THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China Harmony Auto Holding Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HARMONY AUTO

和諧汽車

China Harmony Auto Holding Limited

中國和諧汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03836)

CONNECTED TRANSACTION
TERMINATION OF THE VOTING PROXY AGREEMENT IN RELATION TO ICAR GROUP LIMITED
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
滾博資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular. A letter from the Board is set out on pages 4 to 17 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 48 of this circular.

A notice convening the EGM to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Wednesday, December 2, 2026 is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.hexieauto.com).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at EGM or any adjournment thereof (as the case may be) should you so wish.

November 17, 2026

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NOTICE OF EXTRAORDINARY GENERAL MEETING EGM-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Announcement"	the announcement of the Company dated November 9, 2026 in relation to the Termination Deed
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	China Harmony Auto Holding Limited (stock code: 3836), 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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling Shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company, from time to time
"Eagle Seeker"	Eagle Seeker Company Limited, which holds 708,364,660 Shares as at the Latest Practicable Date and is held indirectly by JTC Private Trust (Cayman) Limited through Eagle Pioneer Company Limited
"EGL"	Epower Global Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Feng as at the Latest Practicable Date
"EGM"	the extraordinary general meeting of the Company to be convened and held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Wednesday, December 2, 2026 to consider and approve, among other things, the Termination Deed
"Group"	the Company and its subsidiaries, from time to time

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"iCar"	iCar Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands, which is held as to approximately 49.5001% by the Company, 40.5000% by EGL and 9.9999% by Golden Link Worldwide Limited as at the Latest Practicable Date
"iCar Group"	iCar and its subsidiaries
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Termination Deed
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed
"Independent Shareholder(s)"	the Shareholders other than Mr. Feng and his close associates and any other Shareholder who is interested or involved in the transaction contemplated under the Termination Deed
"Latest Practicable Date"	November 10, 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

"Mr. Feng"	Mr. Feng Changge (馮長革), the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the Latest Practicable Date
"NEV(s)"	new energy vehicle(s)
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"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$0.01 each in the issued capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Termination Deed"	the termination deed dated November 9, 2026 entered into between the Company and EGL in relation to the termination of the Voting Proxy Agreement
"Voting Proxy Agreement"	the voting proxy agreement dated September 1, 2025 entered into between the Company and EGL
"%"	per cent.

HARMONY AUTO
和諧汽車
China Harmony Auto Holding Limited
中國和諧汽車控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 03836)

Executive Directors:
Mr. FENG Changge *(Chairman)*
Mr. FENG Shaolun *(Deputy Chairman)*
Mr. LIU Fenglei *(President)*
Ms. MA Lintao *(Vice President)*
Mr. CHENG Junqiang *(Vice President)*

Independent Non-executive Directors:
Mr. WANG Nengguang
Mr. LEUNG Oi Kin
Mr. SUNG Ka Woon

Registered Office:
Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavilion Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Principal Place of Business and Headquarter in the PRC:
15A, Tower A, World Trade Center Building
Shangwuneihuan Road
CBD Zhengdong New District
Zhengzhou, Henan Province
PRC

Principal Place of Business in Hong Kong:
Room 1915, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

November 17, 2026

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
TERMINATION OF THE VOTING PROXY AGREEMENT
IN RELATION TO ICAR GROUP LIMITED

INTRODUCTION

Reference is made to the Announcement regarding the Termination Deed. The purpose of this circular is to provide you with, amongst others, (a) further details of the Termination Deed; (b) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Termination Deed; (c) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Termination Deed; (d) the notice of EGM; and (e) other information as required by the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated September 1, 2025 and December 12, 2025 in relation to, among other things, the Voting Proxy Agreement entered into between EGL and the Company, pursuant to which EGL agreed to irrevocably authorize the Company to exercise on behalf of EGL all of its rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar. As a result of the Voting Proxy Agreement, the Company is entitled to exercise 90.0001% of the voting rights in iCar, and the financial results of iCar have been consolidated into the consolidated financial statements of the Group, with iCar as a subsidiary of the Company.

On November 9, 2026, the Company and EGL entered into the Termination Deed, pursuant to which the parties have conditionally agreed to terminate the Voting Proxy Agreement. The Termination Deed will take effect upon being approved by the Independent Shareholders at the EGM. Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method.

THE TERMINATION DEED

Date

November 9, 2026

Parties

(i) the Company; and

(ii) EGL.

EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the Latest Practicable Date. EGL is therefore a connected person of the Company as defined under the Listing Rules.

Subject matter

Pursuant to the Termination Deed, the Company and EGL agree to terminate the Voting Proxy Agreement, and all rights, powers and authorities granted to the Company by EGL under the Voting Proxy Agreement shall be terminated with effect from the date upon the Termination Deed being approved by the Independent Shareholders at the EGM. The Company will no longer be entitled to exercise on behalf of EGL all of EGL's rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar upon the Termination Deed becoming effective. As at the Latest Practicable Date, there is no side arrangement or acting-in-concert arrangement over the voting rights in iCar held by EGL and Golden Link Worldwide Limited.

The shareholding structure and voting rights controlled by the respective shareholders of iCar as at the Latest Practicable Date and immediately after the Termination Deed becoming effective are as follows:

	As at the Latest Practicable Date		**Immediately after the Termination Deed Becoming Effective**	
Shareholder	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**
The Company	49.5001%	90.0001%	49.5001%	49.5001%
EGL	40.5000%	—	40.5000%	40.5000%
Golden Link Worldwide Limited	9.9999%	9.9999%	9.9999%	9.9999%
Total	100%	100%	100%	100%

The effectiveness of the Termination Deed is conditional on the Termination Deed being approved by the Independent Shareholders at the EGM. Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method. Based on the facts and circumstances currently available and assuming that all other factors remain unchanged, such accounting treatment of the Company's remaining interest in iCar upon the Termination Deed becoming effective has been reviewed and agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited.

FINANCIAL EFFECT ON THE GROUP UPON TERMINATION OF THE VOTING PROXY AGREEMENT

Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using the equity method of accounting. Accordingly, the financial results of iCar Group will no longer be consolidated on a line-by-line basis into the Group's consolidated financial statements. Instead, the Group will recognise its share of iCar Group's profit or loss as a single line item in the consolidated statement of profit or loss and other comprehensive income of the Group, and its interest in iCar as an investment in an associate as an asset in the consolidated statement of financial position of the Group. The following table sets out, for illustrative purposes, the quantitative financial impact of the deconsolidation of iCar Group showing the proportion of the financial results to be deconsolidated based on (i) the financial information in the audited consolidated financial statements of the Group for the financial year ended December 31, 2025, (ii) the financial information in the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026, and (iii) the summarised financial information of the iCar Group contained therein. The information below is provided for reference only.

	As at/for the year ended December 31, 2025			As at/for the six months ended June 30, 2026		
	Financial results of iCar Group *(Note 1)* *(RMB'000)*	**Financial results of the Group** *(RMB'000)*	**Financial results of iCar Group as a percentage of the Group** *(Note 2)*	**Financial results of iCar Group** *(Note 1)* *(RMB'000)*	**Financial results of the Group** *(RMB'000)*	**Financial results of iCar Group as a percentage of the Group** *(Note 2)*
Revenue	8,574,797	20,026,877	42.8%	7,588,606	12,149,310	62.5%
Profit/(loss) for the year/period	(219,579)	(723,568)	30.3%	49,188	16,267	302.4%
Total assets	4,978,968	12,903,985	38.6%	6,761,225	13,947,483	48.5%
Total liabilities	4,596,741	7,849,621	58.6%	6,367,536	8,880,832	71.7%
Net assets	382,227	5,054,364	7.6%	393,689	5,066,651	7.8%

Notes:

1. The balances of the iCar Group for the financial year ended December 31, 2025 are extracted from note 36 of the Company's consolidated financial statements included in the 2025 annual report, and represent figures prior to any inter-company eliminations. The balance of the iCar Group as at June 30, 2026 are extracted from unaudited consolidated financial information of iCar Group for the six months ended June 30, 2026, and represent figures prior to any inter-company eliminations.

2. The quantification of the financial impact of the deconsolidation of iCar Group summarised in the table above has been prepared primarily with reference to the financial information contained in the Group's consolidated financial statements for the year ended December 31, 2025, the unaudited financial information of the Group for the six months ended June 30, 2026, and the unaudited financial information of the iCar Group prior to any inter-company transaction and balance elimination, based on iCar Group's management accounts.

REASONS FOR ENTERING INTO THE TERMINATION DEED

Rapid development of the iCar Group and its ability to operate independently of the Group

When the Voting Proxy Agreement was entered into in September 2025, the iCar Group was at an early stage of development. At that time, the Company and EGL, being the major shareholders of iCar, considered it beneficial for the iCar Group to be managed as a consolidated

subsidiary of the Group. Over the past year, however, the iCar Group's business has grown faster than expected and continues to demonstrate strong growth momentum, as illustrated by the following:

- the sales volume of new vehicles increased from approximately 24,000 units for the twelve months ended August 31, 2025 to approximately 75,900 units for the twelve months ended August 31, 2026;

- revenue increased from approximately RMB6.0 billion for the twelve months ended August 31, 2025 to approximately RMB14.1 billion for the twelve months ended August 31, 2026;

- the number of countries covered outside Chinese Mainland increased from 18 as at September 30, 2025 to 28 as at September 30, 2026;

- the number of stores increased from 88 as at September 30, 2025 to 155 as at September 30, 2026; and

- the number of employees increased from approximately 2,330 as at September 30, 2025 to approximately 3,800 as at September 30, 2026.

Alongside such growth, the iCar Group has built up its own operating infrastructure and no longer relies on the Group for its back-office functions. When the Voting Proxy Agreement was entered into, the iCar Group's business management, human resources and administrative processes were operated on the Group's IT system, and its back-office functions relied on the Group. Since then, (i) an independent IT system developed for the iCar Group was launched in January 2026, and all employees of the iCar Group completed the migration to such system in February 2026; (ii) the iCar Group has established its own human resources, internal control and management teams, and all of its employees are directly employed by members of the iCar Group; and (iii) the iCar Group adopted an independent financial information system, which went live in July 2026. With its own management team and independent finance, human resources, internal control and accounting functions, the iCar Group is capable of operating independently of the Group and is well positioned to further expand its global footprint on a standalone basis.

Allowing the Group to concentrate its resources on its core luxury vehicle business in Chinese Mainland

The iCar Group's rapid global expansion will require substantial ongoing capital expenditure and investment, including for the opening of new stores and the build-out of its overseas sales and service network. The iCar Group's funding requirements would compete with, and are likely to

consume, financial resources that would otherwise be available to support the Group's luxury vehicle operations in Chinese Mainland. As disclosed in the Company's interim report for the six months ended June 30, 2026, the Group remains focused on maintaining its market leadership in the luxury vehicle segment in Chinese Mainland. Accordingly, the Company intends to direct its management focus and resources to its core luxury vehicle dealership business in Chinese Mainland, and considers that the deconsolidation of the iCar Group would preserve the financial health of the Group and enable it to streamline its business and concentrate its resources on its existing core operations, which is in the interests of the Company and the Shareholders as a whole.

Following the Termination Deed becoming effective, the Group will continue to focus on its core business of the sale of luxury and ultra-luxury vehicles, while making such strategic adjustments as may be necessary to adapt to the prevailing economic and market conditions. Over the next 12 months, the Group intends to proactively optimise its cost structure, strengthen its existing businesses and continue to explore business diversification. In respect of outlets which incur high operating costs but have delivered unsatisfactory operating efficiency, the Group will proactively close, merge or convert such underperforming outlets, so as to optimise its outlet network, alleviate operating pressure and further enhance its profitability. The Group will also continue to adopt a selective brand strategy based on prudent assessment and stringent cost control, concentrating its resources on brands and regions in which it has a competitive advantage. The Group currently expects its working capital requirements in its core business to remain at a level similar to that of previous years, and expects to fund its future operations and business development plans primarily with cash generated from its operating activities and bank borrowings.

Facilitating the iCar Group's future equity financing to meet its funding needs for future business development

The iCar Group intends to continue to expand its business in Hong Kong and overseas markets. In addition, building on its global sales network, the iCar Group intends to extend its business beyond new vehicle sales into automotive ecosystem services and high-value consumer technology products, which can be broadly categorised into: (i) after-sales services and ancillary businesses, such as maintenance, insurance, financing and vehicle accessories; (ii) new energy enablement businesses, such as ultra-fast charging and battery recycling and cascade utilisation; and (iii) new consumer technology businesses, such as the overseas sales and distribution of consumer robots manufactured in Chinese Mainland. Based on its current business plan, the iCar Group expects its aggregate capital requirements for the next 24 months to amount to approximately US$200 million, which are expected to be applied principally towards: (i) capital expenditure for the opening of approximately 180 new stores; (ii) the operation of its ultra-fast charging station business; (iii) the operation of its NEV battery recycling and cascade utilisation

business; and (iv) the sale and operation of its consumer technology robotics business. As at September 30, 2026, the iCar Group had outstanding banking facilities of approximately RMB1,450 million which were guaranteed by the Company.

Having considered (a) the scale of the iCar Group's expected capital requirements; (b) that bank borrowings are generally short-term in nature and more suitable for funding working capital than long-term capital expenditure such as the opening of new stores; (c) that bank borrowings would incur interest costs, increase the iCar Group's gearing and subject it to repayment obligations, and may be subject to more stringent security requirements and restrictive financial covenants; (d) that the banking facilities of the iCar Group have historically been granted on the basis of guarantees provided by the Company, and it would be difficult for the iCar Group to obtain further debt financing without guarantees or other collateral provided by the Company; and (e) that the iCar Group has limited properties that are acceptable to banks as collateral to secure additional borrowings on a standalone basis, the board of directors of iCar considers that bank borrowings would not be a suitable or sustainable source of funding for the iCar Group's long-term development. Accordingly, iCar is currently considering conducting further equity financing.

The Company also considers further equity financing by iCar to be in the interests of the Company and the Shareholders as a whole, given the funding needs of the iCar Group and the financial constraints faced by the Group in procuring further debt financing:

(i) the Group's bank borrowings are generally subject to financial covenants under the relevant facility letters, including, among others, financial ratios and limits on capital expenditure as a percentage of the Group's net assets. In addition, the provision of guarantees by the Company requires the prior consent of the relevant banks;

(ii) bank financing, as the Group's principal source of debt financing, generally requires the pledge of the Group's assets as a precondition to the grant of facilities. Approximately RMB2,049.8 million of the Group's bank loans and other borrowings as at June 30, 2026 (as at December 31, 2025: RMB1,524.8 million) were secured by pledges of the Group's assets, representing approximately 14.7% of the total assets of the Group. As at June 30, 2026, approximately RMB2,034.9 million of inventory (as at December 31, 2025: RMB1,524.8 million) had been pledged for the bank borrowings, representing approximately 73.8% of the total inventory as at June 30, 2026 of the Group; and

(iii) the net gearing ratio of the Group increased significantly from approximately 43.8% as at December 31, 2024 to approximately 70.6% as at June 30, 2026.

In light of the increase in the Group's net gearing ratio and the limited availability of other assets of the Group that are acceptable to banks as security, the Group is expected to face financial constraints in supporting the iCar Group's future business expansion through the provision of further guarantees for the iCar Group's borrowings.

The Company believes that potential investors would regard the deconsolidation of the iCar Group as beneficial to maintaining the iCar Group's competitiveness and independence, enabling it to pursue a distinct strategic direction tailored to the dynamics of the global NEV sector. Following the deconsolidation, the iCar Group will be able to present a clearer standalone profile to the capital markets, which is expected to enhance its attractiveness to investors, and will be better positioned to conduct future equity financing independently to support its global expansion without relying on the Group's financial resources.

No economic value being transferred away from the Company upon the effectiveness of the Termination Deed

Prior to the termination of the Voting Proxy Agreement, although the financial results of the iCar Group have been fully consolidated into the financial results of the Group, the economic interests in the iCar Group attributable to the Shareholders, namely the profit or loss and the net assets of the iCar Group attributable to the Shareholders, correspond to an equity interest of approximately 49.5001% in iCar (the "**Economic Interests in iCar**"), with the remaining approximately 50.4999% of the iCar Group's profit or loss and net assets being attributable to non-controlling interests. The termination of the Voting Proxy Agreement does not involve any transfer of shares in iCar. Accordingly, the Economic Interests in iCar are expected to remain unchanged at approximately 49.5001% before and after the Termination Deed becomes effective, and the profit or loss and the net assets attributable to the Shareholders are expected to remain substantially the same. As such, notwithstanding that the contribution of the iCar Group to the Group's revenue, profit, total assets and net assets for the six months ended June 30 2026 generally increased as compared with that for the year ended December 31, 2025 as shown in "Financial effect on the Group upon termination of the Voting Proxy Agreement" above, the deconsolidation of the iCar Group is not expected to result in any adverse change to the economic exposure of the Company and the Shareholders as a whole, as the Company will retain the same indirect exposure to the value of the iCar Group through its approximately 49.5001% equity interest in iCar. As the single largest shareholder of iCar immediately upon the Termination Deed becoming effective, the Company will continue to retain its economic interest in iCar through dividend distributions (if any) and any potential appreciation in the value of its shareholding. Accordingly, the Company will continue to benefit from the future growth in value and business expansion of the iCar Group as a result of the deconsolidation as further explained in this section.

The Company will continue to participate in the decision-making of iCar through the exercise of its own voting rights. As at the Latest Practicable Date, EGL, the Company and Golden Link Worldwide Limited were entitled to nominate two directors, two directors and one director to the board of directors of iCar, respectively. There will be no change to such director nomination rights upon the Termination Deed becoming effective, and the Company will continue to be entitled to nominate two directors to the board of directors of iCar.

In addition, iCar Group's global NEV business differs fundamentally from the Group's luxury vehicle dealership business in the PRC in terms of business characteristics, market positioning, geographic focus, growth profile and risk exposure. The Group is primarily exposed to PRC-related risks, including domestic consumer demand, luxury vehicle taxation and dealership regulation, whereas iCar Group is subject to risks across multiple jurisdictions, such as local laws and regulations, foreign exchange fluctuations and local licensing requirements. Following the termination of the Voting Proxy Agreement, each of the Group and iCar Group will be able to present a clearer and more focused business profile to the market.

If the Termination Deed is not approved by the Independent Shareholders at the EGM, the Company and iCar will consider other funding options available to the iCar Group, which may include, among others, equity financing by iCar and/or provision of guarantees by the Company to enable the iCar Group to obtain further bank borrowings, subject to compliance with the applicable requirements of the Listing Rules. Following the Termination Deed becoming effective, all existing guarantees provided by the Group in respect of the iCar Group's borrowings will remain in effect until their respective expiry dates, with the last of such guarantees currently expected to expire by June 2027. In considering whether to provide any further guarantee in respect of the iCar Group's borrowings in the future after the expiry of the existing guarantees, the Company will take into account, among other things, (i) the financial position, credit standing and repayment ability of the iCar Group; (ii) the purpose, amount and terms of the relevant borrowings; (iii) the Group's overall financial position, gearing and contingent liabilities; and (iv) whether the provision of such guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Should the Company provide any such guarantee in the future, it will comply with all applicable laws and regulations, including the Listing Rules.

Based on the above, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser but excluding the Directors who abstain from voting at the meeting of the Board) are of the view that although the entering into of the Termination Deed is not in the ordinary and usual course of business of the Group, the terms of the Termination Deed were arrived after arm's length negotiations between the Company and EGL, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Company is of the view that the termination of the

Voting Proxy Agreement will not have any material adverse effect on the financial condition and operations of the Group, and there is no transfer of economic value from the Group as a result of the Termination Deed.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock code: 3836). As a leading pure luxury and ultra-luxury car dealer group in the PRC, the Group focuses on the main business of selling luxury and ultra-luxury cars, and owns advantageous brands such as Rolls-Royce, Bentley, Ferrari, BMW and Lexus.

EGL

EGL is an investment holding company which is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the Latest Practicable Date.

iCar

iCar, being a subsidiary of the Company as at the Latest Practicable Date, is one of the world's largest sales and operation service platforms for NEVs outside Chinese Mainland in terms of the number of countries covered and the number of stores. As at September 30, 2026, iCar Group has established a presence in 28 countries outside Chinese Mainland with a total of 155 stores. From the opening of its first store in October 2023 to September 30, 2026, iCar Group has sold over 110,000 new vehicles overseas. Through strategic synergies with leading Chinese NEV manufacturers, iCar Group has established a global operation and service network integrating brand exhibition, new vehicle sales, delivery, after-sales services, financing and insurance, customer operations and the NEV ecosystem. iCar Group is also continuing to expand into robotics and other high-value consumer hardware, with the aim of building a global service platform for high-value consumer technology products.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company, and is

therefore a connected person of the Company as defined under the Listing Rules. The entering into of the Termination Deed constitutes a connected transaction under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Save for Mr. Feng, Ms. Ma Lintao (an executive Director and the spouse of Mr. Feng) and Mr. Feng Shaolun (an executive Director and the son of Mr. Feng), all of the Directors have confirmed that none of them has any material interest in the Termination Deed. Accordingly, Mr. Feng, Ms. Ma Lintao and Mr. Feng Shaolun have abstained from voting on the Board resolution approving the Termination Deed, and no other Director is required to abstain from voting at the meeting of the Board to approve the Termination Deed.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Wang Nengguang, Mr. Leung Oi Kin and Mr. Sung Ka Woon being all the independent non-executive Directors, has been established to consider and advise the Independent Shareholders as to whether the terms of the Termination Deed were arrived after arm's length negotiations between the Company and EGL, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and as to the voting thereof. Rainbow Capital (HK) Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things, the ordinary resolution in respect of the Termination Deed.

A notice convening the EGM to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Wednesday, December 2, 2026, at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Termination Deed, is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying 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, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours

before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

An ordinary resolution as set out in the notice of the EGM will be put to the vote of the Independent Shareholders by way of poll. An announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

As at the Latest Practicable Date, Mr. Feng through his close associate, Eagle Seeker, was interested or deemed to be interested in aggregate interests of 708,364,660 Shares, representing approximately 46.50% of the issued share capital of the Company. Pursuant to the Listing Rules, Eagle Seeker, being a close associate of Mr. Feng, is required to and will abstain from voting on the ordinary resolution in respect of the Termination Deed at the EGM. Save for the above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is no other Shareholder having a material interest in the Termination Deed and will be required to abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, November 27, 2026 to Wednesday, December 2, 2026 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the EGM, during which period no transfer of Shares will be effected. The record date will be Wednesday, December 2, 2026. Shareholders are reminded that in order to be eligible to attend and vote at the EGM, all duly completed and signed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, November 26, 2026.

RECOMMENDATION

Your attention is drawn to:

(a) the letter from the Independent Board Committee set out on pages 18 to 19 of this circular which contains its recommendation to the Independent Shareholders;

(b) the letter from the Independent Financial Adviser set out on pages 20 to 48 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and

(c) additional information set out in the appendix to this circular.

Having taken into account the factors as disclosed in the section headed "Reasons for Entering into the Termination Deed" above, the Directors (excluding the independent non-executive Directors whose views are set out in the section headed "Letter from the Independent Board Committee" of this circular) consider that the terms of the Termination Deed were arrived after arm's length negotiations between the Company and EGL, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Termination Deed.

WARNING

As the Termination Deed is subject to the approval of the Independent Shareholders by way of ordinary resolution at the EGM, the termination of the Voting Proxy Agreement may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Yours faithfully,
For and on behalf of the Board
China Harmony Auto Holding Limited
LIU Fenglei
CEO and Executive Director

The following is the full text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders which has been prepared for the purpose of inclusion in this circular.

HARMONY AUTO
和諧汽車
China Harmony Auto Holding Limited
中國和諧汽車控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 03836)

November 17, 2026

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
TERMINATION OF THE VOTING PROXY AGREEMENT
IN RELATION TO ICAR GROUP LIMITED

We refer to the circular of the Company dated November 17, 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Termination Deed were arrived after arm's length negotiations between the Company and EGL, is in the ordinary and usual course of business of the Group and whether the terms thereof are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to the voting thereof, and to advise the Independent Shareholders how to vote at the EGM. Rainbow Capital (HK)

Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are set out in its letter on pages 20 to 48 of the Circular.

Having taken into account the advice given by the Independent Financial Adviser, we consider that although the entering into of the Termination Deed is not in the ordinary and usual course of business of the Group, the terms of the Termination Deed were arrived after arm's length negotiations between the Company and EGL, are on normal commercial terms, fair and reasonable and 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 to approve the Termination Deed and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. WANG Nengguang **Mr. LEUNG Oi Kin** **Mr. SUNG Ka Woon**

Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Termination Deed, which has been prepared for the purpose of inclusion in this Circular.

RAINBOW CAPITAL (HK) LIMITED
泓 博 資 本 有 限 公 司

17 November 2026

To: the Independent Board Committee

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

Dear Sir or Madam,

CONNECTED TRANSACTION
TERMINATION OF THE VOTING PROXY AGREEMENT
IN RELATION TO ICAR GROUP LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed, details of which are set out in this Circular dated 17 November 2026 issued by the Company, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meaning as those defined in this Circular.

On 9 November 2026, the Company and EGL entered into the Termination Deed, pursuant to which the parties have conditionally agreed to terminate the Voting Proxy Agreement. The Termination Deed will take effect upon being approved by the Independent Shareholders at the extraordinary general meeting ("**EGM**"). Upon Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method. The Company will no longer be entitled to

exercise on behalf of EGL all of EGL's rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar upon the Termination Deed becoming effective.

The Independent Board Committee, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Termination Deed as to whether the terms of the Termination Deed are fair and reasonable and in the interest of the Company and Shareholders as whole. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and Independent Shareholders in such regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, iCar Group or EGL that could reasonably be regarded as relevant to our independence. There was no engagement or connection between the Group, iCar Group or EGL and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group, iCar Group or EGL. Accordingly, we are considered eligible to give an independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in this Circular; (ii) the information supplied by the Directors and the management of the Group including the corporate documents, banking facilities agreements and unaudited financial information of iCar Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information including annual reports, interim reports, announcements and circulars published by the Company and industry research information from China Passenger Cars Association ("**CPCA**"). We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Circular are true at the time they were made and continue to be true up to the date of EGM and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from

the information provided and referred to in this Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so up to the date of the EGM.

The Independent Shareholders will be informed by the Company and us as soon as practicable if there is any material change to the information disclosed in this Circular, if any, as soon as after the Latest Practicable Date and until the date of the EGM. In such circumstances, we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or prospects of the Company or any of their respective subsidiaries and associates.

SUBJECT MATTER OF THE TERMINATION DEED

Date: 9 November 2026

Parties: (i) the Company; and

(ii) EGL

EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the Latest Practicable Date. EGL is therefore a connected person of the Company as defined under the Listing Rules.

Subject matter

Pursuant to the Termination Deed, the Company and EGL agree to terminate the Voting Proxy Agreement, and all rights, powers and authorities granted to the Company by EGL under the Voting Proxy Agreement shall be terminated with effect from the date upon the Termination Deed being approved by the Independent Shareholders at the EGM. The Company will no longer be entitled to exercise on behalf of EGL all of EGL's rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the

shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar upon the Termination Deed becoming effective. As at the Latest Practicable Date, there is no side arrangement or acting-in-concert arrangement over the voting rights in iCar held by EGL and Golden Link Worldwide Limited.

The shareholding structure and the voting rights controlled by the respective shareholders of, iCar immediately as at the Latest Practicable Date and immediately after the Termination Deed becoming effective are as follows:

	As at the Latest Practicable Date		**Immediately after the Termination Deed Becoming Effective**	
Shareholder	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**
The Company	49.5001%	90.0001%	49.5001%	49.5001%
EGL	40.5000%	—	40.5000%	40.5000%
Golden Link Worldwide Limited	9.9999%	9.9999%	9.9999%	9.9999%
Total	100%	100%	100%	100%

The effectiveness of the Termination Deed is conditional on the Termination Deed being approved by the Independent Shareholders at the EGM. Upon Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method. Based on the facts and circumstances currently available and assuming that all other factors remain unchanged, such accounting treatment of the Company's remaining interest in iCar upon the Termination Deed becoming effective has been reviewed and agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Termination Deed, we have taken into account the following principal factors and reasons:

1. Background information of the Group, iCar and industry statistics

The Group is principally engaged in the sale of automobiles and provision of after-sales services in the PRC, Hong Kong and overseas.

Since 2005, the Group has been operating 4S automobile dealership outlets in the PRC, specialising in luxury and ultra-luxury automobile brands as an authorised dealer. However, in recent years, the operating environment for luxury and ultra-luxury automobile dealerships in the PRC has become increasingly challenging driven by the weakening consumer purchasing power and intensified market competition.

According to the CPCA, a prominent Beijing-based non-profit industry association under the China Automobile Dealers Association, passenger vehicle retail sales in China totalled approximately 23.7 million units in 2025, representing a year-on-year increase of approximately 3.8% from 2024. Meanwhile, China's luxury vehicle retail sales fell by approximately 9.6% year-on-year to approximately 2.5 million units in 2025.

Based on the market statistics of CPCA, during the nine months ended 30 September 2026, the retail sales volume of luxury vehicles in the PRC continued to exhibit a downward trend compared to the corresponding period in 2025. Total luxury vehicle retail sales volume for the nine months ended 30 September 2026 decreased by approximately 20.7% from the approximately 1,782,000 units for the nine months ended 30 September 2025 to approximately 1,413,000 units.

The rapid advancement in the vehicle electrification, supported by favourable environmental policies and shifting consumer preferences, has led to strong growth in the new energy vehicles ("**NEV**") sector. Chinese NEV brands, in particular, have made significant improvements in product quality, technology advancement and offering competitive pricing. As a result, these brands, have not only increased their domestic market share but have also expanded aggressively into overseas markets.

iCar Group was established by the Company in 2024 and currently held by the Company as to 49.5001% of its equity interest. It is principally engaged in the sales and after-sales services of NEV in Hong Kong and overseas.

Currently, iCar is one of the world's largest sales and operation service platforms for NEVs outside Chinese Mainland in terms of the number of countries covered and the number of stores. As at 30 September 2026, iCar Group has established a presence in 28 countries outside Chinese Mainland with a total of 155 stores. From the opening of its first store in October 2023 to 30 September 2026, iCar Group has sold over 110,000 new vehicles overseas. Through strategic synergies with leading Chinese NEV manufacturers, iCar Group has established a global operation and service network integrating brand exhibition, new vehicle sales, delivery, after-sales services, financing and insurance, customer operations and the NEV ecosystem.

The rapid growth of overseas NEV markets presents significant business opportunities but also requires substantial working capital and upfront investment for market entry, including the establishment of distribution and after-sales networks.

2. The Voting Proxy Agreement in 2025

On 1 September 2025, iCar, the Company, EGL and Golden Link Worldwide Limited (an indirect wholly owned subsidiary of BYD Company Limited ("**BYD**")) entered into a share subscription agreement. Under the agreement, Golden Link Worldwide Limited conditionally agreed to subscribe for, and iCar conditionally agreed to issue, approximately 9.9999% of iCar's enlarged issued share capital for US$40 million (the "**BYD Equity Financing**"), such proceeds had been fully utilized in 2025 for the expansion of iCar Group overseas sales network, including the opening of new stores.

The post-money valuation of iCar, on a 100% equity basis, following the BYD Equity Financing, amounted to approximately US$400 million. The net proceeds of the BYD Equity Financing are intended to be primarily applied to support iCar Group's growth strategy and the funding required to implement its phased expansion plan. The phased expansion plan includes expanding the retail network of iCar Group and entering into new international markets in Asia Pacific, Europe, the Middle East and Africa.

Following the BYD Equity Financing completed in 2025, the shareholding interest in the iCar held by the Company had been diluted from 55% to 49.5001%, iCar, EGL and the Company entered into the Voting Proxy Agreement, pursuant to which, EGL agreed to irrevocably authorize the Company to exercise on behalf of EGL all of its rights as a shareholder of the iCar in respect of 40.5% shareholding interest in the iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of the iCar. The Voting Proxy Agreement was irrevocable and shall only be terminated upon by mutual written consent of EGL and the Company.

As a result, the Company had maintained the control of exercise of 90.0001% of voting rights in the iCar, and continued to consolidate the financial results of iCar Group upon the completion of the BYD Equity Financing, with the iCar remained as a non-wholly owned subsidiary of the Company.

3. Business development and financial overview of iCar Group

(a) Business development of iCar Group

Prior to the establishment of iCar Group, in October 2023, the Company had already successfully partnered with BYD, a leading automobile manufacturer in the PRC, to distribute and provide after-sales services for two NEV brands, namely BYD and Denza, through establishment of distribution outlets and services centres, across various locations outside Chinese Mainland.

Since the establishment of iCar Group in 2024 and through strategic synergies with leading Chinese NEV manufacturers, iCar Group has established a global operation and service network integrating brand exhibition, new vehicle sales, delivery, after-sales services, financing and insurance, customer operations and the NEV ecosystem.

As disclosed in the interim report for the six months ended 30 June 2026, the Group continued to advance its globalization strategy through its partnership with BYD for the distribution and provision of after-sales services for NEV brands, particularly BYD and Denza. As of 30 June 2026, the iCar Group has established a presence in 27 countries and 49 cities worldwide (outside Chinese Mainland), operating a total of 146 stores, comprising 113 in Asia-Pacific, 29 in Europe and 4 in the Middle East and Africa. During the six months ended 30 June 2026, the sales in Hong Kong and overseas markets reached 40,183 units, representing a substantial year-on-year increase of approximately 155.5%.

(b) Recent financial performance of iCar Group

Revenue of iCar Group was principally generated from (i) the sales and distribution of NEV; and (ii) the provision of after-sales services in overseas market.

Based on the unaudited consolidated financial information of iCar Group for the years ended 31 December 2024 ("**FY2024**"), 31 December 2025 ("**FY2025**"), six months ended 30 June 2026 and the eight months ended 31 August 2026, iCar Group recorded a total revenue of approximately RMB8,574.8 million for FY2025, representing a significant increase of

approximately 379.4% compared to approximately RMB1,788.5 million for FY2024, mainly attributable to the strategic expansion of the Group's international sales network, which broadened market reach and boosted sales volume across key regions.

The iCar Group recorded losses of approximately RMB187.2 million and RMB219.6 million for FY2024 and FY2025, respectively. For the six months ended 30 June 2026, the iCar Group's revenue amounted to approximately RMB7,588.6 million, and it recorded a net profit for the period of approximately RMB49.2 million.

The net liabilities of iCar Group were approximately RMB198.2 million as at 31 December 2024, whereas iCar Group had a net assets position of RMB382.2 million as at 31 December 2025, primarily due to the capital injection under the BYD Equity Financing and the Capital Restructuring (as defined hereinafter), in which a significant amount of the Shareholder' Loan (as defined hereinafter) had been capitalised as share capital of iCar Group. As at 30 June 2026, iCar Group had a net asset of approximately RMB393.7 million.

As disclosed in the letter from the Board of this circular, iCar Group's revenue increased from approximately RMB6.0 billion for the twelve months ended 31 August 2025 to approximately RMB14.1 billion for the twelve months ended 31 August 2026 mainly driven by the increase in sales volume of new vehicles increased from approximately 24,000 units for the twelve months ended 31 August 2025 to approximately 75,900 units for the twelve months ended 31 August 2026.

(c) Shareholding and shareholder's voting right of iCar

As at the Latest Practicable Date, iCar was held as to 49.5001% by the Company and 40.5000% directly by EGL, and approximately 9.9999% by Golden Link Worldwide Limited. Under the Voting Proxy Agreement and as at the Latest Practicable Date, the Company is entitled to a total of 90.0001% of the voting rights of iCar at its shareholders' meeting.

Upon the effectiveness of the Termination Deed, in which the Voting Proxy Agreement would be terminated, the Company's equity interest in iCar remains unchanged, and the Company would be entitled to approximately 49.5001% of the voting rights at iCar's shareholder meeting.

(d) Accounting treatment and economic interest being consolidated to the Group

Pursuant to the Voting Proxy Agreement and prior to the Termination Deed becoming effective, the Company is entitled to exercise 90.0001% of the voting rights in iCar, and the financial results of iCar Group are accordingly consolidated into the Group's consolidated financial statements.

Although the financial results of iCar Group are fully consolidated, the economic interests in iCar Group attributable to the Shareholders, namely the profit attributable to the Shareholders and the net assets attributable to the Shareholders, correspond to an equity interest of approximately 49.5001% in iCar Group (the "**Economic Interests in iCar**"), with the remaining 50.4999% of iCar Group's profits or loss and net assets attributable to non-controlling interests.

Upon the effectiveness of the Termination Deed, the iCar Group's financial results will cease to be fully consolidated on a line-by-line basis. It is expected that iCar Group's revenue and expenses will be deconsolidated, and the related assets and liabilities will be derecognised. For illustrative purposes, as disclosed in the Company's annual report for FY2025, the iCar Group's revenue, total assets and total liabilities (before any inter-company eliminations) amounted to approximately RMB8,574.8 million, RMB4,979.0 million and RMB4,596.7 million, respectively.

The Group will recognise its share of the Economic Interests in iCar, being approximately 49.5001%, as share of the associate's net profit or loss in the consolidated profit or loss and statement of comprehensive income, and will recognise its interest in the associate as a single line item in the consolidated statement of financial position.

Based on the facts and circumstances currently available and assuming that all other factors remain unchanged, such accounting treatment of the Company's remaining interest in iCar upon the Termination Deed becoming effective has been reviewed and agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited.

(e) Potential equity financing of iCar Group

Having considered the funding required for iCar's ongoing business development, iCar is currently considering to conduct further equity financing going forward (the "**Potential iCar Equity Financing**"). The Company believes that the prospective investors would regard that iCar Group be deconsolidated from the Company (the "**Deconsolidation**") as beneficial to improving its competitiveness, independence and operating efficiency, enabling it to pursue

a distinct strategic direction tailored to the dynamics of the global NEV sector while enhancing its attractiveness to the capital markets, which may also be a consideration for their investment decision in iCar Group.

4. Reasons for entering into the Termination Deed

Rapid development of the iCar Group and its ability to operate independently of the Group

At the time the Voting Proxy Agreement was entered into in September 2025, iCar Group was still in an early stage of development, and the Company and EGL, as iCar's major shareholders, considered that managing iCar Group as a consolidated subsidiary of the Group would be beneficial. Since then, however, iCar Group's business has expanded at a faster pace than anticipated and continues to exhibit strong growth momentum, as illustrated by the following:

- the sales volume of new vehicles increased from approximately 24,000 units for the twelve months ended 31 August 2025 to approximately 75,900 units for the twelve months ended 31 August 2026;

- revenue increased from approximately RMB6.0 billion for the twelve months ended 31 August 2025 to approximately RMB14.1 billion for the twelve months ended 31 August 2026;

- the number of countries covered outside Chinese Mainland increased from 18 as at 30 September 2025 to 28 as at 30 September 2026;

- the number of stores increased from 88 as at 30 September 2025 to 155 as at 30 September 2026; and

- the number of employees increased from approximately 2,330 as at 30 September 2025 to approximately 3,800 as at 30 September 2026.

Alongside such growth, the iCar Group has built up its own operating infrastructure and no longer relies on the Group for its back-office functions. When the Voting Proxy Agreement was entered into, the iCar Group's business management, human resources and administrative processes were operated on the Group's IT system, and its back-office functions relied on the Group. Since then, (i) an independent IT system developed for the iCar Group was launched in January 2026, and all employees of the iCar Group completed the migration to such system in February 2026; (ii) the iCar Group has established its own human resources, internal control and management teams, and all of its employees are directly employed by members of

the iCar Group; and (iii) the iCar Group adopted an independent financial information system, which went live in July 2026. With its own management team and independent finance, human resources, internal control and accounting functions, the iCar Group is capable of operating independently of the Group and is well positioned to further expand its global footprint on a standalone basis.

Allowing the Group to concentrate its resources on its core luxury vehicle dealership business in Chinese Mainland

The iCar Group's rapid global expansion will require substantial ongoing capital expenditure and investment, such as opening of new stores, and the build-out of its overseas sales and service network. The iCar Group's funding requirements would compete with, and are likely to consume, financial resources that would otherwise be available to support the Group's luxury vehicle operations in Chinese Mainland. As disclosed in the Company's interim report for the six months ended 30 June 2026, the Group remains focused on maintaining its market leadership in the luxury vehicle segment in Chinese Mainland. Accordingly, the Company intends to direct its management focus and resources towards its core luxury vehicle dealership business in the Chinese Mainland, and considers that the Deconsolidation of the iCar Group would preserve the Group's financial health and enable it to streamline its business and concentrate its resources on its existing operations, which is in the interests of the Company and the Shareholders as a whole.

Following the Termination Deed becoming effective, the Group will continue to focus on its core business of the sale of luxury and ultra-luxury vehicles, while making such strategic adjustments as may be necessary to adapt to the prevailing economic and market conditions. Over the next 12 months, the Group intends to proactively optimise its cost structure, strengthen its existing business and continue to explore business diversification. In respect of outlets which incur high operating costs but have delivered unsatisfactory operating efficiency, the Group will proactively close, merge or convert such underperforming outlets, so as to optimise its outlet network, alleviate operating pressure and further enhance its profitability. The Group will also continue to adopt a selective brand strategy based on prudent assessment and stringent cost control, concentrating its resources on brands and regions in which it has a competitive advantage. The Group currently expects its working capital requirements in its core business to remain at a level similar to that of previous years, and expects to fund its future operations and business development plans primarily with cash generated from its operating activities and bank borrowings.

Facilitating the iCar Group's future equity financing to meet its funding needs for future business development

The iCar Group intends to continue to expand its business in Hong Kong and overseas markets. In addition, building on its global sales network, the iCar Group intends to extend its business beyond new vehicle sales into automotive ecosystem services and high-value consumer technology products, which can be broadly categorised into: (i) after-sales services and ancillary businesses, such as maintenance, insurance, financing and vehicle accessories; (ii) new energy enablement businesses, such as ultra-fast charging and battery recycling and cascade utilisation; and (iii) consumer technology businesses, such as the overseas sales and distribution of consumer robots manufactured in Chinese Mainland. Based on its current business plan, the iCar Group expects its aggregate capital requirements for the next 24 months to amount to approximately US$200 million, which are expected to be applied principally towards: (i) capital expenditure for the opening of approximately 180 new stores; (ii) the operation of its ultra-fast charging station business; (iii) the operation of its NEV battery recycling and cascade utilisation business; and (iv) the sale and operation of its consumer technology robotics business. As at 30 September 2026, the iCar Group had outstanding banking facilities of approximately RMB1,450 million, which were guaranteed by the Company. Having considered (a) the scale of the iCar Group's expected capital requirements; (b) that bank borrowings are generally short-term in nature and more suitable for funding working capital than long-term capital expenditure such as the opening of new stores; and (c) that bank borrowings would incur interest costs, increase the iCar Group's gearing and subject it to repayment obligations, and may be subject to more stringent security requirements and restrictive financial covenants; (d) that the banking facilities of the iCar Group have historically been granted on the basis of guarantees provided by the Company, and it would be difficult for the iCar Group to obtain further debt financing without guarantees or other collateral provided by the Company; and (e) that the iCar Group has limited properties that are acceptable to banks as collateral to secure additional borrowings on a standalone basis, the board of directors of iCar considers that bank borrowings would not be a suitable or sustainable source of funding for the iCar Group's long-term development. Accordingly, iCar is currently considering conducting further equity financing.

The Company also considers further equity financing by iCar to be in the interests of the Company and the Shareholders as a whole, given the funding needs of the iCar Group and the financial constraints faced by the Group in procuring further debt financing:

(i) the Group's bank borrowings are generally subject to financial covenants under the relevant facility letters, including, among others, financial ratios and limits on capital expenditure as a percentage of the Group's net assets. In addition, the provision of guarantees by the Company requires the prior consent of the relevant banks;

(ii) bank financing, as the Group's principal source of debt financing, generally requires the pledge of the Group's assets as a precondition to the grant of facilities. Approximately RMB2,049.8 million of the Group's bank loans and other borrowings as at 30 June 2026 (as at 31 December 2025: RMB1,524.8 million) were secured by pledges of the Group's assets, representing approximately 14.7% of the total assets of the Group. As at 30 June 2026, approximately RMB2,034.9 million of inventory (as at 31 December 2025: RMB1,524.8 million) had been pledged for the bank borrowings, representing approximately 73.8% of the total inventory as at 30 June 2026 of the Group; and

(iii) the net gearing ratio of the Group increased significantly from approximately 43.8% as at 31 December 2024 to approximately 70.6% as at 30 June 2026.

In light of the increase in the Group's net gearing ratio and the limited availability of other assets of the Group that are acceptable to banks as security, the Group is expected to face financial constraints in supporting the iCar Group's future business expansion through the provision of further guarantees for the iCar Group's borrowings.

The Company believes that potential investors would regard the Deconsolidation of the iCar Group as beneficial to maintaining the iCar Group's competitiveness and independence, enabling it to pursue a distinct strategic direction tailored to the dynamics of the global NEV. Following the Deconsolidation, the iCar Group will be able to present a clearer standalone profile to the capital markets, which is expected to enhance its attractiveness to investors, and will be better positioned to conduct future equity financing independently to support its global expansion without relying on the Group's financial resources.

No economic value being transferred away from the Company upon the effectiveness of the Termination Deed

Prior to the termination of the Voting Proxy Agreement, although the financial results of the iCar Group have been fully consolidated into the financial results of the Group, the Economic Interests in iCar attributable to the Shareholders, namely the profit or loss and the net assets of the iCar Group attributable to the Shareholders, correspond to the Economic Interests in iCar, with the remaining approximately 50.4999% of the iCar Group's profit or

loss and net assets being attributable to non-controlling interests. The termination of the Voting Proxy Agreement does not involve any transfer of shares in iCar. Accordingly, the Economic Interests in iCar are expected to remain unchanged at approximately 49.5001% before and after the Termination Deed becomes effective, and the profit or loss and the net assets attributable to the Shareholders are expected to remain substantially the same. As such, notwithstanding that the contribution of the iCar Group to the Group's revenue, profit, total assets and net assets for the six months ended 30 June 2026 generally increased as compared with that for the year ended 31 December 2025 as shown in "Financial effect on the Group upon termination of the Voting Proxy Agreement" above, the Deconsolidation of the iCar Group is not expected to result in any adverse change to the economic exposure of the Company and the Shareholders as a whole, as the Company will retain the same indirect exposure to the value of the iCar Group through its approximately 49.5001% equity interest in iCar. As the single largest shareholder of iCar immediately upon the Termination Deed becoming effective, the Company will continue to retain its Economic Interests in iCar through dividend distributions (if any) and any potential appreciation in the value of its shareholding. Accordingly, the Company will continue to benefit from the future growth in value and business expansion of the iCar Group as a result of the Deconsolidation as further explained in this section.

The Company will continue to participate in the decision-making of iCar through the exercise of its own voting rights. As at the Latest Practicable Date, EGL, the Company and Golden Link Worldwide Limtied were entitled to nominate two directors, two directors and one director to the board of directors of iCar, respectively. There will be no change to such director nomination rights upon the Termination Deed becoming effective, and the Company will continue to be entitled to nominate two directors to the board of directors of iCar.

In addition, iCar Group's global NEV business differs fundamentally from the Group's luxury vehicle dealership business in the PRC in terms of business characteristics, market positioning, geographic focus, growth profile and risk exposure. The Group is primarily exposed to PRC-related risks, including domestic consumer demand, luxury vehicle taxation and dealership regulation, whereas iCar Group is subject to risks across multiple jurisdictions, such as local laws and regulations, foreign exchange fluctuations and local licensing requirements. Following the termination of the Voting Proxy Agreement, each of the Group and iCar Group will be able to present a clearer and more focused business profile to the market.

If the Termination Deed is not approved by the Independent Shareholders at the EGM, the Company and iCar will consider other funding options available to the iCar Group, which may include, among others, equity financing by iCar and/or provision of guarantees by the

Company to enable the iCar Group to obtain further bank borrowings, subject to compliance with the applicable requirements of the Listing Rules. Following the Termination Deed becoming effective, all existing guarantees provided by the Group in respect of the iCar Group's borrowings will remain in effect until their respective expiry dates, with the last of such guarantees currently expected to expire by June 2027. In considering whether to provide any further guarantee in respect of the iCar Group's borrowings in the future after the expiry of the existing guarantees, the Company will take into account, among other things, (i) the financial position, credit standing and repayment ability of the iCar Group; (ii) the purpose, amount and terms of the relevant borrowings; (iii) the Group's overall financial position, gearing and contingent liabilities; and (iv) whether the provision of such guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Should the Company provide any such guarantee in the future, it will comply with all applicable laws and regulations, including the Listing Rules.

Based on the above, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser but excluding the Directors who abstain from voting at the meeting of the Board) are of the view that although the entering into of the Termination Deed is not in the ordinary and usual course of business of the Group, the terms of the Termination Deed were arrived after arm's length negotiations between the Company and EGL, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Company is of the view that the termination of the Voting Proxy Agreement will not have any material adverse effect on the financial condition and operations of the Group, and there is no transfer of economic value from the Group as a result of the Termination Deed.

5. Financial impact of the Deconsolidation

The following table sets out, for illustrative purposes, the quantitative financial impact of the Deconsolidation of iCar Group showing the proportion of the financial results to be deconsolidated based on (i) the financial information in the audited consolidated financial statements of the Group for FY2025, (ii) the financial information in the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026; and (iii) the summarised financial information of the iCar Group contained therein. The information below is provided for reference only.

	As at/for the year ended 31 December 2025			As at/for the six months ended 30 June 2026		
	Financial results of iCar Group *(Note 1)* *(RMB' 000)*	**Financial results of the Group** *(RMB' 000)*	**Financial results of iCar Group as a percentage of the Group** *(Note 2)*	**Financial results of iCar Group** *(Note 1)* *(RMB' 000)*	**Financial results of the Group** *(RMB' 000)*	**Financial results of iCar Group as a percentage of the Group** *(Note 2)*
Revenue	8,574,797	20,026,877	42.8%	7,588,606	12,149,310	62.5%
Profit/(loss) for the year/period	(219,579)	(723,568)	30.3%	49,188	16,267	302.4%
Total assets	4,978,968	12,903,985	38.6%	6,761,225	13,947,483	48.5%
Total liabilities	4,596,741	7,849,621	58.6%	6,367,536	8,880,832	71.7%
Net assets	382,227	5,054,364	7.6%	393,689	5,066,651	7.8%

Notes:

1. The balances of the iCar Group for the financial year ended 31 December 2025 are extracted from note 36 of the Company's consolidated financial statements included in the 2025 annual report, and represent figures prior to any inter-company eliminations. The balance of the iCar Group as at 30 June 2026 are extracted from unaudited consolidated financial information of iCar Group for the six months ended 30 June 2026, and represent figures prior to any inter-company eliminations.

2. The quantification of the financial impact of the Deconsolidation of iCar Group summarised in the table above has been prepared primarily with reference to the financial information contained in the Group's consolidated financial statements for the year ended 31 December 2025, the unaudited financial information of the Group for the six months ended 30 June 2026, and the unaudited financial information of the iCar Group prior to any inter-company transaction and balance elimination, based on iCar Group's management accounts.

Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using the equity method of accounting. Accordingly, the financial results of iCar Group will no longer be consolidated on a line-by-line basis into the Group's consolidated financial statements, the proportion of the financial results to be deconsolidated is illustrated in the table set out above.

Instead, the Group will recognise its share of iCar Group's profit or loss as a single line item in the consolidated statement of profit or loss and other comprehensive income of the Group, and its interest in iCar as an investment in an associate as an asset in the consolidated statement of financial position of the Group.

The Deconsolidation may result in the recognition of a one-off gain or loss at the initial recognition of investment in associate of the Economic Interests in iCar on the effective date of the Termination Deed, calculated as the difference between (i) the aggregate of the fair value of the retained interest in iCar and any consideration received, and (ii) the carrying amount of the net assets of iCar Group attributable to the Group, together with any related items. The actual amount of any such gain or loss will be determined by reference to the fair value of the retained interest and the carrying amounts as at the effective date of the Termination Deed, and will be disclosed in the Group's financial statements when determined. Any such gain or loss is non-cash in nature and will not affect the Group's cash flows.

Notwithstanding the foregoing, as the Group's Economic Interests in iCar is approximately 49.5001% both before and after the Deconsolidation, in respect of the Group's ongoing recognition of the financial results of the iCar Group on a recurring basis, the Deconsolidation is not expected to have a material impact on the profit or loss attributable to the Shareholders or on the net assets attributable to the Shareholders, given that the Group's share of the iCar Group's profit or loss, and its share of the iCar Group's net assets, in each case attributable to the Shareholders, are expected to be substantially the same before and after the Deconsolidation. In addition, the Deconsolidation does not involve any cash inflow or outflow.

6. Evaluation of the Termination Deed

(a) Necessity of the Potential iCar Equity Financing and the Group's financial burden

(i) Historical financial support provided to iCar Group

iCar Group's business had been historically financed by the Group primarily via shareholder loan from the Group (the "**Shareholder' Loan**") and the equity financing i.e. the BYD Equity Financing.

As disclosed in the annual report of the Company for FY2025, prior to the restructuring of the Shareholder' Loan (the "**Capital Restructuring**"), the loans and advances together with the interest accrued thereof with aggregate outstanding amount of approximately RMB1,118.7 million was owed by the iCar Group to the Group. In FY2025, the Group had implemented a series of restructuring and financing transactions to restructure the Shareholder's Loan into capital, convertible notes and preferred shareholder loan.

Following the completion of the Capital Restructuring, approximately RMB555.5 million of the Shareholders' Loans had been capitalised as share capital of iCar, in the form of waiver of indebtedness due to the Group by iCar Group by way of conversion

of debt to equity. In addition, approximately RMB385.4 million of the Shareholders' Loans had been converted into preferred shareholders loans, which remained as debt instruments of iCar Group and approximately RMB177.8 million of the Shareholders' Loans had been converted into convertible notes issued by iCar to the Company.

Upon completion of the Capital Restructuring in FY2025, the outstanding amounts due from iCar Group to the Group under the preferred shareholders loans and the convertible notes were approximately RMB385.4 million and RMB177.8 million, respectively.

(ii) The Group's financial burden — increasing net gearing ratio

The Group's interest-bearing debt has increased significantly to partly finance the capital expenditure and development of iCar's business. Its bank loans and other borrowings increased significantly from RMB3,419.0 million as at 31 December 2024 to approximately RMB5,365.5 million as at 30 June 2026.

The net gearing ratio of the Group, calculated as net debt (being interest-bearing debt, including bank loans, other borrowings and convertible notes, less cash and cash equivalents) divided by the Company's total equity, increased significantly from approximately 43.8% as at 31 December 2024 to approximately 70.6% as at 30 June 2026.

— *Financial constraints faced by the Group in procuring further debt financings and funding needs of iCar Group*

The increasing indebtedness and the net gearing ratio of the Group had posed financial constraint in providing further financial support to the iCar Group's business expansion via the Group's debt financing. As at 30 September 2026, the iCar Group had outstanding bank borrowings of approximately RMB1,450 million, all of which were guaranteed by the Company.

The Group's bank borrowing is generally subject to financial covenants under the banking facility letters, including, among others, the financial ratio and the percentage of capital expenditure to the Group's net assets, and the provision of guarantees by the Company also requires the prior consent of the banks. Bank financing as a significant source of debt financing generally required pledge of assets of the Group as the pre-conditions in granting the facilities to the Group.

Approximately RMB2,049.8 million of the Group's bank loans and other borrowings as at 30 June 2026 (as at 31 December 2025: RMB1,524.8 million) were secured by pledges of the Group's assets, representing approximately 14.7% of the total assets of the Group. As of 30 June 2026, approximately RMB2,034.9 million of inventory (as at 31 December 2025: RMB1,524.8 million) had been pledged for the bank borrowings, representing approximately 73.8% of the total inventory as at 30 June 2026 of the Group.

The Group's capital expenditure amounted to RMB402.9 million and RMB262.1 million for FY2025 and the six months ended 30 June 2026, respectively, of which approximately 64.3% and 84.8% for respective periods were devoted to the business expansion of the iCar Group, primarily for the purchase of property, plant and equipment in connection with the expansion of its overseas sales network and retail outlets.

iCar Group's business had been growing significantly, with its sales volume of new vehicles increasing from approximately 24,000 units for the twelve months ended 31 August 2025 to approximately 75,900 units for the twelve months ended 31 August 2026, and its revenue growing from approximately RMB6.0 billion to RMB14.1 billion, representing an increase of approximately 135%.

The funding needs for business expansion, amid the aforementioned strong outlook for the overseas NEV market, required substantial and continuing capital support. Accordingly, the Group successfully entered into a subscription agreement with BYD on 1 September 2025. The proceeds of US$40 million from the BYD Equity Financing were fully utilized in 2025, which indicates that iCar Group's funding demand requires a sustainable source of financing to drive its business growth.

For the next 24 months, it was projected the capital expenditure amounted to approximately US$200 million (equivalent to approximately RMB1.3 billion, based on the exchange rate of US$1:RMB6.6), for (i) capital expenditure for the opening of approximately 180 new stores; (ii) the operation of its ultra-fast charging station business; (iii) the operation of its NEV battery recycling and cascade utilisation business; and (iv) the sale and operation of its consumer technology robotics business.

Notwithstanding this significant funding requirements of the iCar Group, and considering the increase in the Group's net gearing ratio and the availability of other qualifying charging assets of the Group as security to obtain the banks'

financing, the Group is expected to face financial constraints in supporting the iCar Group's future business expansion, for which the expected capital expenditure of the iCar Group amounted to US$200 million (equivalent to approximately RMB1.3 billion, based on the exchange rate of US$1:RMB6.6), representing approximately 63.4% of the Group's outstanding bank borrowing balance as at 30 June 2026. The Group's bank borrowings are generally short-term in nature and more suitable for funding working capital than long-term capital expenditure such as the opening of new stores.

In view of the significant size of planned capital expenditure of iCar Group and taking into account the indebtedness level of the Group, the board of directors of iCar considers that bank borrowings would not be sufficient to meet the iCar Group's future capital requirements.

From the Group's overall financial management and treasury perspective, capital allocation must be prudently balanced against its leverage profile, liquidity constraints, and available borrowing capacity.

In assessing the necessity of the Potential iCar Equity Financing and the appropriateness of this source of funding from the Group perspective, we have taken into account (i) the substantial historical capital expenditure required to support the iCar Group's rapid operational expansion; (ii) its funding requirements under its expansion plan; (iii) the full utilisation of the US$40 million proceeds from the BYD Equity Financing for iCar Group's business expansion; and (iv) the Group's indebtedness, reflected in the significant increase in its net gearing ratio, and the financial constraints it faces. Having regard to these factors, we consider that, from the Group's financial management perspective, the Potential iCar Equity Financing is justified and represents a more sustainable and appropriate source of funding than continued debt financing support from the Group, particularly given that such support may not be viable or sufficient to meet iCar Group's funding needs in the long term.

— *Impacts on Group's net gearing ratio and potential finance cost saving upon the effectiveness of the Termination Deed*

For the six months ended 30 June 2026, the finance cost of iCar Group amounted to approximately RMB94.3 million, representing 81.0% of the Group's finance cost for the same period. As at 30 June 2026, the amount of bank and other borrowings of the iCar Group amounted to approximately RMB4,395.4 million, representing 81.9% of the Group's bank and other borrowings for the same period.

Upon the effectiveness of the Termination Deed, the aforesaid bank and other borrowings and finance costs of iCar Group would not be consolidated into the Group's consolidated financial statements on a line-by-line basis and the Group's net gearing ratio is estimated to be approximately 8.5%, as calculated by excluding the net debts of the iCar Group and assuming there was no change in total net assets of the Group.

(iii) Equity fund raising capabilities of the Company and iCar

As at the Latest Practicable Date, the market capitalization of the Company was approximately HK$700.7 million and its Shares were trading at a price-to-book ratio of approximately 0.12 times. From 1 January 2026 up to the Latest Practicable Date, the average daily trading volume of the Shares amounted to approximately 1.4 million, representing less than 0.1% of the issued Shares. The Company has not conducted any equity fund-raising exercise over the past five years and has no current plan to procure any fund-raising exercise, taking into account the depressed Share price performance and valuation, as well as the thin trading liquidity of the Shares.

In comparison, in 2025, iCar had completed its own equity fund raising exercise on a standalone basis, in which the BYD Equity Financing amounted to US$40 million (equivalent to approximately HK$312 million, based on exchange rate of US$1:HK$7.8), with the post-money valuation of iCar, on a 100% equity basis, amounted to approximately US$400 million (equivalent to approximately HK$3.12 billion, based on exchange rate of US$1:HK$7.8), representing more than three times the Company's prevailing market capitalisation.

The historical success of the fund raising of iCar demonstrated and implied a stronger equity raising capability in compared to the Company, considering the prevailing market capitalization and trading liquidity of the Company.

Further, based on our research on Bloomberg and our review of the corporate filings on the Stock Exchange, we have identified an exhaustive list of comparable companies (the "**Comparable Companies**") that are (i) principally engaged in the car dealership business in Chinese Mainland, and derive more than 50% of their revenue from car dealership business in the Chinese Mainland in their latest financial year; and (ii) have their shares listed on the Stock Exchange.

On the basis of the aforesaid criteria, the Comparable Companies have been identified includes Sunfonda Group Holdings Limited (1771.HK), BetterLife Holding Limited (6909.HK), China MeiDong Auto Holdings Limited (1268.HK), China Yongda

Automobiles Services Holdings Limited (3669.HK), Zhongsheng Group Holdings Limited (881.HK) and China ZhengTong Auto Services Holdings Limited (1728.HK). As at the Latest Practicable Date, none of these listed Comparable Companies had completed any equity fund-raising exercise during the past three years on the Stock Exchange, which, to certain extent, indicates the difficulties in equity fund-raising for PRC car dealership business, in particular in view of the industry downturn in recent years, as evidenced by the decrease in retail sales volume of luxury vehicles set out in the market statistics contained in section 1 of this letter.

In view of the above, and taking into account the prevailing valuation of the Shares, equity fundraising capabilities of the Company are considered to be substantially lower than that of iCar and considering the prevailing valuation of the Shares and general equity market environment, the new equity issuances of the Company would likely to be priced at a significant discount to the Group's net asset value attributable to the Shareholders, thereby potentially diluting the interests of the Shareholders.

As such, raising equity financing directly at the iCar Group level is preferable and more beneficial to the Company and the Shareholders, given the funding needs of its rapid growing NEV business and the potential to raise a greater amount of equity capital than the Company could otherwise raise.

As discussed in our analysis in section 6(a) of this letter, the planned expansion of iCar Group's overseas NEV business will require a sustainable source of financing to meet the capital requirements of its business plan. In light of the financial constraints faced by the Group, we consider the Potential iCar Equity Financing to be a more appropriate and sustainable source of funding.

Although the Termination Deed itself is not a prerequisite for the Potential iCar Equity Financing, in the view of the Group's management, procuring a successful equity fundraising exercise that satisfies iCar Group's funding needs is important in driving its development, and prospective investors would take the Deconsolidation into account, which is regarded as beneficial and a key factor in investors' decision-making process. By raising equity capital from external investors through the Potential iCar Equity Financing, the iCar Group can minimize its reliance on the debt financing support from the Group, thereby reducing the Group's indebtedness and gearing ratio and strengthening Group's financial position.

The successful execution of the Potential iCar Equity Financing will also enable the iCar Group to accelerate its business expansion in overseas NEV markets. Upon the Deconsolidation and the Termination Deed becoming effective, through the Group's retained Economic Interests in iCar, the Group would continue to benefit from iCar's future growth and potential equity value appreciation.

Accordingly, the Potential iCar Equity Financing, together with the Termination Deed becoming effective, would provide iCar Group with greater flexibility to secure external equity financing by addressing prospective investors' potential concerns regarding the iCar Group independence, thereby maximising the amount of equity funding to be raised without the Group incurring additional indebtedness, which would be beneficial to the Company and the Shareholders as a whole.

(b) Strategic and financial benefits to the Group from the Deconsolidation

The iCar Group's business has grown at a significantly faster pace than the PRC luxury car business. Sustaining the growth and supporting its rapid global expansion of the iCar Group require substantial ongoing capital expenditure and investment, including the opening of new stores and further development of its overseas sales and service network.

— *Strategic benefits in preserving the financial resources for the Group's core operation*

The iCar Group intends to continue to expand its business in Hong Kong and overseas markets. Based on its current business plan, the iCar Group expects its aggregate capital requirements for the next 24 months to amount to approximately US$200 million (equivalent to approximately RMB1.3 billion, based on exchange rate of US$1:RMB6.6) , which are expected to be applied principally towards: (i) capital expenditure for the opening of approximately 180 new stores; (ii) the operation of its ultra-fast charging station business; (iii) the operation of its NEV battery recycling and cascade utilisation business; and (iv) the sale and operation of its consumer technology robotics business. These funding requirements compete for financial resources that would otherwise be available to support the Group's luxury vehicle operations in the PRC.

Preserving these resources is particularly important and the Company stated its commitment to maintaining its market leadership in the luxury vehicle segment in the PRC, as disclosed in its interim report for the six months ended 30 June 2026.

The Deconsolidation upon the Termination Deed becoming effective would therefore enable the Group to concentrate its management attention and financial resources on its core luxury vehicle dealership business in the PRC, thereby sharpening its strategic focus and helping to preserve its financial health. At the same time, iCar Group would be able to present a clearer standalone profile to the capital markets and would be better positioned to raise equity financing independently to fund its global expansion, reducing its reliance on the Group's financial resources.

In particular, in view of the Group's significant increase in indebtedness and the net gearing ratio (as set out in section 6(a)(ii) of this letter), the Group recorded a substantial rise in the Group's finance costs, from approximately RMB174.6 million in FY2024 to approximately RMB249.3 million in FY2025, representing an increase of approximately 42.8%.

The Deconsolidation and the Potential iCar Equity Financing, as a standalone equity financing conducted directly at the iCar level, would help to accelerate iCar's growth trajectory and strengthen its market position as one of the world's largest sales and operational service platforms for NEVs, while potentially reducing the Group's financial burden and financing cost in the long run. Through the Group's retained Economic Interests in iCar, the Group would continue to benefit from iCar's future growth and potential equity value appreciation. The Deconsolidation would thus allow the Group to pursue a more focused strategy while retaining exposure to the growth potential of iCar's global NEV business.

— *Business prospect amid of concentration of the Group's resources on core luxury car dealership operation in Chinese Mainland*

Despite a challenging luxury vehicle market in the Chinese Mainland, following the Termination Deed becoming effective, the Group will continue focusing on the luxury and ultra-luxury vehicles dealership business, while proactively optimising costs and improving outlet efficiency. It plans to close, merge or convert underperforming stores, adopt a selective brand strategy with prudent capital allocation, and strengthen higher growth activities, including after-sales, automotive finance, insurance and accessories. The Group expects to fund operations mainly through operating cash flows and bank borrowings, and believes these measures should support a relatively stable business performance.

Luxury vehicle brands are increasingly aligned with the market's electrification trend. Core brands of the Group's dealership business, including BMW and Lexus, are accelerating the introduction of electric and plug-in hybrid models. For instance, BMW

has entered into strategic partnerships with leading domestic battery suppliers, expanded localised electric vehicle and battery production through its joint ventures in China, and deepened collaboration with technology companies to enhance intelligent connectivity and AI-powered in-vehicle systems. The expanded electrified product lineup is expected to better meet evolving consumer preferences in the luxury vehicle segment, potentially driving the luxury car sales of these luxury brand in the future.

In addition to driving operating efficiency in its retail business, as disclosed in the Company's interim report for the six months ended 30 June 2026, BMW achieved an after-sales absorption rate of 115% (defined as after-sales gross profit divided by dealership operating expenses) for the six months ended 30 June 2026. Despite a contraction in after-sales revenue, the Group leveraged manufacturer repurchase policies to boost high-turnover categories and improve accident repair return rates, and introduced a front-end dual-inspection process to enhance the conversion rate of customer-paid service items. These initiatives indicate that, when new-car retail operations are under pressure, luxury car dealers can broaden their revenue through services, finance, insurance and accessories to support and stabilise overall operating performance.

As the primary driver of earnings, the after-sales service division has actively reoriented its business strategy from volume growth focused to profitability enhancement since FY2025. By enforcing rigorous cost discipline on collision repairs and expanding value-added service offerings, the Group sustained its operational scale and earnings resilience. The Group recorded a 4.6% decline in after-sales service revenue, from approximately RMB2,200.7 million in FY2024 to approximately RMB2,098.8 million in FY2025. Over the same period, gross profit decreased significantly by approximately 11.9%, from RMB739.0 million to RMB651.1 million, while the gross profit margin for after-sales services contracted by 2.6 percentage points, from approximately 33.6% to approximately 31.0%.

Driven by strategic refinements aimed at enhancing profitability, the Group's after-sales service business delivered improved performance during the six months ended 30 June 2026. Gross profit margin for after-sales services staged a turnaround, increasing by 0.2 percentage points compared to the corresponding period in 2025, demonstrating the structural effectiveness of the Group's strategy. In particular, the service absorption rate for the BMW brand, one of the Group's core brands, showed steady growth, rising from approximately 95% in FY2024 to 104% in FY2025, and reaching 115% for the six months ended 30 June 2026.

In addition, the Group has initiated the disposal of non-core brand retail outlets whose service absorption rates remain under 100% without positive recovery momentum, including certain Volvo, Jaguar Land Rover, and Audi dealerships. While such disposals will result in a contraction in total after-sales business volume, they serve to optimize per-store after-sales profitability, ultimately benefiting the Group's earnings profile in accordance with its profit-driven strategic framework.

The Group will adhere to refined, profit-driven operational strategies and move away from scale expansion and price-based competition. The Company will continue to optimize its brand and outlet mix, prioritizing resource allocation toward higher-margin vehicle models and value-added services, and further scale up profitable ancillary businesses including after-sales services, automotive finance, insurance and auto accessories as the core profit pillar for the operation in Chinese Mainland.

Based on the above, subject to the successful implementation of the management plan and with the financial resources available to devote in these business strategy initiatives upon the effectiveness of the Termination Deed, we are of the view that the business prospect of the Group's luxury car operations in Chinese Mainland is cautiously positive.

(c) No economic value being transferred away from the Company upon the effectiveness of the Termination Deed

The Termination Deed does not involve any transfer of shares in iCar. Upon the effectiveness of the Termination Deed, the Company will no longer be entitled to exercise, on behalf of EGL, EGL's rights as a shareholder of iCar in respect of EGL's 40.5% shareholding interest in iCar. Such rights included, among other things, the rights to attend shareholder meetings, exercise voting rights, and nominate, designate and appoint key management personnel of iCar. As a result, iCar will cease to be accounted for as a subsidiary of the Company and will be deconsolidated from the Group's financial statements.

Thereafter, iCar will be accounted for as an associate of the Company using the equity method of accounting. The Group will recognise its proportionate of its Economic Interests in iCar as to 49.5001% as share of the associate's net profit or loss of iCar Group in the consolidated profit or loss and statement of comprehensive income and interest in associate in the consolidated statement of financial position as a single financial line item.

As the Economic Interests in iCar, in terms of the profit attributable to the Shareholders and the net asset value attributable to the Shareholders, remains unchanged at approximately 49.5001% prior to and upon the effectiveness of the Termination Deed, the net profit or loss attributable to the Shareholders and the net assets attributable to the Shareholders, are expected to remain substantially the same before and after the Termination Deed becomes effective.

The Deconsolidation resulting from the effectiveness of the Termination Deed does not result in any detrimental change to the economic exposure of the Independent Shareholders. In particular, the Independent Shareholders are not worse off economically, as they retain the same indirect exposure to value of the iCar through the Group's 49.5001% equity interest in iCar Group.

7. Opinion and recommendation

In arriving at our recommendation in respect of the Termination Deed, we have considered the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

(i) Future capital expenditure requirement of iCar Group and the Group's financial burden

iCar Group's continued overseas expansion requires substantial capital expenditure and working capital, including for the opening of new stores and the further build-out of its overseas sales and service network. The increasing indebtedness and the net gearing ratio of the Group had posed financial constraint in providing further financial support to the iCar Group's business expansion via the Group's debt financing.

The Potential iCar Equity Financing, together with the Termination Deed becoming effective, would provide iCar Group with greater flexibility to secure external equity financing by addressing prospective investors' potential concerns regarding the iCar Group independence, thereby maximising the amount of equity funding to be raised without the Group incurring additional indebtedness, which would be beneficial to the Company and the Shareholders as a whole.

(ii) Strategic and financial benefits to the Group from the Deconsolidation

The Deconsolidation would support a clearer separation between iCar Group's global NEV business and the Group's luxury vehicle dealership business in the PRC, allowing each business to pursue its respective strategic priorities. To the extent that iCar Group

secures the Potential iCar Equity Financing, as a standalone equity financing conducted directly at the iCar level, this would also reduce competing demands on the resources available to support the Group's PRC luxury car business operations and potentially reducing the Group's financial burden and financing cost in the long run.

(iii) No economic value being transferred away from the Group upon the effectiveness of the Termination Deed

The Termination Deed does not involve any transfer of shares in iCar. As the Economic Interests in iCar, in terms of the profit attributable to the Shareholders and the net asset value attributable to the Shareholders, remains at approximately 49.5001% prior to and upon the effectiveness of the Termination Deed, the net profit or loss attributable to the Shareholders and the net assets attributable to the Shareholders, are expected to remain substantially the same before and after the Termination Deed becomes effective. The Deconsolidation resulting from the effectiveness of the Termination Deed does not result in any detrimental change to the economic exposure of the Independent Shareholders.

Having considered (i) the substantially unchanged Economic Interests of iCar and the absence of any economic value transfer upon the effectiveness of the Termination Deed; (ii) the continued governance participation through direct shareholding and board nomination rights; (iii) the strategic benefits of clearer separation, as well as streamlining the Group's business operations and concentrating the Group's resources on its core operations; and (iv) the potential benefit of facilitating iCar's external equity funding through clearer separation and an improved independence profile, we are of the view that the overall benefits of the Termination Deed outweigh the potential downside arising from the reduction in controlled voting rights and the accounting deconsolidation. In particular, as the Group and the Independent Shareholders retain their indirect economic exposure to iCar through its 49.5001% equity interest, the Deconsolidation is expected to allow the iCar Group to pursue its global growth strategy and, subject to future performance, generate value growth and potential equity value appreciation for the Shareholders, while relieving competing funding demands on the Group's existing core luxury car dealership operations.

Based on the above, we consider that the terms of the Termination Deed are fair and reasonable so far as the company and the Independent Shareholders are concerned. We also consider that the Termination Deed while not in the ordinary and usual course of business of the Group, is nonetheless on the normal commercial terms and in the interests of the Company and Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Termination Deed.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 15 years of experience in the corporate finance industry.

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 Company. 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

(i) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporation(s)

Interests in the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange:

		Ordinary Shares Capacity/Nature of Interest			Underlying Shares under Share Options		
Name	Position	Personal Interests[4]	Family Interests[5]	Other Interests	Personal Interests	Total Interests[6]	Approximate % of Shareholding Interest as at the Latest Practicable Date
Mr. FENG Changge	Director	—	—	708,364,660 (L)[1]	—	708,364,660 (L)	46.50%
Mr. FENG Shaolun	Director	—	—	708,364,660 (L)[2]	—	708,364,660 (L)	46.50%

Name	Position	Ordinary Shares Capacity/Nature of Interest: Personal Interests[4]	Ordinary Shares Capacity/Nature of Interest: Family Interests[5]	Ordinary Shares Capacity/Nature of Interest: Other Interests	Underlying Shares under Share Options: Personal Interests	Total Interests[6]	Approximate % of Shareholding Interest as at the Latest Practicable Date
Ms. MA Lintao	Director	—	708,364,660 (L)[3]	—	—	708,364,660 (L)	46.50%
Mr. LIU Fenglei	Director	778,587 (L)	—	—	—	778,587 (L)	0.05%
Mr. WANG Nengguang	Director	40,000 (L)	—	—	—	40,000 (L)	0.00%

Notes:

(1) These 708,364,660 Shares are held by Eagle Seeker. Mr. Feng Changge is deemed to be interested in the said 708,364,660 Shares by virtue of Eagle Seeker being held indirectly by JTC Private Trust (Cayman) Limited through Eagle Pioneer Company Limited, whereas Mr. Feng Changge is the founder of the trust of JTC Private Trust (Cayman) Limited.

(2) These 708,364,660 Shares are held by Eagle Seeker. Mr. Feng Shaolun is deemed to be interested in the said 708,364,660 Shares by virtue of Eagle Seeker being held indirectly by JTC Private Trust (Cayman) Limited through Eagle Pioneer Company Limited, whereas Mr. Feng Shaolun is one of the beneficiaries of the trust of JTC Private Trust (Cayman) Limited.

(3) Ms. Ma Lintao is Mr. Feng Changge's spouse and is therefore deemed to be interested in all the Shares in which Mr. Feng Changge is interested in.

(4) "Personal Interests" represents interests directly beneficially owned.

(5) "Family Interests" represents interests of spouse or child under 18.

(6) The letter "L" denotes long position in the Shares.

Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held	Approximate % of shareholding in the associated corporation as at the Latest Practicable Date
Mr. FENG Changge	iCar	Interest of controlled corporation	34,722,222 (L)[1]	40.5000%

Notes:

(1) These 34,722,222 ordinary shares of US$1.00 each in iCar are held by EGL, which is wholly-owned by Mr. Feng Changge. Mr. Feng Changge is therefore deemed to be interested in such shares under the SFO. iCar is an associated corporation of the Company (within the meaning of Part XV of the SFO), being a subsidiary of the Company as at the Latest Practicable Date.

(2) The letter "L" denotes long position in the shares.

(ii) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares of the Company or its associated corporation(s)

As at the Latest Practicable Date, save as disclosed below, none of the Shareholders and other persons (other than the Directors or the chief executive of the Company) had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO, to be entered in the register referred therein:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held[4]	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Eagle Seeker	Beneficial owner	708,364,660 (L)	46.50%
Eagle Pioneer Company Limited[1]	Interest of controlled corporation	708,364,660 (L)	46.50%
JTC Private Trust (Cayman) Limited[2]	Trustee	708,364,660 (L)	46.50%
Foxconn (Far East) Limited[3]	Beneficial owner	128,734,000 (L)	8.45%
Hon Hai Precision Industry Co. Ltd.[3]	Interest of controlled corporation	128,734,000 (L)	8.45%

Notes:

(1) Eagle Seeker is wholly owned by Eagle Pioneer Company Limited. Accordingly, Eagle Pioneer Company Limited is deemed to have interest in the 708,364,660 Shares held by Eagle Seeker.

(2) Eagle Pioneer Company Limited is wholly owned by JTC Private Trust (Cayman) Limited. Accordingly, JTC Private Trust (Cayman) Limited is deemed to have interest in the 708,364,660 Shares held by Eagle Seeker (the controlling shareholder of the Company), indirectly via Eagle Pioneer Company Limited. Mr. Feng Changge, an executive Director and the Chairman of the Board, is the founder of the trust of JTC Private Trust (Cayman) Limited.

(3) Foxconn (Far East) Limited ("**Foxconn**") is wholly owned by Hon Hai Precision Industry Co. Ltd. ("**Hon Hai**"), a company listed on the Taiwan Stock Exchange. Accordingly, Hon Hai is deemed to have interest in the 128,734,000 Shares held by Foxconn.

(4) The letter "L" denotes long position in the Shares.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, save for the Voting Proxy Agreement and the Termination Deed, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, none of the Directors or any of their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who has given an opinion or advice which is contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular, with the inclusion of its letter and/or references to its name and/or its opinion or report in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interest in any assets which had been, since December 31, 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

(i) The registered office of the Company is located at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

(ii) The principal place of business and headquarter of the Company in the PRC is located at 15A, Tower A, World Trade Center Building, Shangwuneihuan Road, CBD Zhengdong New District, Zhengzhou, Henan Province, PRC. Its principal place of business in Hong Kong is located at Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

(iii) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(iv) The company secretary of the Company is Ms. WONG Wai Yee, Ella, who is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

(v) This circular has been prepared in both English and Chinese. In the event of any inconsistency, the English text shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.hexieauto.com) for a period of 14 days from the date of this circular:

(i) the Termination Deed;

(ii) 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;

(iii) the letter from the Independent Financial Adviser, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular;

(iv) the written consent referred to in the paragraph headed "9. Qualification and Consent of Expert" in this appendix; and

(v) this circular.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

HARMONY AUTO

和諧汽車

China Harmony Auto Holding Limited

中國和諧汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03836)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of China Harmony Auto Holding Limited (the "**Company**") will be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Wednesday, December 2, 2026 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution of the Company. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated November 17, 2026 (the "**Circular**").

ORDINARY RESOLUTION

1. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

   "**THAT**:

   (a) the termination deed dated November 9, 2026 (the "**Termination Deed**") entered into between the Company and EGL in relation to the termination of the Voting Proxy Agreement dated September 1, 2025 entered into between the same parties (a copy of the Termination Deed has been produced to the EGM marked "A" and signed by the chairman of the EGM for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company (other than Mr. FENG Changge, Ms. MA Lintao and Mr. FENG Shaolun) be and is hereby authorised for and on behalf of the Company to do all such acts and things, to sign and execute all such documents, instruments and agreements (and, where required, under the common seal of the Company) and to take all such steps as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Termination Deed and the transactions contemplated thereunder."

By Order of the Board
China Harmony Auto Holding Limited
LIU Fenglei
CEO and Executive Director

Zhengzhou, PRC, November 17, 2026

Notes:

1. All resolutions at the EGM 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 Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules. Mr. Feng and his close associates (including Eagle Seeker) will abstain from voting on the resolution set out in this notice.

2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or more than one proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her/it.

3. 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 certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Monday, November 30, 2026) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, November 27, 2026 to Wednesday, December 2, 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date will be Wednesday, December 2, 2026. In order to be eligible to attend and vote at the EGM, all duly completed and signed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, November 26, 2026.

5. If Typhoon Signal No. 8 or above is hoisted, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect in Hong Kong at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be rescheduled. The Company will publish an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hexieauto.com) to notify Shareholders of the date, time and venue of the rescheduled meeting.

6. References to dates and time in this notice are to Hong Kong dates and time.

7. The Chinese translation of this notice is for reference only and in case of any inconsistency, the English version shall prevail.

As at the date of this notice, the executive Directors are Mr. Feng Changge, Mr. Feng Shaolun, Mr. Liu Fenglei, Ms. Ma Lintao and Mr. Cheng Junqiang; and the independent non-executive Directors are Mr. Wang Nengguang, Mr. Leung Oi Kin and Mr. Sung Ka Woon.