminated within a predictable time in the future.

Assuming that an operating entity is composed of some assets and liabilities according to a specific purpose and needs to perform a certain function, it is actually assumed that the operating entity will continue to follow this specific purpose and continue the specific function for a predictable time in the future.

**(II) Special Assumptions**

1. There will be no significant changes in the current political, legal, financial, market or economic conditions of mainland China or countries or regions that have a significant impact on the business of the valued entity.
2. The operation and business of the valued entity will not be severely interrupted by any force majeure events or uncontrollable and unforeseeable factors, including but not limited to war, military events, natural disasters, catastrophes (such as floods and typhoons) or serious accidents.
3. The management of the valued entity is dutiful and responsible; there is no significant change in the existing scope of operation; the internal control system of the valued entity is effective and complete, and the risk management measures are adequate and appropriate.
4. The basic information and financial information provided by the Principals and the valued entity is true, accurate and complete; each asset included in the scope of valuation is true and accurate, and their ownership is clear, legal and complete and all belong to the valued entity; the documents certifying ownership of the assets issued by the valued entity are legal and valid, and sufficient provision for impairment of various assets of the valued entity has been made.
5. The valued entity has fully complied with the relevant national and local laws and regulations in force; all licenses, use permits, letters of consent or other legal or administrative authorization documents issued by relevant local and national government agencies or bodies for the use and operation of the assets of the valued entity were used normally and in compliance with rules within the validity period as at the valuation benchmark date.
6. All improvements made by the valued entity to all relevant assets are in compliance with all relevant legal provisions and requirements under other legal, planning or engineering of the relevant competent authorities.
7. All significant and potential factors that may affect the value have been fully disclosed to us by the Principals or the valued entity.

In accordance with the requirements of asset valuation, the asset valuation professionals have determined that these assumptions are valid as at the valuation benchmark date, and the asset valuation professionals will not assume the responsibility of deriving different valuation conclusion due to changes in the premises when the economic environment changes significantly in the future.

When the above assumptions are not established, this asset valuation report shall be invalid except where the differences between the actual situation and the above assumptions are accurately quantifiable and easy to adjust, the principals shall request the asset valuation agency to make corresponding adjustments to the asset appraisal conclusion when the purpose of asset appraisal is achieved.

## **X. VALUATION CONCLUSION**

The book values of ITG Auto (Thailand) Co., Ltd. included in the scope of valuation are assets, liabilities and owners' equity amounting to RMB22,737,800, RMB602,900 and RMB22,134,900, respectively.

In accordance with relevant laws, administrative regulations and valuation criteria for asset valuation, we have performed the asset valuation procedures adhering to the principles of independence, impartiality and objectivity, adopted the asset-based approach for the valuation, and reached the following conclusions:

As of the valuation benchmark date (being 30 June 2025), the assessed value of total assets of ITG Auto (Thailand) Co., Ltd., within the scope of this valuation, is RMB Twenty-Two Million Seven Hundred Thirty-Seven Thousand and Eight Hundred only (in figures: RMB22,737,800), representing an appreciation rate of 0.00%. The assessed value of total liability is RMB Six Hundred and Two Thousand Nine Hundred only (in figures: RMB602,900), representing an appreciation rate of 0.00%. The total shareholders' equity value of ITG Auto (Thailand) Co., Ltd. is RMB Twenty-Two Million One Hundred Thirty-Four Thousand and Nine Hundred only (in figures: RMB22,134,900), representing an appreciation rate of 0.00%. Details are as follows:

*Unit: RMB'000*

No.	Items	Book value	Assessed value	Increase	% increase in value
I	Total current assets	2,273.78	2,273.78	0.00	0.00
II	Total non-current assets				
2-1	Debt investments				
2-2	Other debt investments				
2-3	Long-term receivables				
2-4	Long-term equity investments				
2-5	Other equity instrument investments				
2-6	Other non-current financial assets				
2-7	Investment properties				
2-8	Fixed assets				
2-9	Construction in progress				
2-10	Productive biological assets				
2-11	Oil & gas assets				
2-12	Right-of-use assets				
2-13	Intangible assets				

No.	Items	Book value	Assessed value	Increase	% increase in value
2-14	Development expenditures				
2-15	Goodwill				
2-16	Long-term deferred expenses				
2-17	Deferred income tax assets				
2-18	Other non-current assets				
<b>Total assets</b>		<b>2,273.78</b>	<b>2,273.78</b>	<b>0.00</b>	<b>0.00</b>
III	Total current liabilities	60.29	60.29	0.00	0.00
IV	Total non-current liabilities				
<b>Total liabilities</b>		<b>60.29</b>	<b>60.29</b>	<b>0.00</b>	<b>0.00</b>
<b>Entire shareholder's equity</b>		<b>2,213.49</b>	<b>2,213.49</b>	<b>0.00</b>	<b>0.00</b>

For details of the valuation conclusion derived from the asset-based approach, please refer to the breakdown list of asset valuation.

Upon valuation, as of the valuation benchmark date (being 30 June 2025), under the premise of a public market and going concern basis, subject to the assumptions outlined in this report and notes on special matters and usage restrictions herein, and based on the value type of market value, the procedures and methods employed in this report, it was determined that the entire shareholders' equity value of ITG Auto (Thailand) Co., Ltd., the valuation target, is RMB Twenty-Two Million One Hundred Thirty-Four Thousand and Nine Hundred (in figure: RMB22,134,900).

Users of this asset valuation report should consider the impact of the special matters on the valuation conclusion when applying it.

## **XI. NOTES ON SPECIAL MATTERS**

User of this asset valuation report should pay attention to the impact of special matters on the valuation conclusion, and attention of users of this asset valuation report is specially drawn to these notes.

### **(I) Circumstances where the ownership and other valuation materials are incomplete or defective**

Nil.

### **(II) Circumstances where the principals do not provide other key information**

Nil.

### **(III) Uncertain factors such as unresolved matters and legal disputes**

Nil.

**(IV) Circumstances where the valuation procedure is restricted, the remedial measures taken by the valuation agency and the impact on the valuation conclusion**

Nil.

**(V) Important utilization of expert and relevant reports**

We relied on the Audit Report Zhonghuan Shen Zi (2025) No. 3000020 issued by Mazars Certified Public Accountants LLP\* (中審眾環會計師事務所(特殊普通合夥)). The audit opinion expressed was an unqualified opinion. This report was used to verify the authenticity, legitimacy, and completeness of the book values of various assets and liabilities within the scope of valuation, as provided by the principals and the valued entity. Our evaluation does not mitigate, substitute for, or eliminate any potential accounting responsibilities that may rest with the principals and the valued entity.

**(VI) Major subsequent events**

**1. *Matters that may have an impact on the valuation conclusion between the valuation benchmark date and the asset valuation report date***

Neither the principals nor the valued entity has provided, nor have we become aware or identified, any significant subsequent events that would affect the valuation conclusions.

**2. During the validity period of the report after the valuation benchmark date, if the quantity of assets and the pricing standards change, the following principles shall be applied:**

- (1) When the quantity of assets changes, the amount of assets should be adjusted according to the original valuation method;
- (2) When the asset price standard changes and has a significant impact on the asset valuation conclusion, the principal shall promptly engage a qualified asset valuation agency to re-determine the appraised value;
- (3) For changes in the quantity of assets and price standards after the valuation benchmark date, the principal shall give full consideration to the actual price of assets and make corresponding adjustments.

**(VII) Defects in the economic behaviour corresponding to the assets valuation that may have a significant impact on the valuation conclusion**

Nil.

**(VIII) Other events required to be disclosed**

1. Due to objective condition constraints and the fact that ITG Auto (Thailand) Co., Ltd. does not hold physical assets, no physical site survey was conducted for this valuation. The valuation team implemented the following alternative

procedures: maintaining communication with the valued entity and collecting required information through online channels; concurrently, information pertaining to the valued entity was verified through offline interviews with the principals (wholly-owned shareholders of the valued entity).

2. The valuation conclusion presented in this asset valuation report represents an objective and fair reflection of the equity value as of the benchmark date, being 30 June 2025. This asset valuation agency assumes no responsibility for any significant changes in the equity value that may occur after this benchmark date.
3. This asset valuation report includes several appendices. These appendices constitute an integral part of this asset valuation report, possess equal legal effect as the main body of the asset valuation report itself, and are only valid when used in conjunction with the main body.

**Users of this asset valuation report should pay special attention to the impact of special matters on the valuation conclusion.**

## **XII. LIMITATIONS ON USE OF THE ASSET VALUATION REPORT**

### **(I) Scope of use of the asset valuation report**

#### **1. *Users of the asset valuation report***

The asset valuation report can only be used by the user of asset valuation report stipulated in the asset valuation commission contract, laws and administrative regulations.

#### **2. *Purpose of the asset valuation report***

The principal and other users of the asset valuation report shall use the asset valuation report in accordance with laws, administrative regulations, and the intentions and purposes specified in the asset valuation report.

#### **3. *Validity period of the valuation conclusion***

The validity period of this asset valuation report is usually one year, commencing from the valuation benchmark date being 30 June 2025 and ending on 29 June 2026. Generally, the asset valuation report can only be used when the valuation benchmark date and the realization date of the economic activities are within one year. When the period is over one year, or even not more than one year, but the price standard of the valuation target fluctuates greatly, the conclusion of the asset valuation report cannot be adopted.

**4. Extraction, quotation or disclosure of the asset valuation report**

- (1) Without the written permission of the principal, the asset valuation agency and its asset valuation professionals shall not provide or disclose the content of the asset valuation report to any third party, unless otherwise provided by laws and administrative regulations.
- (2) Without the consent of the asset valuation agency, the content of the asset valuation report shall not be excerpted, quoted or disclosed in the public media, unless otherwise stipulated by laws and administrative regulations and otherwise agreed by the relevant parties.

**(II)** If the principal and other users of the asset valuation report fail to use the asset valuation report in accordance with laws, administrative regulations and the scope of use specified in the asset valuation report, the asset valuation agency and its asset valuation professionals shall not be liable.

**(III)** Except for the principal, other users of the asset valuation report agreed in the asset valuation commission contract and the users of the asset valuation report stipulated by laws and administrative regulations, any other institution or individual cannot become a user of the asset valuation report.

**(IV)** The users of the asset valuation report should correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation target, and should not be regarded as a guarantee for the realizable price of the valuation target.

**(V)** This asset valuation report is prepared on the precondition that the contemplated economic activity complies with relevant national laws and regulations and has obtained approval from the relevant authorities. Furthermore, this asset valuation report shall become effective only after the principal has submitted it to the relevant authorities for approval or filing in accordance with the relevant state asset regulations.

**(VI)** The conclusion of this valuation reflects the fair valuation opinions on the valuation target based on the principle of open market under the valuation assumptions listed in this asset valuation report, without considering the mortgage and guarantee that may be undertaken in future, as well as the impact of the price that special parties may lower or add to the appraised price. When the aforementioned conditions and valuation assumptions change, the valuation conclusion will generally become invalid. The asset valuation agency does not assume the relevant legal responsibilities for the invalidation of the valuation conclusion due to changes in these conditions.

**(VII)** The asset valuation agency has the final right to interpret this asset valuation report.

**XIII. DATE OF THE ASSET VALUATION REPORT**

The date of an asset valuation report is the date on which the valuation conclusion is formed. The date of this asset valuation report is 26 September 2025.

This is the end of the report.

This asset valuation report bears the official designator Jia Xue Ping Gu Ping Bao Zi [2025] No. 8100052. The entire shareholders' equity value of ITG Auto (Thailand) Co., Ltd., the valuation target, is RMB Twenty-Two Million, One Hundred Thirty-Four Thousand, and Nine Hundred only (in figures: RMB22,134,900).

**Xiamen Academic Practice Valuer Co., Ltd.**

**Asset Valuer: Full practicing member,  
asset valuer, Zeng Kaihong**

**Full practicing member,  
asset valuer, Xu Liangling**

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors and chief executive

As at the Latest Practicable Date, and save as disclosed below, none of the Directors or the chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, which (a) have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO; (b) are required to be and are recorded in the register required to be kept under Section 352 of the SFO; or (c) are otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules:

#### *Long Positions in share of associated corporation of the Company*

Name of Directors	Name of associated corporation	Capacity/ Nature of interest	Number of securities held	Approximate percentage of shareholding interest of the associated corporation (%)
Huang Junfeng	Xiamen Xindeco	Beneficial Owner	336,400	0.05%
Wang Mingcheng	Xiamen Xindeco	Beneficial Owner	405,000	0.06%

**(b) Interests of substantial Shareholders**

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares, the underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares <sup>(2)</sup>	Approximate percentage of the issued share capital <sup>(3)</sup>
ITG Holding	Interests of controlled corporation	9,085,216,736	90.71%
ITG Holding Investment (HK) Limited <sup>(1)</sup>	Interests of controlled corporation	9,062,857,236	90.49%
Xinda Motors <sup>(1)</sup>	Beneficial Owner	9,062,857,236	90.49%

*Notes:*

- (1) ITG Holding is deemed to be interested in the 22,359,500 Shares held by Sindanol, as Sindanol is a wholly owned subsidiary of Xiamen Xindeco, and ITG Holding was beneficially interested in approximately 39.93% of the issued share capital of Xiamen Xindeco according to the 2025 third quarterly report of Xiamen Xindeco. Xinda Motors, a wholly owned subsidiary of Xiamen Xindeco, held 9,062,857,236 Shares as at the Latest Practicable Date. Therefore, ITG Holding was indirectly interested in an aggregate of 9,085,216,736 Shares.
- (2) All the above shares were held in long position (as defined under Part XV of the SFO).
- (3) The calculation is based on the number of Shares as a percentage of the total number of issued Shares as at the Latest Practicable Date (being 10,016,050,944 Shares).

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 5. INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interest in other business which competes or is likely to compete with the business of the Group.

## 6. MATERIAL LITIGATION

(a) In 2018, Wuhan Zhengtong United Industrial Investment Group Co., Ltd. (“**Wuhan Zhengtong**”), a subsidiary of the Company, and Beijing Guangze Real Estate Development Co., Ltd. (“**Beijing Guangze**”) entered into a general contract agreement (the “**General Contractor Agreement**”) pursuant to which Wuhan Zhengtong engaged Beijing Guangze to undertake the development, establishment, re-establishment and expansion of 4S stores and relevant commercial projects owned by the Group. The contract consideration shall be utilized by Beijing Guangze as the general contractor for such costs as consultant fees for hiring professional service companies, approval and construction application fees, construction and installation fees and ancillary facilities fees. Details of the General Contractor Agreement had been disclosed in the Company’s announcement dated 13 March 2018.

In July 2022, the Group received a payment request of RMB6 million from one of the sub-contractors that had been involved in certain 4S Stores and commercial projects (the “**Subcontractor**”), as Beijing Guangze failed to fulfil its obligations under the General Contractor Agreement.

In accordance with the PRC legal opinion obtained by the Company from an external legal advisor, Beijing Guangze is the primary obligor for the relevant construction payments taking into account such facts and circumstances among others (i) Beijing Guangze had undertaken its general contractor role for the projects since the establishment of relevant contracts in prior years and the Group had entrusted Beijing Guangze with the projects and (ii) the Group had already fulfilled its obligations including the payment made to Beijing Guangze in accordance with the General Contractor Agreement. The historical payments to Beijing Guangze in relation to the Subcontractor is assessed to be approximately RMB236 million.

While the Subcontractor has not initiated any formal legal proceedings against the Group in this connection and the future development cannot be estimated with certainty, the directors of the Company, having given due consideration to the legal advice and the relevant facts and circumstances, are of the opinion that it is not probable that the Group will be sued by the Subcontractor or need to make payments to the Subcontractor. Therefore, no provision has been made in respect of this matter as at the Latest Practicable Date.

(b) In 2023, the Group was informed by receipt of two civil complaints that Wuhan Zhengtong has entered into certain agreements in 2016 to provide guarantees (the “**Guarantee Contracts**”) against two fixed assets mortgage loan contracts (the “**Fixed Assets Loan Contracts**”) entered into by Wuhan Economic and Technological Development Zone Branch of Hubei Bank Co., Ltd. (the “**Hubei Bank**”) with Beijing Guangze and Inner Mongolia Shengze Dingjie Automobile Trading Company Limited (the “**Inner Mongolia Shengze**”), respectively.

In March 2024, Wuhan Zhengtong received judgments in relation to aforementioned two civil lawsuits (the “**First Instance Judgment**”) from the Wuhan Intermediate People’s Court, pursuant to which i) the Guarantee Contracts were executed but are of no legal effect; and ii) Wuhan Zhengtong is obliged to bear half of the shortfalls, if any, when Hubei Bank has shortfalls to recover the debt owed to it, by collecting the proceeds of disposal of the collateral assets, for the failure of Beijing Guangze and Inner Mongolia Shengze to repay the debts.

On 15 November 2024, Wuhan Zhengtong received the second instance judgements in relation to aforementioned two civil lawsuits, pursuant to which the court had upheld the original judgment.

As at 30 June 2025, the outstanding debts in relation to Fixed Assets Loan Contracts amounted to approximately RMB553 million. According to the valuation report issued by an external valuer on 20 March 2025, the estimated net realisable amount of the corresponding collaterals, calculated as fair value less cost to sell, was RMB627 million as at 31 December 2024. As the directors of the Company considered that there are no material changes in relation to the significant input for the measurement of the collaterals, the estimated net realisable amount of the collaterals as at 30 June 2025 were assessed to be the same as those of 31 December 2024, i.e. RMB627 million.

In accordance with a PRC legal opinion obtained by the Company from an external legal advisor, the second instance judgment considered that Wuhan Zhengtong is ranked lower in the order of priority in meeting payment commitments, as there exist several collaterals and there are other defendants who are also guarantors. Pursuant to applicable laws and regulations, Hubei Bank shall have the right of priority to request debt settlement by such collaterals. The directors of the Company, having given due consideration of the legal advice and the relevant facts and circumstances including their understanding of the

estimated net realisable amounts of the collaterals, are of the opinion that it is not probable that the Group will be required to make any payments. Therefore, no provision has been made in respect of this matter as at the Latest Practicable Date.

Save as disclosed above, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

## **7. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date of this circular and are or may be material:

- (a) the Acquisition Agreement (PRC);
- (b) the Acquisition Agreement (Thailand);
- (c) the subscription agreement dated 25 July 2024 entered into between the Company and Mr. Yang Liguo for the issue and subscription of 319,888,000 new Shares at the subscription price of HK\$0.125 per subscription share;
- (d) the subscription agreement dated 25 July 2024 entered into between the Company and Ms. Li Xiao Feng for the issue and subscription of 160,000,000 new Shares at the subscription price of HK\$0.125 per subscription share; and
- (e) the subscription agreement dated 25 January 2025 entered into between the Company and Xinda Motors for the issue and subscription of 6,669,060,524 new Shares at the subscription price of HK\$0.15 per subscription share.

## **8. EXPERTS AND CONSENTS**

The following is the name and qualification of the expert who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Somerley Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants

Xiamen Academic Practice  
Valuer Co., Ltd\* (廈門嘉學  
資產評估房地產估價有限  
公司)

Qualified professional valuer

Each of Somerley, KPMG and the Valuer has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter(s), report(s), advice(s) and/or opinion (as the case may be) as set out in this circular and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Somerley, KPMG and the Valuer did not have any direct or indirect shareholding in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any asset which had been acquired, disposed of by or leased to any member of the Group, or was proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

Huatai, the financial adviser to the Company, has given and has not withdrawn its written consent to the publication of its name in this circular in the form and context in which it appears.

## **9. MISCELLANEOUS INFORMATION**

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The headquarters of the Company is at 11–12/F, ITG Business Center, No.669, Sishuidao, Huli District, Xiamen, China. The principal place of business in Hong Kong is at Flat C, 32/F, Lippo Centre Tower 1, 89 Queensway, Hong Kong.
- (b) The registered office of Somerley is at Room 1209, 12/F. Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong.
- (c) The company secretary of the Company is Ms. Fung Wai Sum. She is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queens Road East, Wan Chai, Hong Kong.

**10. DOCUMENTS ON DISPLAY**

Copies of the following document will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.zhengtongauto.com>) for a period not less than 14 days from the date of this circular up to and including the date of EGM:

- (a) the Acquisition Agreement (PRC);
- (b) the Acquisition Agreement (Thailand);
- (c) the written consents referred to in the section headed “EXPERTS AND CONSENTS” in this Appendix;
- (d) the accountants’ report of Xindeco ITG Automobile Group and ITG Auto (Thailand) as set out in Appendix II and Appendix III to this circular;
- (e) the report on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix V to this circular; and
- (f) the valuation reports in respect of the Acquisition, summaries of which are as set out in Appendix VI and Appendix VII, respectively, to this circular;
- (g) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular; and
- (h) the letter from Somerley containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from Somerley” in this circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# China ZhengTong Auto Services Holdings Limited

## 中國正通汽車服務控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1728)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of China ZhengTong Auto Services Holdings Limited 中國正通汽車服務控股有限公司 (the “**Company**”) will be held at Large Conference Room, 12th Floor, Guomao Business Center, No.669 Sishui Road, Huli District, Xiamen, Fujian Province, the PRC on Tuesday, 20 January 2026 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTION

1. To consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

“**THAT**

- (a) the terms and conditions of the sale and purchase agreement dated 5 December 2025 entered into between Xiamen ZhengTong Motors Group Co., Ltd\* (廈門正通汽車集團有限公司) (“**Xiamen ZhengTong**”) and Xiamen Xindeco Ltd.\* (廈門信達股份有限公司) (“**Xiamen Xindeco**”), and Xiamen Xindeco ITG Automobile Group Co., Ltd\* (廈門信達國貿汽車集團股份有限公司) (“**Xindeco ITG Automobile**”), a copy of which has been produced to the Meeting and marked “A” and initialled by the chairman of the Meeting for the purpose of identification, pursuant to which Xiamen ZhengTong has conditionally agreed to purchase, and Xiamen Xindeco has conditionally agreed to sell, 100% of the equity interest of Xindeco ITG Automobile and all transactions contemplated thereunder (the “**Acquisition (PRC)**”), be and are hereby approved, confirmed and ratified;
- (b) the terms and conditions of the sale and purchase agreement dated 5 December 2025 entered into between Tongda Group (China) Co., Ltd. (“**Tongda Group**”), Rising Wave Development Limited (“**Rising Wave**”), Hong Kong Sindanol Limited (“**Sindanol**”), Xindeco Resources (Singapore) Pte. Ltd. (“**Xindeco (Singapore)**”) and ITG Auto (Thailand) Co., Ltd. (“**ITG Auto (Thailand)**”), a copy of which has been produced to the Meeting and marked “B” and initialled by the chairman of the Meeting for the purpose of

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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identification, pursuant to which Tongda Group and Rising Wave have conditionally agreed to purchase, and Sindanol and Xindeco (Singapore) have conditionally agreed to sell, 100% of the issued share capital of ITG Auto (Thailand) and all transactions contemplated thereunder (the “**Acquisition (Thailand)**”), be and are hereby approved, confirmed and ratified; and

(c) the chairman of the Company (“**Chairman**”) or such person authorized by the Chairman be and are authorized to do all such further acts and things and to sign and execute all such documents and to take all such steps which in their absolute opinion may be necessary, appropriate, desirable or expedient to implement and/or give effect to any matter relating to or incidental to the Acquisition (PRC) and the Acquisition (Thailand).”

By order of the Board

**China ZhengTong Auto Services Holdings Limited**  
中國正通汽車服務控股有限公司

**HUANG Junfeng**  
*Chairman*

Hong Kong, 24 December 2025

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Flat C, 32/F  
Lippo Centre Tower 1  
89 Queensway  
Hong Kong

*Notes:*

1. All resolutions at the Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more (if it/he/she holds more than one share) proxies to attend and vote instead of it/him/her. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In the case of joint holders of shares, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if it/he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting (i.e. not later than 10:00 a.m. on Sunday, 18 January 2026) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the said form of proxy shall be deemed to be revoked.

5. The transfer books and register of members of the Company will be closed from Thursday, 15 January 2026 to Tuesday, 20 January 2026, both days inclusive, to determine the entitlement of members of the Company to attend and vote at the Meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 14 January 2026.
6. As at the date of this notice, the Board comprises Mr. HUANG Junfeng (Chairman), Mr. WANG Mingcheng, Mr. SU Yi, Mr. ZHUANG Zhibo and Mr. WU Xiaoqiang as executive Directors, and Dr. TSUI Wai Ling Carlye, Mr. SHEN Jinjun and Ms. YU Jianrong as independent non-executive Directors.
7. References to time and dates in this notice are to Hong Kong time and dates.