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23 July 2025

The Board of Directors,
China Harmony Auto Holding Limited,
Room 1915, 19/F,
Lee Garden One,
33 Hysan Avenue,
Causeway Bay, Hong Kong

Our Ref: B2025-099

Dear Sirs/Madams,

Re : Valuation of 100% equity interest in iCar Group Limited

In accordance with the instructions from China Harmony Auto Holding Limited ("**Company**" and together with its subsidiaries, "**Group**"), we have conducted a valuation of the fair value of 100% equity interest ("**Equity Interest**") in iCar Group Limited ("**iCar**", and together with its subsidiaries, ("**iCar Group**"), a private limited liability company incorporated in the Cayman Islands with its operating subsidiaries principally engaged in the sales and after-sales services of new energy vehicles ("**NEVs**") in Hong Kong, Asia Pacific and European countries. We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the fair value of the Equity Interest as at 31 December 2024 ("**Valuation Date**").

This report states the purpose of valuation and premise of value, sources of information, identifies the business valued, describes the methodology of our valuation, investigation and analysis, assumptions and limiting conditions, and presents our opinion on value.

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1. PURPOSE OF VALUATION

This report is being solely prepared for the directors and management of the Company for reference and incorporation into a public circular of the Company in connection with a proposed disposal of 45% equity interest in iCar Group ("**Proposed Disposal**") by the Company under the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited.

The Proposed Disposal, if approved and materialized, would be a commercial decision made by the transacting parties and the corresponding transaction price would be the result of negotiations between the transacting parties. The directors and management of the Company should be solely responsible for determining the consideration of the Proposed Disposal, in which Valplus Consulting Limited ("**Valplus**") is not involved in the negotiation and has no comment on the agreed consideration.

Furthermore, this valuation report does not constitute an opinion on the commercial merits and structure of the Proposed Disposal. We are not responsible for any unauthorized use of this report. Valplus assumes no responsibility whatsoever to any person other than the directors and management of the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

2. BASIS AND PREMISE OF VALUE

Our valuation has been prepared in accordance with the International Valuation Standards ("**IVS**") published by the International Valuation Standards Council.

Our valuation is based on going concern premise and conducted on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. SCOPE OF WORK

Our valuation opinion is based on the assumption stated herein and the information provided by the management of the Group, iCar Group, or their representatives (together, "**Management**"). In the course of our valuation work, we have conducted the following process to evaluate the reasonableness of the adopted basis and assumption provided:

- Discussed with the Management in relation to the background, development, operation, financial performance and other relevant information of iCar Group;

- Reviewed relevant financial information, operational information and other relevant data concerning iCar Group;

- Reviewed and discussed with the Management on the business development concerning iCar Group provided to us by the Management;

- Performed market research in relation to the economic outlook in general and the specific economic environment and market elements affecting the business, industry, and market and obtained relevant statistical figures from the public sources;

- Examined relevant basis and assumptions of both the financial and operational information of iCar Group, which were provided by the Management;

- Designed an appropriate valuation model to derive the fair value of the Equity Interest;

- Presented all relevant information on the scope of work, sources of information, overview of iCar Group, valuation methodology, major assumptions, limiting conditions, remarks and opinion on value in this report.

4. SOURCES OF INFORMATION

We relied on the following major documents and information in our valuation analysis. Some of the information and materials are furnished by the Management. Other information is extracted from public sources such as government sources, HKEXnews, Bloomberg, Moody's, etc., if applicable.

The major documents and information include the followings:

- The certificates of incorporation of iCar dated 13 June 2024;

- The conditional sale and purchase agreement ("**SPA**") of the Proposed Disposal dated 23 May 2025 (as supplemented by a supplemental agreement dated 22 July 2025) , entered into between (i) the Company; (ii) Epower Global Limited, the purchaser in relation to the Proposed Disposal; and (iii) Mr. Feng Changge, the Chairman of the Board, an executive Director and a controlling shareholder of the Company as at the

Valuation Date;

- Announcement(s) and/or circular(s) made by the Company in relation to the Proposed Disposal;

- Audited annual reports and/or unaudited interim reports of the Group; and

- Historical financial information of iCar Group for the year ended 31 December 2024 ("**FS**").

In the course of our valuation, we had discussion with the Management on the industry and the development of iCar Group. Furthermore, we have made reference to or reviewed the above information and data and assumed such information and data are true and accurate without independent verification except as expressly described herein. We consider that we have obtained adequate information from the sources described above to provide a reliable opinion on value.

We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all the matters which an audit or more extensive examination might disclose.

5. COMPANY PROFILE

iCar is a private limited liability company incorporated in the Cayman Islands on 13 June 2024. iCar acts as an investment holding company with nominal business activities and, through an intermediate holding entity namely iCar Group Holdings Limited ("**iCar Holdings**"), holds 100% equity interest in Harmony New Energy Auto Service Europe Holding BV ("**iCar Europe**") and iCar Asia Limited ("**iCar Asia**") as primary assets. iCar Holdings is a private limited liability company incorporated in the British Vigin Islands on 7 May 2024 with business registration number of 2148056 and registered capital of US$50,000. iCar Europe is a private limited liability company incorporated in Netherlands on 27 May 2024 with business registration number of 432098CBE and registered capital of EUR1,000. iCar Asia is a private limited liability company incorporated in Hong Kong on 28 June 2024 with business registration number of 76742199 and registered capital of HK$1. Through the operating subsidiaries, iCar is primarily engaged in the sales and after-sales services of NEVs in overseas markets.

Based on the FS provided by the Management, for the year ended 31 December 2024, the revenue of iCar Group amounted to approximately RMB1,935.1 million (included the intra-group balances) and recorded a net loss of approximately RMB194.9 million. iCar Group had total assets of approximately RMB2,717.3 million and its net liabilities excluding non-controlling interests were approximated to RMB202.0 million.

6. BUSINESS OVERVIEW

iCar Group operates as a comprehensive dealership platform to distribute new energy vehicles ("**NEVs**") under two leading Chinese NEV brands, namely BYD and DENZA via the development and operation of physical points of sales in overseas markets. In July 2025, iCar Group has been managing 51 4S centres, 43 showrooms and 6 service centres spanning across Hong Kong, Cambodia, the Philippines, Singapore, Japan, Indonesia, Thailand, Malaysia, Australia, the United Kingdom, France, Poland, etc. As advised by the Management, iCar Group is the sole Tier-1 authorized dealer for BYD NEVs in Hong Kong, and the authorized national dealer for BYD NEVs in Cambodia. Apart from the retail sale and wholesale of the NEVs, iCar Group also provides after-sale services including but not limited to maintenance, second-hand vehicle trading and auto-part upgrading & car beauty services to the customers. As advised by the Management and for the financial year ended 31 December 2024, iCar Group has completed the sale of an aggregated number of over 7,000 units of NEVs.

7. ECONOMIC OVERVIEW

The economic overview of the Asia and Pacific ("**APAC**") region is based on data from the Asian Development Bank's ("**ADB**") Basic Statistics and Asian Development Outlook ("**ADO**") 2025, released in April 2025. The region's gross domestic product ("**GDP**") growth is projected at 4.9% for 2025, moderating slightly to 4.7% in 2026, driven by solid domestic demand and electronics exports, though tempered by a slowdown in China's property sector and rising U.S. tariffs. Inflation is expected to ease to 2.3% in 2025 and 2.2% in 2026, supported by declining global commodity prices, enabling monetary policy easing in many economies. In 2024, the proportion of the population living below the national poverty line decreased significantly in countries like Cambodia and Fiji. Trade performance remains robust, with South Asia's higher growth offsetting challenges from trade barriers. For instance, India's GDP growth is projected at 7.2% and Vietnam's at 6.2% for 2025. Infrastructure investment needs remain substantial, estimated at US$26 trillion from 2016 to 2030, underscoring the region's push for sustainable development. The ADB emphasizes regional integration, technological innovation, and policies to enhance micro, small, and medium-sized enterprises to sustain inclusive growth and address external shocks.

The economic overview of the European Union ("**EU**") is made references to the data provided by Eurostat. According to Eurostat, the EU's GDP increased by 0.3% in the first quarter of 2025. In the fourth quarter of 2024, household real consumption per capita grew by 0.4%, reflecting sustained consumer spending. Industrial producer prices fell by 1.6% in March 2025 compared to February 2025, indicating some easing in production costs. The EU's international trade in goods recorded a surplus of EUR24.8 billion in January and February 2025, with exports rising by 6.2% to EUR248.7 billion and imports increasing by 5.7% to EUR224.7 billion in February 2025 compared to the previous year. However, energy product imports declined significantly in 2024, with a 16.2% drop in value to EUR375.9 billion and a 7.1% reduction in volume. The unemployment rate remained stable at 5.8% in March 2025, down from 6.0% in March 2024, while annual inflation held steady at 2.2% in April 2025. The EU economic policies continue to prioritize sustainable growth, with initiatives like the Clean Industrial Deal and Affordable Energy Action Plan launched in February 2025 to enhance energy efficiency and support a just energy transition. These efforts aim to bolster competitiveness, promote digitalization, and maintain economic stability amidst global challenges.

8. INDUSTRY OVERVIEW

This section of industry overview is based on the research conducted and data provided by (i) International Energy Agency[1] ("**IEA**"); (ii) Reuters; (iii) BYD; and (iv) The State Council of the People's Republic of China.

The Chinese new energy vehicle industry, mainly encompassing battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and fuel cell electric vehicles (FCEVs), has solidified its position as a global leader. In 2024, Chinese brands significantly expanded their presence in Asian countries and regions excluding China ("**Ex-China Asia**") and the EU, driven by technological advancements, competitive pricing, and robust domestic production capabilities.

NEV Market in Ex-China Asia

In 2024, the Ex-China Asia emerged as a significant growth area for Chinese-brand NEVs. According to the IEA, electric car sales in emerging and developing economies in Ex-China Asia increased by over 60% year-on-year, reaching nearly 400,000 units, with the sales share nearly doubling from 2.5% to 4%. Major Chinese car makers such as BYD, Great Wall Motor (GWM), Geely, and SAIC Motor played a crucial role in this growth, leveraging their cost-effective models and expanding distribution networks. Regarding the country-specific performance, some key highlights are summarized as below:

- Thailand: The electric car sales share rose to 13% in 2024 from 11% in 2023. Approximately 85% of NEVs in Thailand were imported from China, with brands like BYD leading the market;

- Indonesia: Electric car sales tripled in 2024, with the sales share exceeding 7%. Chinese brands capitalized on the demand for affordable NEVs, supported by government incentives;

- Malaysia: Electric car sales increased more than doubled in 2024 compared to 2023, with the sales share rising from less than 2% to nearly 4%; and

- India: JSW and SAIC Motor's MG Motor produced half of their vehicles domestically in 2024, with plans to launch their own EV brand in collaboration with BYD and Geely.

Note:

1) *The IEA, established in 1974, is an autonomous intergovernmental organization based in Paris that offers policy recommendations, analysis and data on the global energy sector.*

Chinese car-manufacturing companies have focused on affordability and localization to penetrate these markets. For instance, in Thailand, Chinese brands dominate due to their competitive pricing and robust supply chains. In India, partnerships with local manufacturers like JSW are facilitating market entry and compliance with local regulations. The IEA notes that Chinese OEMs accounted for a significant share of imports in markets like Thailand (around 85%), indicating their strong regional influence.

For 2025, the ex-China Asia is expected to continue its growth trajectory, supported by government policies promoting NEV adoption, such as subsidies and tax incentives. Chinese brands are likely to invest further in local production to mitigate import tariffs and enhance market penetration. The IEA projects continued growth in NEV sales, potentially exceeding 500,000 units in 2025, with Chinese brands maintaining a significant share.

NEV Market in the EU

In Europe, the electric car market in 2024 showed stagnation, with the sales share remaining at 20%, according to the IEA. This was due to subsidy phase-outs in countries like Germany and France, though growth was observed in others, such as (i) the NEV sales shares increased to nearly 30% in 2024 from 24% in 2023; (ii) a 88% sales shares of NEVs have been achieved in Norway, which is the globally-highest record; and (iii) a 56% sales shares for electric cars in Denmark.

Chinese brands, including BYD and SAIC Motor, have been expanding their presence in Europe, with BYD reporting significant sales growth in 2024. However, specific market share data for Chinese brands in Europe is limited, though their presence is growing, particularly in countries with high NEV adoption rates. In late 2024, the EU imposed additional tariffs on Chinese-made NEVs, citing unfair competition due to state subsidies. This led to a slowdown in export growth, with Chinese-brand NEV exports to Europe rising only 12.3% year-on-year in June 2024, down from 30-40% in previous periods.

For 2025, Europe's electric car sales are projected to reach 4,000,000 units, with a sales share of approximately 25%, driven by policies like the United Kingdom's Vehicle Emissions Trading Scheme, which targets a 28% NEV share. Chinese brands are expected to face continued challenges from tariffs, and in order to counter this, companies like BYD are establishing production facilities in Europe to bypass tariffs and strengthen market presence.

Challenges and Opportunities

- Trade barriers: The imposition of the EU tariffs in late 2024 and potential further restrictions in 2025 posed significant challenges for Chinese NEV exports to Europe. These tariffs, aimed at addressing perceived unfair subsidies, have sparked controversy, with Western nations advocating for fair competition and Chinese manufacturers defending their market success as a result of innovation and economies of scale;

- Local production and partnerships: To mitigate trade barriers, Chinese automakers are investing in local production. BYD's planned factories in Europe and partnerships like JSW and SAIC Motor in India demonstrate a strategic shift towards localization. This approach not only reduces tariff impacts but also aligns with local regulations and consumer preferences; and

- Consumer preferences and policy support: In Ex-China Asia, consumer demand for affordable EVs is driving growth, supported by government incentives like subsidies and tax breaks. In Europe, stringent CO2 emission targets and policies like the United Kingdom's emissions trading scheme are boosting NEV adoption, though subsidy reductions in some countries have slowed progress. Chinese brands are well-positioned to meet demand for cost-effective NEVs.

9. INVESTIGATION AND ANALYSIS

Our investigation included discussion with the Management in relation to historical performance, operations and industry, and other relevant information of iCar Group. In addition, we have made relevant enquiries and obtained such further information including financial and business information, and statistical figures from other sources as we consider necessary for the purpose of this valuation. As part of our analysis, we have made reference to financial information and other pertinent data concerning iCar Group provided to us by the Management.

The valuation of iCar Group requires consideration of all pertinent factors, which affect the operations of the business and its ability to generate future investment returns. The factors considered in this valuation include the following:

- Nature and operations of iCar Group;
- Historical information of iCar Group;
- Financial condition of iCar Group;
- Proposed business development of iCar Group;
- Nature, terms and conditions of relevant agreements, contracts, licenses, permits and rights, if applicable;
- Expected economic income from relevant agreements, contracts, licenses, permits and rights, if applicable;
- Regulations and rules of relevant industries;
- Economic and industry data affecting markets and other dependent industries;
- Market-derived investment return(s) of similar business; and
- General global economic outlook.

10. GENERAL VALUATION APPROACHES AND METHODS

There are three generally accepted approaches to value a business subject:

- Market approach;
- Asset approach; and
- Income approach.

Under each approach, a number of methods are available which can be used to assess the value of a business subject. Each method uses a specific procedure to determine the business value.

Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted in valuing businesses that are similar in nature. It is also common practice to employ a number of valuation methods under each approach. Therefore, no one business valuation approach or method is definitive. A more detailed discussion of each approach is presented in the *ADDENDUM I – VALUATION APPROACHES* to this report.

11. VALUATION ANALYSIS

11.1. Methodology

In the process of valuing a business subject, we have taken into consideration of business nature, assets type, specialty of its operations, assets owned, and liabilities assumed and industry it is participating. Having considered the three general valuation methodologies, we believed that the asset approach would be appropriate and reasonable in the valuation of iCar Group.

Based on discussion with the Management and information provided by the Management, iCar Group was still in an early stage of development with operating track record less than two years from the Valuation Date. Therefore, the use of historical data is not sufficient to form a reliable basis of projections. Also, the use of projections would involve a high level of uncertain, long-term forecast estimates and underlying assumptions. Given available limited basis, qualifications and explanations, the income approach is therefore considered to be not appropriate for this valuation.

The market approach is also considered not appropriate as there are insufficient relevant comparable transactions and companies to form a reliable basis for opinion on value given the uniqueness of pure NEVs distribution business model of iCar Group. Also, given the short operating track records of iCar Group, the market approach based on latest financial metrices is not reasonable and applicable after considering the development status, business scale and operating losses of iCar Group.

Under the asset approach, we have adopted the adjusted net assets method ("**Adjusted NAV**"), of which all of the subject's individual asset and liability account categories are analysed and valued separately. The value of the individual assets (both tangible and intangible) less the value of the liabilities (both recorded and contingent) represents the subject business value. The Adjusted NAV is a sound method for estimating the value of start-up business which is not mature but still under development.

11.2. Assets and Liabilities Measurement

Under the asset approach, the value of the valuation target is determined by reasonably assessing the value of the assets and liabilities as stated on the balance sheet of the enterprise. To prepare the valuation, we have reviewed the assets and liabilities as stated in the FS of iCar Group as of the Valuation Date. Pursuant to the Management, iCar Group had no off-balance sheet assets or liabilities as of the Valuation Date. In the course of our measurement, we have made relevant enquiries to and obtained necessary information from the Management about the assets and liabilities of the FS. The measurement is prepared on the basis of agreed upon procedures, approaches and methods. However, the assessed values provided by us in this report rely to a great extent on the representations made by the Management reflecting their best available estimates, judgment and knowledge concerning the assets & liabilities of the audited accounts. Based on the FS of iCar Group as of the Valuation Date, the major and material assets and liabilities of iCar Group are cash and bank balances, trade receivables, prepayments and other receivables, inventory, fixed assets, construction in progress, right-of-use assets & lease liabilities, short-term and long-term loans, trade payables, receipt in advance and amounts due to related parties.

Cash and bank balances

The cash and bank balances were highly liquid and were available for withdrawal upon demand, and therefore they were subject to cost basis where the fair value was equivalent to the corresponding carrying amount in the FS.

Trade receivables

The trade receivables were primarily consisted of car purchase payment receivables backed by mortgage arrangement from financial institutions, insurance commission receivables from insurance companies and warranty receivables from automobile manufacturers. The mortgage is normally settled within one month directly by major financial institutions. For the receivables from insurance companies and automobile manufacturers, their default risks are considered low, provided with their solid standing and good credit rating. After performing expected credit loss analysis and reviewing the walkthrough documents about the business model of iCar Group, we have checked against the aging schedule and settlement record of the receivables, indicating the payments were settled within the credit period with a high and prompt recoverability, Based on the above analysis, the fair value of trade receivables was estimated to be approximately equal to its respective carrying amount in the FS, with no material variance.

Prepayments and other receivables

The prepayments and other receivables were primarily consisted of payment in advance of fixed asset procurement, prepayments to suppliers, rebate receivables, commission receivables and tax recoverable. We have checked and reviewed against the relevant receivable information and also reviewed the walkthrough documents as provided by the Management, including but not limited to the debtors' names and exposure amounts. After performing expected credit loss analysis based on (i) historical settlement track records; and (ii) market default and recovery rates, the fair value of the prepayments and other receivables were estimated to be RMB374,316,000 and RMB222,938,000, respectively, approximately equal to their respective carrying amount in the FS, with no material variance.

Inventory

The inventory primarily consists of the NEVs held for sales owned by iCar Group. We have checked and reviewed the information of inventory provided by the Management including but not limited to the names, quantity, specifications, models and carrying amount and considered that the fair value of the inventory was estimated to be approximately equal to its respective carrying amount in the FS.

Fixed assets

The fixed assets include but not limited to structures & leasehold improvements, machineries and equipment, office fixtures and motor vehicles for the daily operation of outlets and service centres.

Considering the nature and usage of the fixed assets, we adopted the reproduction cost new method to estimate the value of the fixed assets. When using the reproduction cost new method, we referred to appropriate price or cost indices to the historical costs of the fixed assets in our estimation of their cost of reproduction new as of the Valuation Date. Depreciation for physical deterioration from wear and tear of the fixed assets was further deducted to reflect the usage conditions and outstanding economic benefits of the fixed assets. The applicable useful lives for the key categories of assets are summarised as follows:

Structures and leasehold improvements	4 to 20 years
Machineries	5 to 10 years
Electronic equipment	3 to 10 years
Furniture and fixture	5 to 10 years
Motor vehicles	4 to 8 years

Based on the above analysis, the fair value of the fixed assets approximated to RMB432,124,000 as at the Valuation Date.

Construction in progress

The construction in progress refers to the construction and set-up cost injected by iCar Group to build the new outlets and service centres. The fair value was based on the carrying amount in the FS.

Intangible assets

The intangible assets primarily consist of website development and service fees and 4 certificates of entitlement for the right to own and use a vehicle in Singapore. Having discussed with the Management and reviewed the relevant information and records, these intangible assets are mainly internally developed for self-use without reliable income stream, and thus their fair values were based on the carrying amount in the FS.

Goodwill

The goodwill arose from the business combinations in 2023 and 2024, and was subject to impairment testing by the Management for financial reporting purpose in accordance with the relevant accounting standards for the financial year ended 31 December 2023 and 2024. Having discussed with the Company's auditor and reviewed the relevant information, including but not limited to the sale and purchase agreements, financial information and valuation workings and report, there was no indication of impairment of goodwill for the aforesaid financial years, and thus its fair value was estimated to be approximately equal to its respective carrying amount in the FS.

Right of use assets & lease liabilities

The right of use assets and lease liabilities refer to the assets & liabilities in relation to the leases of the points of sales entered by iCar Group which were effective as at the Valuation Date. We have checked and reviewed against the relevant information, including but not limited to the location of outlets and service centres, lease tenures and monthly rents. Based on the above analysis, the fair value of right of use assets and lease liabilities were estimated to be approximately equal to the respective carrying amount in the FS.

Short-and long-term loans

Pursuant to the information provided by the Management, these are interest-bearing bank loans granted by major banks to iCar Group. The fair value of the loans based on their carrying amount in the FS.

Trade payables

The trade payables mainly comprised the non-interest-bearing payables associated with the import of the NEV inventory. We have checked and reviewed information including but not limited to the creditors' names and payable amounts as provided by the Management, and considered that the fair value shall be approximated to their respective carrying amount in the FS.

Receipt in advance

The receipt in advance primarily consists of the short-term prepayments received from customers for the purchase of NEVs and other after-sales services. We have checked and reviewed information including but not limited to the creditors' names and advance amounts as provided by the Management, and considered that the fair value shall be approximated to their respective carrying amount in the FS.

Amounts due to related parties

The amounts due to related parties mainly referred to the shareholder's loans and advances together with the accrued interests owing by iCar Group to the Group. We have checked and reviewed information including but not limited to the creditors' names and payable amounts of the principal and interest portions as provided by the Management, and considered that the fair value shall be approximated to their respective carrying amount in the FS.

Other assets and liabilities

Upon our analysis and discussion with the Management, other assets and liabilities mainly included long-term deferred expenses, deferred tax assets, wage payables, tax payables, other payables and deferred tax liabilities, which were all subject to cost basis in this valuation.

11.3. Value Summary

RMB'000	Book value	Revaluation
Assets		
Cash and bank balances	242,522	242,522
Trade receivables	93,595	93,595
Prepayments	375,058	374,316
Other receivables	223,423	222,938
Inventory	530,503	530,503
Fixed assets, net	429,237	432,124
Construction in progress	167,695	167,695
Intangible assets	409	409
Goodwill	53,987	53,987
Long-term deferred expenses	3,020	3,020
Deferred tax assets	17,294	17,294
Right of use assets	580,507	580,507
TOTAL ASSETS:	**2,717,250**	**2,718,910**
Liabilities		
Short-term loans	489,716	489,716
Trade payables	160,564	160,564
Receipt in advance	519,914	519,914
Wage payables	23,694	23,694
Tax payables[1]	(2,330)	(2,330)
Other payables	87,921	87,921
Long-term loans	33,724	33,724
Deferred tax liabilities	6,030	6,030
Lease liabilities	578,112	578,112
Amounts due to related parties	1,017,395	1,017,395
TOTAL LIABILITES:	**2,914,740**	**2,914,740**
NET (LIABILITIES):	**(197,490)**	**(195,830)**
Less: Non-controlling interests[2]:	4,536	4,536
NET (LIABILITIES) TO EQUITY OWNERS:	**(202,026)**	**(200,366)**

**Figures above are subject to rounding.*

Note:

1) *The negative tax payables represent input VAT.*

2) *The non-controlling interests ("**NCI**") refer to the carrying amount of the minority interests on the FS as at the Valuation Date.*

Based on the above analysis, the revaluation of the net liabilities (excluding NCI) of iCar Group as at the Valuation Date was approximately RMB200,366,000 as compared to the respective book value of net liabilities (excluding NCI) approximated to RMB202,026,000, representing a decrease in amount of approximately RMB1,660,000. The change in the value was primarily due to the revaluation of the fixed assets and the loss allowance assessment of the receivables.

12. VALUATION ASSUMPTIONS

- Capital restructuring of the Proposed Disposal stipulated on the SPA is considered as a subsequent event after the Valuation Date and therefore the associated accounting impact on the Equity Interest has not been incorporated for the purpose of this valuation;

- As advised by the Company, the likelihood of any potential tax liabilities for the properties being crystalized is remote as iCar Group have no intention to sell the properties;

- iCar Group is assumed to have no contingent assets and liabilities or any other off-balance sheet items which should be recognized or valued attributable to iCar Group;

- To continue as a going concern, iCar Group will successfully carry out all necessary activities for the development of its business;

- The contractual parties of relevant agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties and will be renewable upon expiry, if applicable;

- The financial and operational information of iCar Group as supplied to us have been prepared in a manner which truly and accurately reflect the financial position of iCar Group as at the respective balance sheet date;

- Market trends and conditions where iCar Group operates will not deviate significantly from the economic forecasts in general;

- Key management, competent personnel and technical staff will all be retained to support ongoing operations of iCar Group;

- There will be no material changes in the business strategy of iCar Group and its expected operating structure;

- Interest rates and exchange rates in the localities for the operations of iCar Group will not differ materially from those presently prevailing;

- All relevant consents, business certificates, licenses or other legislative or administrative approvals from any local, provincial or national government, or private entity or organization required to operate in the localities where iCar Group operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which iCar Group operates or intends to operate, which would adversely affect the revenues and profits attributable to iCar Group.

13. LIMITING CONDITIONS

Our conclusion of the value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Our work in connection with this engagement is of a different nature to that of a formal audit or a review of information, as those terms are understood in applicable to relevant auditing and accounting standards. We do not, as part of this exercise, perform an audit, review, or examination of any of the historical, present or prospective financial information used and therefore, do not express any opinions with regard to it.

The estimated or assessed value of other assets were only used for the purpose of this valuation and does not constitute to be a formal valuation or second opinions on their fair or market values.

This valuation reflects facts and conditions existing as at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report is reasonable and accurately determined. The data, opinions, or estimates as identified or being furnished by others, which have been used in formulating this analysis, are gathered from reliable sources, however, no guarantee is made nor liability assumed for their accuracy. The value might be adjusted should more specific and update information of the valuation subject is made available to us.

We have made reference to the information provided by the Management in arriving at our opinion on value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and that any material facts have been omitted from the information provided. No responsibility for the operational and financial information that have not been provided to us is accepted.

We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this report. We assumed that financial and other information provided to us are accurate and complete.

We have not investigated the title to or any legal liabilities of iCar Group. We have assumed no responsibility for the title to iCar Group.

Save as and except for the purpose stated above, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

In accordance with our standard practices, we must state that this report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated above. Furthermore, the report and conclusion of value(s) are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value(s) represents the consideration based on information furnished by the Company/engagement parties and other sources. No responsibility is accepted to any third party for the whole or any part of its contents.

Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

We would particularly point out that our valuation was based on the information such as company background, business nature, market share, and future prospects of iCar Group provided to us by the Management.

14. REMARKS

The Management has reviewed and agreed on the report and confirmed the factual content of the report.

We hereby confirm that we have neither present nor prospective interests in iCar Group, the Group or the value reported herein.

15. OPINION ON VALUE

Based on the investigation and analysis stated above and on the valuation methods employed, we are of the opinion that iCar Group was in a **net-liability position** of approximately **RMB200,366,000 (RENMINBI TWO HUNDRED MILLION THREE HUNDRED AND SIXTY-SIX THOUSAND ONLY)**, indicating a nominal amount of fair value of the Equity Interest as at the Valuation Date.

Respectfully submitted,
For and on behalf of
VALPLUS CONSULTING LIMITED

Damon S.T. Wan, *CFA, FRM, MRICS*
Founding Partner

Analysed and reported by:

Willy T.Y. Yu, *CESGA*
Associate Director

Alfred Y.M. Wong, *CPA (Aust.)*
Manager

ADDENDUM I – VALUATION APPROACHES

Market Approach

The market approach values a business entity by comparison of the prices at which other similar business nature companies or interests changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to pay for an equally desirable alternative. By adopting this approach, we will first look for an indication of value from the prices of other similar companies or equity interest in companies that were sold recently.

The right transactions employed in analysing for indications of value need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell.

The derived multiples (most commonly used are: price to earnings, price to revenues and price to book multiple) based on the analysis of those transactions are then applied to the fundamental financial variables of the subject business entity to derive an indication of value.

Asset Approach

The asset approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals the value of its invested capital (equity and debt capital). In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed.

This money comes from investors who buy stocks of the business entity (equity) and investors who lend money to the business entity (debt). After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operations, the sum of such assets equals the value of the business entity.

From a valuation perspective, we will restate the values of all types of assets of a business entity from book values, i.e. historical cost minus depreciation to appropriate standards of value. After the restatement, we can identify the indicated value of the business entity, or, by applying the accounting principle "assets minus liabilities", to arrive at the value of the equity interest of the business entity.

Income Approach

The income approach focuses on the economic benefits generated by the income producing capability of a business entity. The underlying theory of this approach is that the value of a business entity can be measured by the present worth of the economic benefits to be received over the life of the business entity.

Based on this valuation principle, the income approach estimates the future economic benefits and discounts these benefits to its present value using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

ADDENDUM II – STAFF BIOGRAPHY

Damon S.T. Wan, *CFA, FRM, MRICS*
Founding Partner

Mr. Damon S.T. Wan is a CFA Charterholder, a Certified FRM and a member of Royal Institution of Chartered Surveyors. Mr. Wan has been working in the professional valuation field since 2008. He is experienced and specialized in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger & acquisition and public listing.

Willy T.Y. Yu, *CESGA*
Associate Director

Mr. Willy T.Y. Yu is a Certified ESG Analyst and has been working in the banking and financial industry since 2014. He possesses experience in the aspects of corporate credit risk, cash trading, business valuation and ESG analysis.

Alfred Y.M. Wong, *CPA (Aust.)*
Manager

Mr. Alfred Y.M. Wong is a member of CPA Australia and has been working in the corporate finance industry since 2015. He possesses experience in the aspects of corporate finance advisory, corporate credit risk and business valuation.

- END OF REPORT -