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 stock broker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sunfonda Group Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

Sunfonda Group Holdings

SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

MAJOR TRANSACTION
DISPOSAL OF THE TARGET COMPANY

Unless the context otherwise requires, capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 4 to 20 of this circular.

The Company has obtained written Shareholders' approval for the Equity Transfer Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be held to approve the Equity Transfer Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

23 November 2026

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In this circular, the following words and expressions shall have the following meanings unless the context indicates otherwise:

"Announcement"	the announcement of the Company dated 14 October 2026 in relation to the Disposal
"Board"	the board of Directors
"business day(s)"	any day(s) excluding Saturdays, Sundays and public holidays as stipulated by the laws of the PRC
"BVI"	the British Virgin Islands
"Company"	Sunfonda Group Holdings Limited（新豐泰集團控股有限公司）, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Disposal
"Completion Date"	the date on which Completion takes place
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the proposed disposal of the entire equity interests in Target Company by Vendors to the Purchasers as contemplated under the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated 14 October 2026 entered into between the Purchasers and the Vendors
"Execution Date"	14 October 2026, the date on which the Equity Transfer Agreement was executed by the Purchasers and the Vendors
"Golden Speed"	Golden Speed Enterprises Limited, a company incorporated under the laws of the BVI with limited liability, a controlling shareholder of the Company and wholly owned by Mr. Wu Tak Lam
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"independent third party(ies)"	any person(s) or company(ies) or their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules
"Latest Practicable Date"	19 November 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"Mr. Wu Tak Lam"	Mr. Wu Tak Lam (胡德林), the Chairman of the Board, an executive Director and a controlling shareholder of the Company, the spouse of Ms. Chiu Man
"Ms. Chiu Man"	Ms. Chiu Man (趙敏), an executive Director and a controlling shareholder of the Company, the spouse of Mr. Wu Tak Lam
"Performance Deposit"	the earnest money of RMB1,825,000 paid to the Vendors by the Purchasers on 29 August 2026, which shall automatically become the performance deposit on the Execution Date for the Purchasers' obligations under the Equity Transfer Agreement
"PRC" or "China"	the People's Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchasers"	Shen Xuelong and Sun Qian, each being an independent third party to the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Sunfonda Automobile"	Shaanxi Sunfonda Automobile Co.*, (陝西新豐泰汽車有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
"Sunfonda Technology Development"	Shaanxi Sunfonda Automobile Technology Development Co., Ltd.* (陝西新豐泰汽車技術開發有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
"Target Company"	Wuxi Sunfonda Automobile Co., Ltd* (無錫新豐泰汽車有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
"Target Property"	the property which comprises the land use rights of a parcel of land located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC with a land area of 6,176.1 sq.m., which will expire in July 2053, and a shopfront erected thereon with a gross floor area of 6,259 sq.m.
"Top Wheel"	Top Wheel Limited, a company incorporated under the laws of the BVI with limited liability and a controlling shareholder of the Company
"Valuation Report"	the formal valuation report on the Target Company prepared and issued by the Valuer in accordance with the applicable requirements of the Listing Rules
"Valuer"	Cushman & Wakefield Limited, a qualified independent valuer engaged by the Group for the purpose of the appraisal of the market value of the 100% equity interest in Target Company
"Vendor(s)"	Sunfonda Automobile and Sunfonda Technology Development, each a Vendor and collectively, the Vendors
"Win Force"	Win Force Enterprises Limited, a company incorporated under the laws of the BVI with limited liability, a controlling shareholder of the Company and wholly owned by Ms. Chiu Man
"sq.m."	square meters

* *For identification purpose*



Sunfonda Group Holdings

SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

Executive Directors:
Mr. Wu Tak Lam *(Chairman)*
Ms. Chiu Man *(Chief Executive Officer)*
Ms. Chen Wei
Mr. Wang Hao

Independent non-executive Directors:
Dr. Han Qinchun
Mr. Liu Qiming
Mr. Mou Junfa

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North Point, Hong Kong

23 November 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
DISPOSAL OF THE TARGET COMPANY

1. INTRODUCTION

References are made to the announcement of the Company dated 14 October 2026 in relation to the Disposal.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of the Group; and (iii) other information required to be disclosed under the Listing Rules.

2. THE DISPOSAL

The Board announces that on 14 October 2026 (after trading hours), the Vendors (each being an indirect wholly-owned subsidiary of the Company), entered into the Equity Transfer Agreement with the Purchasers (each being an independent third party), pursuant to which, the Purchasers had conditionally agreed to acquire and the Vendors had conditionally agreed to sell all the equity interests in the Target Company for a total consideration of RMB20.30 million. In addition, the Purchasers also agreed to provide a loan to the Target Company for settling the loan owed by the Target Company to Sunfonda Technology Development in the amount of RMB14.94 million. As at the Latest Practicable Date, the Target Company owns the Target Property which is located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province.

3. THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date: 14 October 2026

Parties:

(1) Sunfonda Automobile and Sunfonda Technology Development (each being an indirect wholly-owned subsidiary of the Company), as the Vendors; and

(2) Shen Xuelong and Sun Qian, as the Purchasers.

Assets to be disposed:

(1) the entire equity interests of the Target Company; and

(2) the Target Property.

For details of the Target Company and the Target Property, please refer to the paragraph headed "Information on the Target Company and the Target Property" in the Announcement.

Consideration and Payment Arrangement:

The total consideration payable by the Purchasers to the Vendors in respect of the Disposal shall be RMB20.30 million ("**Disposal Consideration**"), and the amount payable to each Vendor shall be proportionate to its respective percentage of shareholding in the Target Company. In addition, the Purchasers agreed to provide a loan to the Target Company for settling the loan owed by the Target Company to Sunfonda Technology Development in the amount of RMB14.94 million ("**Purchasers' Loan**").

As at the Latest Practicable Date, the outstanding principal amount of the shareholder's loan owed by the Target Company to Sunfonda Technology Development was RMB14.94 million (the "**Existing Loan**"). The Existing Loan was advanced for the Target Company's general working capital purposes and is unsecured, unguaranteed and interest-free, with no fixed repayment term.

The Disposal Consideration and the Purchasers' Loan are to be settled as follows:

(1) an earnest money of RMB1.825 million has been paid to the Vendors by the Purchasers on 29 August 2026. The earnest money shall automatically become the Performance Deposit of the Purchaser as at the Execution Date;

(2) seven days after the Execution Date, the parties shall open escrow accounts in a commercial bank in the PRC ("**Escrow Accounts**") for the purpose of supervising the transfer of the Disposal Consideration and the Purchasers' Loan. The Purchaser shall, (i) on the date of the Escrow Accounts being opened, remit RMB18.475 million (being the remaining balance of the Disposal Consideration after deducting the Performance Deposit) and the partial Purchasers' Loan of RMB4.94 million to the Escrow Accounts; and (ii) within 50 days after the Execution Date and prior to the publication of the Circular by the Company, remit the remaining Purchasers' Loan of RMB10 million to the Escrow Accounts (collectively, the "**Escrow Funds**"); and

(3) The Escrow Funds shall be remitted to the Vendors on Completion Date.

Conditions Precedent to the Disposal:

The Disposal is conditional upon the fulfillment or waiver of all the following conditions precedent:

(1) each party having completed and obtained all necessary internal approvals, permits, consents, approvals, registrations or filings from government authorities and any other third-party consents (if required) for the execution and performance of the Equity Transfer Agreement, including obtaining the written approval from the Stock Exchange for the publication and despatch of the Circular by the Company for the Disposal;

(2) the Purchasers having remitted the Escrow Funds to the Escrow Accounts; and

(3) the Vendors having procured the release of the existing mortgage on the Target Property and completed the registration of the cancellation of such mortgage.

Conditions (2) and (3) are waivable by the parties. As at the Latest Practicable Date, all of the conditions precedent are fulfilled.

Completion:

Within three business days after the fulfillment or waiver (if applicable) of all the conditions precedent to the Disposal, the Vendors and the Purchasers shall prepare and submit the application documents to the competent market supervision authority of the Target Company to complete the change of registration and filing procedures reflecting the following:

(i) the transfer of all the equity interests in the Target Company owned by the Vendors to the Purchasers, and upon the completion of which, the Purchasers will own 100% equity interests in the Target Company;

(ii) the change of the Target Company's name to a new registrable name as requested by the Purchaser ten business days after the expiry of the lease;

(iii) the change of the legal representative, directors, supervisors, and manager of the Target Company to personnel designated by the Purchasers; and

(iv) the necessary amendments to the articles of association of the Target Company.

Completion shall take place on the date when the Target Company completes the change of registration and filing procedures.

Basis of determining the consideration under the Equity Transfer Agreement

The consideration under the Equity Transfer Agreement was determined based on negotiations between the Vendors and the Purchasers on arm's length basis taking into account (i) the market value of the entire equity interests in the Target Company as at 30 September 2026 of approximately RMB20.15 million according to the Valuation Report prepared by the Valuer based on the Asset Based Approach (covering all assets and related liabilities of the Target Company) (the "**Valuation**"); (ii) the prevailing market conditions; and (iii) the factors as set out in the paragraph headed "Reasons for and Benefits of the Disposal" below.

The consideration represents (i) a premium of approximately 191% to the unaudited net asset value of the Target Company as at 30 September 2026 of approximately RMB6.97 million; and (ii) a premium of approximately 0.74% to the Valuation of the Target Company of approximately RMB20.15 million.

4. VALUATION

Valuation Methodology and Approach

There are generally three accepted approaches to obtain the market value of 100% equity interest in the Target Company, namely the Market Approach, the Income Approach and the Asset Based Approach. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. The Market Approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The Income Approach focuses on the economic benefits due to the income producing capability of the business entity. The Asset Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets.

The selection of the valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, the Valuer considered that Asset Based Approach was more appropriate to value the equity of the Target Company as the main assets owned by the Target Company were real estate assets. The Income Approach is not adopted at the equity level, as the Target Company's cash flows are solely derived from the leasing of the investment property, which have already been fully reflected in the market value of the investment property. The Market Approach is not adopted either, due to the lack of comparable guideline companies or comparable equity transactions involving similar investment property holding companies. Therefore, among the three approaches, the Valuer considered that the Asset Based Approach is more appropriate for valuing the entire equity interest in the Target Company.

Scope of Work

The Valuer has been instructed to conduct a valuation of the market value of 100% equity interest in the Target Company. The Valuer had conducted the following processes to evaluate the reasonableness of the adopted bases and assumptions:

a. discussed with the management of the Company and obtained relevant financial information in respect of the Target Company;

b. examined the relevant bases and assumptions of the financial information in respect of the Target Company;

c. conducted appropriate research to obtain sufficient market data and statistical figures and prepared the Valuation Report based on generally accepted valuation procedures and practices; and

d. presented the purpose and basis of valuation, scope of work, overview of the Target Company, related key business descriptions, source of information, major assumptions, valuation methodology and the opinion of value in the Valuation Report.

Assumptions

In arriving at its appraisal result, the Valuer had, among others, assumed that:

(1) the information provided has been prepared on a reasonable basis after due and careful consideration by the management of the Target Company;

(2) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry;

(3) there will be no major changes in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

(4) there will be no major changes in the political, legal, economic or financial conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;

(5) interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;

(6) the core business operation of the Target Company will not differ materially from those of present or expected; and

(7) the information regarding the Target Company provided by the management of the Target Company is true and accurate.

Limiting Conditions

The Valuation reflects facts and conditions existing at 30 September 2026. Subsequent events had not been considered and the Valuer was not required to update the Valuation Report for such events and conditions.

To the best of the Valuer's knowledge, all data set forth in the Valuation Report were reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that had been used in formulating this analysis are gathered from reliable sources. However, no guarantee was made nor liability was assumed for their accuracy.

The Valuer had relied to a considerable extent on information provided by the management of the Company in arriving at its opinion of value. The Valuer was not in the position to verify the accuracy of all information provided to it. However, the Valuer had had no reason to doubt the truth and accuracy of the information provided to it and to doubt that any material facts had been omitted from the information provided. No responsibilities for the operation and financial information that had not been provided to the Valuer are accepted.

The Valuer's opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of the Valuation, the Valuer had, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Target Company as observed from information supplied or notified to it by the Company. For the avoidance of doubt, the Valuer's valuations do not constitute ESG risk assessments or ratings, which are outside its expertise and require additional specialists' advice beyond the scope of the Valuer.

Source of Information

To perform the Valuation of the market value of the Target Company' equity interest, the Valuer had relied on the following information provided by the Company, as well as other publicly available information gathered through the Valuer's own research, including, but not limited to, the following:

a. copies of business licenses and other relevant documents of the Target Company;

b. unaudited financial statements of the Target Company as at 30 September 2026 provided by the management of the Company; and

c. other public information relating to the Valuation.

The Valuer had not independently verified any of the information which had been provided to it. In analyzing the information, the Valuer had held discussions with the management of the Company. The Valuer had had no reason to doubt the truth and accuracy of the information provided to it which is material to the Valuation. The Valuer was also advised that no material facts had been omitted from the information supplied.

The Appraised Value

The adopted values and valuation methodologies for each of the balance sheet items of the Target Company are listed below:

	As at 30 September 2026		*Note*
	Book Value *(RMB)*	**Market Value** *(RMB)*	
Current assets			
Cash and cash equivalents	733,602	733,602	*1*
Other current assets	53,380	53,380	*1*
Total current assets	**786,982**	**786,982**	
Non-current assets			
Property, plant, and equipment	11,756,001	35,000,000	*2*
Intangible asset	9,729,108	–	*3*
Long-term Deferred Expenses	332,556	–	*3*
Deferred tax asset	1,449,372	1,449,372	*1*
Total non-current assets	**23,267,037**	**36,449,372**	
Total assets	**24,054,019**	**37,236,354**	
Current liabilities			
Contract liability	1,023,810	1,023,810	*1*
Tax payables	120,834	120,834	*1*
Other payables	15,940,000	15,940,000	*1*
Total current liabilities	**17,084,644**	**17,084,644**	
Non-current liabilities			
Total non-current liabilities	**–**	**–**	
Total liabilities	**17,084,644**	**17,084,644**	
Net assets	**6,970,000**	**20,150,000**	*4*

Notes:

1. Book values shown on the management accounts of the Target Company as at 30 September 2026 provided by the management of the Company were adopted. The Valuer had not performed any valuation exercise;

2. The property, plant and equipment comprises street-front retail premises located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC, with a total gross floor area of 6,259 square metres. The market value of the property, plant, and equipment was derived from a property valuation report (the "**Property Valuation Report**") , the details of which are set out below in this circular;

3. The intangible assets are the land use rights located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. The long-term deferred expenses pertain to the unamortized decoration cost of the building. The market value of the intangible assets and the long-term deferred expenses are already reflected in the market value of the property, therefore the value of the above mentioned assets are assumed to be nil; and

4. The calculation is subject to rounding.

5. VALUATION OF THE TARGET PROPERTY

Since the carrying amount of the Target Property is less than 1% of the total assets of the Company as at 30 September 2026, a valuation report prepared under Chapter 5 of the Listing Rules is not required from Listing Rules perspective.

According to the Property Valuation Report prepared by the Valuer, the market value of the Target Property as at 30 September 2026 was RMB35.00 million (the "**Property Valuation**").

Method and Key Assumptions of Property Valuation

In valuing the Target Property, the Valuer had adopted the Income Capitalisation Method on the basis of capitalisation of rental income derived from the existing tenancy, with due allowance for its reversionary potential at an appropriate capitalisation rate. Transactions involving similar scale properties of the same nature and tenancy structure in the same district are not frequent. On the other hand, as the property generates rental income from its letting arrangements and such rental comparables are more readily available, the Valuer considered the Income Capitalisation Method, which is also commonly used in valuing properties for investment purposes, to be the best method.

In undertaking the Property Valuation by the Income Capitalisation Method, the Valuer had mainly made reference to lettings within the property as well as other relevant comparable rental evidence of properties of similar use type, subject to appropriate adjustments including but not limited to location, accessibility, neighborhood environment, maintenance, facilities & equipments, appearance, floor, size, decoration standard and other relevant factors.

The capitalisation rate adopted in the Property Valuation was based on the analysis of the yields of properties of similar use type after due adjustments. This rate is estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflects the type and quality of the property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rate adopted is reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Our key assumptions of the valuation by the Income Capitalisation Method are:

Market Unit Rent:
RMB27 per sq.m. per month

Capitalisation rate:
8.50%

General Assumptions

The Property Valuation excluded an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of the Property Valuation, the Valuer had relied on the information and advice given by the Company, regarding the titles to the Target Property and the interests of the Company in the Target Property in the PRC. It is assumed that the Group has an enforceable title to the Target Property and has free and uninterrupted rights to use, occupy or assign the Target Property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the property situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the Property Valuation Report. It is assumed that all consents, approvals and licences from relevant government authorities for the developments had been obtained without onerous conditions or delays, and that the design and construction of the Target Property is in compliance with the local planning regulations and had been approved by the relevant authorities.

No allowances had been made in the Property Valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Target Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value, except that the property is subject to a legal charge in favor of a bank which has to be released in the subject disposal.

Sustainability and ESG factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Property as observed from inspection, information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Source of Information

In the course of the Property Valuation, the Valuer had relied to a very considerable extent on the information provided by the Group regarding the title to the Target Property and the interests of the Group in the Target Property. The Valuer had accepted advice given by the Group on matters such as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to the Valuer by the Company and are therefore only approximations. No on-site measurement had been carried out. The Valuer had had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the Property Valuation. The Valuer was also advised that no material facts had been omitted from the information provided.

The copies of documents of the Target Property provided to the Valuer are mainly compiled in Chinese characters and the transliteration into English represents the Valuer's understanding of the contents.

Scope of Work

The Valuer has been instructed by the Company to carry out a valuation of the Target Property as at 30 September 2026.

Title Investigation and Site Inspection

Copies of the title documents relating to the Target Property had been provided to the Valuer but no land title searches had been carried out. The Valuer had not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies provided. The Valuer was unable to ascertain the title of the property in the PRC and had therefore relied on the advice given by the Company regarding its interests in the Target Property. The Valuer had relied to a considerable extent on the information given by the Group in respect of the title to the Target Property in the PRC.

The Valuer inspected the exterior and, where possible, the interior of the Target Property. No structural survey had been made, but no serious defects had been noticed by the Valuer in the course of its inspection. The Valuer was not able to report that the property was free of rot, infestation or other structural defects. No test was carried out on any of the services. The Property Valuation is prepared on the assumption that these aspects were satisfactory. Unless otherwise stated, the Valuer had not carried out detailed on-site measurements to verify the site and floor areas of the Target Property and it was assumed that the areas shown on the documents provided to the Valuer were correct.

Value of the Target Property

Target Property held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2026
A commercial property located at No. 8 Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. (中華人民共和國江蘇省無錫市新吳區行創四路8號一項商業物業)	Completed in 2015, the property comprises 2 commercial buildings erected on a parcel of land with a site area of 6,176.10 sq.m. The property has a total gross floor area of approximately 6,259.10 sq.m. and ground floor open area of approximately 3,405 sq.m. The subject property is situated at the junction of Gaolang and Xingchuang 4th Road in Xinwu District. Developments nearby are mainly a mixture of commercial and industrial developments. The land use rights of the property have been granted for a term due to expire on 28 July 2053 for wholesale and retail, commercial, financial and information uses.	As at 30 September 2026, the property was let to a single tenant and is used as a automobile sales services shop under a lease for a term of 10 years due to expire on 17 September 2034 at a prevailing total monthly rent of approximately RMB341,270, exclusive of value-added tax and building management fee.	RMB35,000,000 (RENMINBI THIRTY-FIVE MILLION) (100% interest attributable to the Group: RMB35,000,000)

Notes:–

(1) According to Real Estate Title Certificate No. (2016) 0085256 issued by the Wuxi Municipal Bureau of Land and Resources, the real estate title of the property comprising a site area of 6,176.10 sq.m. and for wholesale and retail use and a total gross floor area of 6,259.10 sq.m. for wholesale and retail, commercial, financial and information use are vested in 無錫新豐泰汽車有限責任公司 (Wuxi Sunfonda Automobile Co., Ltd.) for a term due to expire on 28 July 2053.

According to the above legal document, a long-term land use rights certificate of the property has been obtained.

(2) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are as follows:–

Real Estate Title Certificate Yes

As advised by the Group, no particular ground/government rent have been registered against the property.

As advised by the Group, the property is subject to a legal charge in favor of a bank which has to be released in the subject disposal.

The annex property valuation report is a part of the valuation report of the market value of the Target Company only and is not an individual property valuation report attached in a circular governed by the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules. Therefore, the Company has not provided the PRC property legal opinion to the Valuer.

(3) In valuing the market value of the property, the Income Capitalisation Method is adopted.

The Valuer had selected three relevant lettable retail comparables. The unit rent of the selected comparables range from about RMB26 per sq.m. per month to RMB32 per sq.m. per month. The concluded unit rent of the property is about RMB27 per sq.m. per month. Details of the lettable retail comparables considered are listed below:

No.	Lettable Retail Comparable	Address	District	GFA *(sq.m.)*	Floor Level	Condition of Transaction	Unit Rent *(RMB/ sq.m./month)*
1	Xindi Holiday Plaza	No. 8 Changjiang North Road	Xinwu	1,200	L1	Asking	32
2	BUPT Guohao IoT Eco-Park	No. 9 to 44 Hongyi Road	Xinwu	1,000	L3	Asking	26
3	Shen'gang Asia-Pacific Center	No. 299 Fangcheng Avenue	Xinwu	1,336	L1-2	Asking	32

The Valuer has selected three relevant lettable comparables of open spaces. The unit rents of the selected comparables range from about RMB7.5 per sq. m. per month to RMB12 per sq. m. per month. The Valuer's concluded unit rent of the property is about RMB11 per sq. m. per month. Details of the lettable comparables of open spaces considered are listed below:

No.	Lettable Comparable of open space	Address	District	Site area *(sq. m.)*	Condition of Transaction	Unit Rent *(RMB/ sq.m./month)*
1	A parcel of land in Meicun	No. 100 Meiyu Road	Xinwu	10,000	Asking	12
2	A parcel of land in Dongbeitang	Intersection of Jinyang Road and Huangxing Road	Xishan	100,000	Asking	9
3	A parcel of land in Meicun	No. 299, Jincheng East Road	Xinwu	1,300	Asking	7.5

Upon analyzing recent sales transactions for similar properties, the Valuer noted that the capitalization rate implied in those transactions is between 6.5%-8.5%. The capitalization rate of 8.5% is adopted for the Valuation.

The text of the Valuation report is set out in the Appendix I to this circular.

The Board is of the view that the scope, methodologies and assumptions adopted by the independent valuer in respect of the equity interests in the Target Company are fair and reasonable.

No PRC legal opinion has been obtained in respect of the title to the Target Property for the purpose of this circular. Accordingly, such title and the relevant PRC legal matters have not been independently verified by PRC legal advisers. Nevertheless, having considered the real estate title certificate, the relevant tenancy agreement and enquiries made with the management of the Target Company concerning ownership, existing encumbrances and any title disputes, the Directors consider that the information concerning the Target Property disclosed in this circular is sufficiently reliable and, together with the other information disclosed herein, provides Shareholders with sufficient information to make an informed assessment of the Disposal.

6. INFORMATION ON THE TARGET COMPANY AND THE TARGET PROPERTY

The Target Company is a company established in the PRC with limited liability. As at the Latest Practicable Date, the Target Company is directly owned as to 60% and 40% by Sunfonda Automobile and Sunfonda Technology Development, respectively, and is an indirect wholly-owned subsidiary of the Company. As at Latest Practicable Date, the Target Company owns the Target Property and is engaged in leasing of the Target Property.

Upon Completion, the Group will cease to have any interests in the Target Company and the Target Property. As such, the financial results of Target Company and the Target Property will no longer be consolidated into the financial statements of the Group.

Set out below is the unaudited financial information of the Target Company for the two financial years ended 31 December 2025:

	For the financial year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	50,508	4,522
Net profit/(loss) before taxation	(310)	(344)
Net profit/(loss) after taxation	1,588	(412)

The decrease in the Target Company's revenue from approximately RMB50.51 million for the year ended 31 December 2024 to approximately RMB4.52 million for the year ended 31 December 2025 was principally attributable to the termination of its automobile 4S dealership business since the second half of 2024. Following the termination of automobile 4S dealership business, the Target Company only recorded rental income for the year ended 31 December 2025.

Based on the unaudited financial information of the Target Company, the total assets value and net assets value of the Target Company were approximately RMB24.05 million and RMB6.97 million respectively as at 30 September 2026.

The Target Property comprises a parcel of land located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC with a land area of 6,176.1 sq.m. for wholesale and retail purposes with the land use rights which will expire in July 2053, and a shopfront erected thereon with a gross floor area of 6,259 sq.m. As at the Latest Practicable Date, the shopfront on the Target Property was leased to an independent third party for commercial use.

7. INFORMATION ON THE COMPANY AND THE VENDORS

The Company is an investment holding company. The Group is principally engaged in the sale and service of motor vehicles in the PRC.

Each of Sunfonda Automobile and Sunfonda Technology Development is a company established in Xi'an City, Shaanxi Province, the PRC under the laws of the PRC with limited liability. As at the Latest Practicable Date, each of Sunfonda Automobile and Sunfonda Technology Development is an indirect wholly-owned subsidiary of the Company. Sunfonda Automobile principally engages in sale and service of motor vehicles, and Sunfonda Technology Development principally engages in providing consulting services to its subsidiaries.

8. INFORMATION ON THE PURCHASERS

The Purchasers are Shen Xuelong (沈雪龍) and Sun Qian (孫茜), both being merchants. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchasers are third parties independent of the Company and its connected persons.

9. REASONS FOR AND BENEFITS OF THE DISPOSAL

Based on the needs of the Company's strategic development, the Group has decided to carry out the Disposal of the Target Company to improve the Group's results of operations and realize further enhancement of the quality and efficiency of its business. The Disposal is beneficial to improving the Group's asset utilization rate, optimizing its financial position and asset liquidity and focusing on the development of its core business to achieve economic benefits and sustainable development.

The Disposal will not cause material adverse impact on the business operation of the Group.

Having made prudent assessments on the above and considered the prevailing market conditions, the Directors are of the view that it would be beneficial for the Company and its stakeholders (including its Shareholders) as a whole to pursue the Disposal and generate liquidity for the Group.

The terms of the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

10. FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Earnings

It is expected that the Group will realise an unaudited gain (before tax) of approximately RMB13.33 million on the Disposal, which is calculated by reference to the total consideration for the Disposal less the unaudited carrying amount of the net assets of the Target Company as at 30 September 2026. The actual gain or loss resulting from the Disposal expected to be recognized in the income statement of the Company will be further adjusted and subject to audits of the Company.

Assets and liabilities

Based on the financial information of the Target Company as at 30 September 2026, the assets, liabilities and net assets of the Target Company amounted to RMB24.05 million, RMB17.08 million and RMB6.97 million respectively, and will be derecognized from the consolidated financial statements of the Group.

Following the Disposal, it is expected that the Group will record an increase in cash of RMB35.24 million as the consideration received from the Disposal and the repayment of loan from the Target Company.

Shareholders and potential investors should note that the financial impact set out above is for illustrative purposes only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements with reference to, among other things, the actual earnings and effect on the balance sheet of the Group, is subject to audit.

Sales proceeds

The cash consideration for the Disposal is RMB20.30 million. In addition, the Group will receive RMB14.94 million upon repayment of the Existing Loan through the Purchasers' Loan. After deducting estimated transaction expenses and applicable taxes, the estimated aggregate net cash receipts from the Disposal and the Existing Loan Repayment are expected to amount to approximately RMB33.95 million. The sales proceeds from the Disposal are intended to be used as general working capital of the Group for its development of main business. In particular, the sales proceeds are intended to be used as to (i) 85% on automobile procurement; (ii) 10% on spare parts procurement; and (iii) 5% on daily operation capital, including the payment of salaries, office and administrative expenses and other day-to-day operating expenses.

11. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder.

The Company has obtained a written approval from Top Wheel, a controlling shareholder of the Company interested in 434,183,000 shares of the Company (representing approximately 72.36% of the issued share capital of the Company) as at the Latest Practicable Date. The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a company wholly-owned and controlled by Mr. Wu Tak Lam, and 30% by Win Force, a company wholly-owned and controlled by Ms. Chiu Man, the spouse of Mr. Wu Tak Lam. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, this circular shall be despatched within 15 business days after publication of the Announcement in relation to the Disposal. As additional time was required for the Company to prepare the financial and other information (including the financial information regarding the statement of indebtedness and the statement of sufficiency of working capital) to be included in this circular, the Company has applied for, and the Stock Exchange has granted on 21 October 2026, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules on the condition that the Company will despatch the Circular on or before 25 November 2026.

12. RECOMMENDATION

The Directors (including all of the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement are (i) fair and reasonable; (ii) on normal commercial terms; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, although, as explained above, no general meeting of the Company will be convened for the purpose of approving the Equity Transfer Agreement, if a general meeting were to be convened, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favor of the Equity Transfer Agreement at such general meeting. The above recommendation is for the Shareholders' reference only.

13. ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Mr. Wu Tak Lam
Chairman

The following is the text of the valuation report in connection with the valuation of the Target Company as at 30 September 2026, which has been prepared for inclusion in this circular and for the purpose of reference only.

CUSHMAN & WAKEFIELD
戴 德 梁 行

27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

23 November 2026
The Board of Directors
Shaanxi Sunfonda Automobile Technology Development Co., Ltd.
（陝西新豐泰汽車技術開發有限責任公司）
No. 1555 1st Ou Ya Road,
Chan Ba Zone,
Xi'an City,
Shaanxi Province,
The PRC

Dear Sirs,

Re: The Market Value of 100 percent Equity Interest in Wuxi Sunfonda Automobile Co., Ltd*
無錫新豐泰汽車有限責任公司(the "Target Company")

Instructions, Purpose & Valuation Date

We refer to the instructions from Shaanxi Sunfonda Automobile Technology Development Co., Ltd. (the "**Company**") to us to conduct a valuation of the market value of 100 percent equity interest in the Target Company. We are pleased to report that we have made relevant enquiries and obtained necessary information for the purpose of providing you with our market value estimate of 100 percent equity interest in the Target Company as at 30 September 2026 (the "**Valuation Date**").

The purpose of this valuation is for circular reference for the Company.

* *for identification purposes only*

Definition of Market value

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Method of Valuation

In arriving at our assessed value for the equity interest, we have considered three generally accepted approaches, namely, the Market Approach, the Asset Based Approach and the Income Approach. The selection of a valuation approach is based on, among others, the quantity and quality of the information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that the Asset Based Approach is more appropriate for this valuation.

Source of Information

We have relied to a considerable extent on information provided by the management of the Company (the "**Management**") in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. In the implementation of the valuation, we adhere to the principles of independence, objectivity and fairness. According to the information we collected during the course of valuation, the contents of the valuation report are objective. The evaluation conclusion should not be regarded as any guarantee for the valuation object's achievable price.

Unless otherwise stated, all monetary amounts stated in this valuation report are in RENMINBI ("**RMB**").

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

Valuation Date	**30 September 2026**
Market value of 100% Equity Interest in the Target Company	**RMB20,150,000 (RENMINBI TWENTY MILLION ONE HUNDRED AND FIFTY THOUSAND ONLY)**

The following pages outline the factors considered, methodologies and assumptions employed in formulating our opinions and conclusions. All opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Bruce Oong
CPA
Senior Director
Valuation & Advisory Services, Greater China

This report has been reviewed by
Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

1. INTRODUCTION

This report has been prepared in accordance with instructions from Shaanxi Sunfonda Automobile Technology Development Co., Ltd. to express an independent opinion of the market value of 100 percent equity interest in the Target Company as at 30 September 2026.

2. PURPOSE OF VALUATION

The purpose of this valuation is for circular reference for the Company.

3. BASIS OF VALUE

Our valuation has been carried out on a market value basis. Market value is defined as "the estimated amount for which an asset and/or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the Target Company. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

4. BACKGROUND

The Target Company was established in the People's Republic of China (the "**PRC**") in 2013. The Target Company held the property located at the Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC (referred to as the "**Wuxi Project**").

The Target Company was a limited liability company incorporated in the People's Republic of China. As of the Valuation Date, the Target Company was directly owned by Shaanxi Xinfengtai Automobile Co., Ltd.* and Shaanxi Xinfengtai Automobile Technology Development Co., Ltd.* in the proportions of 60% and 40% respectively, and was an indirectly wholly-owned subsidiary of the Company. As of the Valuation Date, the Target Company owned the Wuxi Project and engaged in the leasing business of the property.

* *for identification purposes only*

5. QUALIFICATION

The subject valuation exercise is led and signed by Mr. Bruce Oong, and reviewed by Ms. Grace Lam.

Mr. Oong is a Senior Director of Cushman & Wakefield Limited. He is a Chartered Professional Accountant of Canada and has over 18 years' experience in business valuation.

Ms. Lam is a Senior Director of Cushman & Wakefield Limited. She is a registered professional surveyor, a member of the Royal Institution of Chartered Surveyors as well as a member the Hong Kong Institute of Surveyors, and has over 30 years' experience in property valuation.

6. SCOPE OF WORK

In the course of our valuation work, the following processes had been conducted to evaluate the reasonableness of the adopted bases and assumptions provided by the Management:

- Discussed with the Management and obtained relevant financial information in respect of the Target Company;
- Examined the relevant bases and assumptions of the financial information in respect of the Target Company;
- Conducted appropriate research to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and
- Presented the purpose and basis of valuation, scope of work, overview of the Target Company, related key business descriptions, source of information, major assumptions, valuation methodology and our opinion of value in this report.

7. SOURCE OF INFORMATION

To perform our valuation of the market value of the Target Company' equity interest, we have relied on the following information provided by the Management, as well as other publicly available information that we have gathered through our own research, including, but not limited to, the following:

- Copies of business licenses and other relevant documents of the Target Company;
- Unaudited financial statements of the Target Company as at the Valuation Date provided by the Management; and
- Other public information relating to the valuation.

We have not independently verified any of the information which has been provided to us. In analyzing the information, we have held discussions with the Management. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

8. VALUATION METHODOLOGY

There are generally three accepted approaches to obtain the market value of 100 percent equity interest in the Target Company, namely the Market Approach, the Income Approach and the Asset Based Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

Market Approach

The Market Approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. The Market Approach comprises two methods namely the Guideline Public Company Method and the Guideline Transaction Method.

The Guideline Public Company Method focuses on analyzing the data and valuation multiples of companies that can be considered comparable to those being valued. Adjustments are made to the comparable companies to compensate for differences between those companies and the Target Company. Finally, appropriate valuation multiples are applied to the subject company's normalized financial data to arrive at an indication of the value of the subject company.

The Guideline Transaction Method measures value based on what other purchasers in the market have paid for companies that can be considered reasonably similar to those being valued. When the Guideline Transaction Method is utilized, data are collected on the prices paid for reasonably comparable companies. Adjustments are made to the comparable companies to compensate for differences between those companies and the Target Company being valued. The application of the Guideline Transaction Method results in an estimate of the price reasonably expected to be realized from the sale of the Target Company.

Income Approach

The Income Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the Income Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

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

Asset Based Approach

The Asset Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and is equal to the value of its invested capital. In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed. This money comes from investors who buy stocks of the business entity and investors who lend money to the business entity. After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

Selection of Valuation Methodology

The selection of a valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that Asset Based Approach is more appropriate to value the equity of the Target Company as the main assets owned by the Target Company are real estate assets. The Income Approach is not adopted at the equity level, as the Target Company's cash flows are solely derived from the leasing of the investment property, which have already been fully reflected in the market value of the investment property. The Market Approach is not adopted either, due to the lack of comparable guideline companies or comparable equity transactions involving similar investment property holding companies. Therefore, among the three approaches, we considered that the Asset Based Approach is more appropriate for valuing the entire equity interest in the Target Company.

9. MAJOR ASSUMPTIONS

In determining the market value of 100 percent equity interest of the Target Company, the following principal assumptions have been adopted:

- The information provided has been prepared on a reasonable basis after due and careful consideration by the Management;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operate or intend to operate would be officially obtained and renewable upon expiry;
- There will be no major change in the current taxation laws in the localities in which the Target Company operate or intend to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic, or financial conditions in the localities in which the Target Company operate or intend to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- Interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;
- The core business operation of the Target Company will not differ materially from those of present or expected; and
- The information regarding the Target Company provided by the Management is true and accurate.

Valuation Summary

The adopted values and valuation methodologies for each of the balance sheet items of the Target Company are listed below:

As at 30 September 2026	Book Value (RMB)	Market Value (RMB)	Remark
Current assets			
Cash and cash equivalents	733,602	733,602	1
Other current assets	53,380	53,380	1
Total current assets	**786,982**	**786,982**	
Non-current assets			
Property, plant, and equipment	11,756,001	35,000,000	2
Intangible asset	9,729,108	–	3
Long-term Deferred Expenses	332,556	–	3
Deferred tax asset	1,449,372	1,449,372	1
Total non-current assets	**23,267,037**	**36,449,372**	
Total assets	**24,054,019**	**37,236,354**	
Current liabilities			
Contract liability	1,023,810	1,023,810	1
Tax payables	120,834	120,834	1
Other payables	15,940,000	15,940,000	1
Total current liabilities	**17,084,644**	**17,084,644**	
Non-current liabilities			
Total non-current liabilities	**–**	**–**	
Total liabilities	**17,084,644**	**17,084,644**	
Net assets	**6,970,000**	**20,150,000**	**Rounded**

Remarks:

1. Book values shown on the management accounts of the Target Company as at the Valuation Date provided by the Management were adopted. We have not performed any valuation exercise.

2. The property, plant and equipment comprises street-front retail premises located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC, with a total gross floor area of 6,259 square metres. For market value of the property, plant, and equipment, please refer to the valuation report in Annex I of this report.

3. The intangible assets are the land use rights located at Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. The long-term deferred expenses pertain to the unamortized decoration cost of the building. The market value of the intangible assets and the long-term deferred expenses are already reflected in the market value of the property, therefore the value of the above mentioned assets are assummed to be nil.

10. LIMITING CONDITION

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

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability is assumed for their accuracy.

We have relied to a considerable extent on information provided by the Management of the Company in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

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

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Target Company as observed from information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Neither the whole nor any part of this report or any reference hereto may be included in any published document, circular or statement, or published in any way, without our prior written approval of the form and context in which it may appear.

Finally and in accordance with our standard practice, we must state that this report and valuation are for the exclusive use only of the addressee and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of the contents.

11. REMARKS

We hereby confirm that we have neither present nor prospective interests in the Target Company.

12. OPINION OF VALUE

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

Valuation Date	**30 September 2026**
Market value of 100% Equity Interest in the Target Company	**RMB20,150,000 (RENMINBI TWENTY MILLION ONE HUNDRED AND FIFTY THOUSAND ONLY)**

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Bruce Oong
CPA
Senior Director
Valuation & Advisory Services, Greater China

This report has been reviewed by
Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

ANNEX I PROPERTY VALUATION REPORT



27th Floor
One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

23 November 2026

The Board of Directors
Shaanxi Sunfonda Automobile Technology Development Co., Ltd.
（陝西新豐泰汽車技術開發有限責任公司）
No. 1555 1st Ou Ya Road,
Chan Ba Zone,
Xi'an City,
Shaanxi Province,
The PRC

Re: A Commercial Property Located at No. 8 Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, People's Republic of China

Instructions, Purpose & Valuation Date

In accordance with your instructions for Cushman & Wakefield Limited ("**C&W**") to value the captioned property in the People's Republic of China (the "**PRC**") in which Shaanxi Sunfonda Automobile Technology Development Limited (the "**Company**") together with its subsidiaries (collectively the "**Group**") have interests, we confirm that we have inspected the property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the property as at 30 September 2026 (the "**Valuation Date**").

Valuation Basis

Our valuation of the property represents its market value which in accordance with the HKIS Valuation Standards 2024 issued by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We confirm that the valuation is undertaken in accordance with the HKIS Valuation Standards, the RICS Global Valuation Standards and the International Valuation Standards.

Our valuation of the property is on an entirety interest basis.

Valuation Assumptions

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the property, we have relied on the information and advice given by the Company, regarding the titles to the property and the interests of the Company in the property in the PRC. In valuing the property, we have assumed that the Group has an enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the property situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the valuation report. We have assumed that all consents, approvals and licences from relevant government authorities for the developments have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the property is in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Property as observed from inspection, information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Method of Valuation

In valuing the property, we have adopted the Income Capitalisation Method on the basis of capitalisation of rental income derived from the existing tenancy, with due allowance for its reversionary potential at an appropriate capitalisation rate. Transactions involving similar scale properties of the same nature and tenancy structure in the same district are not frequent. On the other hand, as the property generates rental income from its letting arrangements and such rental comparables are more readily available, we consider the Income Capitalisation Method, which is also commonly used in valuing properties for investment purposes, to be the best method to value it.

In undertaking our valuation of the property by the Income Capitalisation Method, we have mainly made reference to lettings within the property as well as other relevant comparable rental evidence of properties of similar use type, subject to appropriate adjustments including but not limited to location, accessibility, neighborhood environment, maintenance, facilities & equipments, appearance, floor, size, decoration standard and other relevant factors.

The capitalisation rate adopted in our valuation is based on our analysis of the yields of properties of similar use type after due adjustments. This rate is estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflects the type and quality of the property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rate adopted is reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Key Assumptions

Our key assumptions of the valuation by the Income Capitalisation Method are:

Market Unit Rent:
RMB27 per sq.m. per month

Capitalisation rate:
8.50%

Currency

Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi ("**RMB**"), the official currency of the PRC.

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group regarding the title to the property and the interests of the Group in the property. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information provided to us.

We would point out that the copies of documents of the property provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original Chinese editions of the documents and consult the legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided with copies of the title documents relating to the property but have not carried out any land title searches. Moreover, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the property in the PRC and we have therefore relied on the advice given by the Company regarding its interests in the property.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group in respect of the title to the property in the PRC.

Site Inspection

Our valuer, Mr. Yi Sun, Assistant Analyst with Master's Degree of Real Estate Development and 2 years' experience in property valuation in the PRC, inspected the exterior and, where possible, the interior of the property on 16 October 2026. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation or other structural defects. No test was carried out on any of the services. Our valuation is prepared on the assumption that these aspects are satisfactory.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct.

Our Senior Director, Mr. Peter Loi 雷偉全 (MHKIS, MRICS, R.P.S. (GP), MCIREA) with over 30 years' experience in property valuation is the key valuer assisting the valuation.

Confirmation of Independence

We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Finally and in accordance with our standard practice, we must state that this letter and valuation report are for the use only of the party to whom they are addressed and no responsibility is accepted to any third party for the whole or any part of their contents.

We enclose herewith our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Note: Grace Lam is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyor and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

VALUATION REPORT

Property held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2026
A commercial property located at No. 8 Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. (中華人民共和國江蘇省無錫市新吳區行創四路8號一項商業物業)	Completed in 2015, the property comprises 2 commercial buildings erected on a parcel of land with a site area of 6,176.10 sq.m. The property has a total gross floor area ("**GFA**") of approximately 6,259.10 sq.m. and ground floor open area of approximately 3,405 sq.m. The subject property is situated at the junction of Gaolang and Xingchuang 4th Road in Xinwu District. Developments nearby are mainly a mixture of commercial and industrial developments. The land use rights of the property have been granted for a term due to expire on 28 July 2053 for wholesale and retail, commercial, financial and information uses.	As at the Valuation Date, the property was let to a single tenant as a automobile sales services shop under a lease for a term of 10 years due to expire on 17 September 2034 at a prevailing total monthly rent of approximately RMB341,270, exclusive of value-added tax and building management fee.	RMB35,000,000 (RENMINBI THIRTY-FIVE MILLION) (100% interest attributable to the Group: RMB35,000,000)

Notes:

(1) According to Real Estate Title Certificate No. (2016) 0085256 issued by the Wuxi Municipal Bureau of Land and Resources, the real estate title of the property comprising a site area of 6,176.10 sq.m. and a total gross floor area of 6,259.10 sq.m. for wholesale and retail, commercial, financial and information use is vested in 無錫新豐泰汽車有限責任公司 (Wuxi Sunfonda Automobile Co., Ltd.) (the "**Target Company**") for a term due to expire on 28 July 2053.

According to the above legal document, a long-term land use rights certificate of the property has been obtained.

(2) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Real Estate Title Certificate	Yes

As advised by the Group, no particular ground/government rent have been registered against the property.

As advised by the Group, the property is subject to a legal charge in favour of a bank which has to be released in the subject disposal.

The property valuation report is the annex part of the valuation report of the market value of the Target Company only and is not an individual property valuation report attached in a circular governed by the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities. Therefore, the Company has not provided the PRC legal opinion regarding the property.

(3) In valuing the market value of the property, the Income Capitalisation Method is adopted.

We have identified three relevant lettable retail comparables in Xinwu District. The unit rents of the identified comparables range from about RMB26 per sq.m. per month to RMB32 per sq.m. per month. Our concluded unit rent of the property is about RMB27 per sq.m. per month. Details of the lettable retail comparables considered are listed below:

No.	**Retail Comparable**	**Address**	**GFA** *(sq.m.)*	**Floor Level**	**Nature of Transaction**	**Unit Rent** *(RMB/sq.m./ month)*
1	Xindi Holiday Plaza	No. 8 Changjiang North Road	1,200	L1	Asking	32
2	BUPT Guohao IoT Eco-Park	Nos. 9 to 44 Hongyi Road	1,000	L3	Asking	26
3	Shen'gang Asia Pacific Center	No. 299 Fangcheng Avenue	1,336	L1-2	Asking	32

We have identified three relevant lettable comparables of open spaces in Xinwu District. The unit rents of the identified comparables range from about RMB7.5 per sq. m. per month to RMB12 per sq. m. per month. Our concluded unit rent of the property is about RMB11 per sq. m. per month. Details of the lettable comparables of open spaces considered are listed below:

No.	**Open Space Comparable**	**Address**	**Site Area** *(sq. m.)*	**Nature of Transaction**	**Unit Rent** *(RMB/sq.m./ month)*
1	A parcel of land in Meicun	No. 100 Meiyu Road	10,000	Asking	12
2	A parcel of land in Dongbeitang	Intersection of Jinyang Road and Huangxing Road	100,000	Asking	9
3	A parcel of land in Meicun	No. 299 Jincheng East Road	1,300	Asking	7.5

Upon analysing the recent sales transactions of similar properties, we noted that the capitalisation rates implied in those transactions range between 6.5%-8.5%. A capitalisation rate of 8.5% is adopted for our valuation.

In the course of using the Income Capitalisation Method, we have assessed the term interest derived from the existing tenancy due to expire on 17 September 2034, i.e. about 7.96 years from the Valuation Date and the reversionary interest derived from the market rental income from 18 September 2034 to the expiry date of land use term, i.e. 28 July 2053, about 18.87 years. The summation of the term interest and the reversionary interest is our opinion of the market value of the property.

(A) Term interest

Existing rent	:	RMB341,270 per month x 12 RMB4,095,240 per annum
Capitalisation factor	:	8.5% for 7.96 years = 5.619
Capitalised value	:	RMB23,011,154

(B) Reversionary interest

Market rent	:	Retail GFA, 6,259.10 sq. m. x RMB27 = RMB168,996 Open space, 3,405 sq. m. x RMB11 = RMB37,455 Total market rent: RMB206,451 per month x 12 RMB2,477,412 per annum
Capitalisation factor	:	8.5% for 18.87 years = 4.824
Capitalised value	:	RMB11,951,035

The summation of the above term interest and the reversionary interest was our opinion of the market value of the property (RMB34,962,189), rounded to RMB35,000,000.

1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Group for each of the three years ended 31 December 2025 and the six months ended 30 June 2026 are accessible via the following hyperlinks:

(i) the annual report of the Company for the year ended 31 December 2023 which was published on 25 April 2024:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501156.pdf

(ii) the annual report of the Company for the year ended 31 December 2024 which was published on 28 April 2025:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042802702.pdf

(iii) the annual report of the Company for the year ended 31 December 2025 which was published on 27 April 2026:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0427/2026042702644.pdf

(iv) the interim report of the Company for the six months ended 30 June 2026 published on 28 September 2026:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0928/2026092800474.pdf

2. INDEBTEDNESS

At the close of business on 30 September 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had total indebtedness of approximately RMB1,936,936,000, details of which were as follows:

Bank and other borrowings

The Group had bank and other borrowings of approximately RMB1,306,044,000, of which approximately RMB80,000,000 were guaranteed and unsecured, approximately RMB320,089,000 were unguaranteed and secured, and approximately RMB905,955,000 were guaranteed and secured.

Bills payable

The Group had bills payable of approximately RMB615,205,000, which were guaranteed and secured.

Lease liabilities

The Group had lease liabilities of approximately RMB15,687,000, of which the amount due within one year was approximately RMB477,000, between one and two years was approximately RMB503,000, between two and five years was approximately RMB1,976,000, and over 5 years was approximately RMB12,731,000. The lease liabilities were unguaranteed and unsecured.

As at 30 September 2026, except for those guarantees provided by the Company and certain subsidiaries, there is no other guarantee provided by third parties for the bank and other borrowings and bills payable of the Group.

Contingent liabilities

As at 30 September 2026, the Group did not have material contingent liabilities.

Pledge assets

As at 30 September 2026, certain of the Group's bank and other borrowings are secured by, (i) mortgages over the Group's land use rights situated in the PRC, which had an aggregate carrying amount of approximately RMB363,941,000; (ii) mortgages over the Group's buildings, which had an aggregate carrying amount of approximately RMB848,632,000; (iii) mortgages over the Group's investment properties, which had an aggregate carrying amount of approximately RMB166,000,000; (iv) mortgages over the Group's inventories, which had an aggregate carrying amount of approximately RMB373,321,000; (v) mortgages over the Group's bank deposits, which had an aggregate carrying amount of approximately RMB99,798,000.

As at 30 September 2026, the Group's bills payable are secured by mortgages over the Group's inventories and bank deposits, which had an aggregate carrying amount of approximately RMB202,753,000 and RMB379,230,000, respectively.

Commitment

The Group had capital expenditure contracted but not provided for in respect of the acquisition of property, plant and equipment of approximately RMB758,000. No guarantee was involved in the commitment.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, lease obligations, guarantees or other material contingent liabilities, at the close of business on 30 September 2026.

The Board has confirmed that there has not been any material change in the indebtedness or contingent liabilities of the Group since 30 September 2026 and up to and including the Latest Practicable Date.

3. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up).

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of any unforeseeable circumstances after taking into account its present internal resources and available banking facilities together with the estimated net proceeds of the Disposal.

5. FINANCIAL AND TRADING PROSPECTS

Forecast of China's Economic Trend in 2026 – Sustained and Improving Economic Performance

In its first World Economic Outlook report for 2026, the International Monetary Fund (IMF) projected that global economic growth would reach 3.3% in 2026, representing an upward revision of 0.2 percentage point from its October forecast, with the bulk of the growth expected to be driven by the United States and China. The IMF also raised its 2026 growth forecast for China to 4.5%, representing an increase of 0.3 percentage point from last October's projection.

Guan Tao, Global Chief Economist at BOC Securities, noted that market consensus broadly expects China's actual GDP growth target for 2026 to be set within the range of 4.5% to 5%. At present, relatively low inflation and continued room for improvement in the labour market suggest that the economy remains below its potential level. Against this backdrop, it is essential to advance policy support in parallel with reform and innovation, and to implement a more proactive macroeconomic policy stance. China's efforts to expand domestic demand are expected to boost import demand, carrying positive implications for the global economy.

Kang Yi, Director of the National Bureau of Statistics, stated at a press conference held by the State Council Information Office that, viewed over the full year of 2026, the fundamental conditions and long-term positive trend underpinning China's economic development remain unchanged, and the momentum for high-quality growth continues, providing a solid foundation and favourable conditions for maintaining stable and improving economic performance. Kang Yi further noted that recent data point to positive developments in production, prices and expectations, with the economy continuing to make steady progress. In December 2025, the year-on-year growth rates of value-added of industrial enterprises above designated size and the service sector production index both accelerated compared with the previous month. The Consumer Price Index (CPI) rose by 0.8%, marking its highest increase since March 2023, while core CPI recorded increases of more than 1% for four consecutive months. Meanwhile, the year-on-year decline in the PPI narrowed, with month-on-month increases recorded for three consecutive months. Both the manufacturing PMI and the non-manufacturing business activity index returned to expansionary territory. From a policy perspective, the State Council executive meeting deployed a coordinated package of fiscal and financial measures aimed at boosting domestic demand, with relevant authorities accelerating implementation to support domestic consumption. The "Two New" policies continued to be refined, with the first tranche of funding allocated ahead of schedule. Together, these measures have created favourable conditions for a positive economic start in 2026.

Xi'an – Focusing on Industrial System Development, Expanding the Real Economy and Accelerating the Development of the Xi'an Metropolitan Area

Xi'an is the capital of Shaanxi Province, where the Group's main business is located, and is also the location of the Group's headquarters. With the convening of the 2026 Shaanxi Provincial "Two Sessions", the Provincial Government Work Report outlined the main expected targets for the province's economic and social development in 2026. These include GDP growth of approximately 5%; fixed-asset investment growth remaining above the national average; a 3% increase in general public budget revenue; growth in residents' income exceeding both economic growth and the national average; and an increase in the consumer price index (CPI) of approximately 2%. In terms of expanding effective investment, 640 provincial-level key projects are planned to be implemented, with total investment expected to exceed RMB350 billion. To stimulate consumption, a series of targeted initiatives will be rolled out, including special campaigns to boost consumption, the continued implementation of consumer goods trade-in programmes, and the introduction of policies to promote consumption during public holidays. These measures are expected to drive bulk consumption in sectors such as automobiles, home appliances and digital products, add approximately 1,000 new commercial enterprises above designated size, and advance initiatives to enhance digital consumption. In particular, the "online-to-offline" integrated retail model will be promoted, with online retail sales projected to grow by more than 10% and total retail sales of consumer goods expected to increase by approximately 6%.

China's Automobile Market in 2026

In 2026, China's automobile market will enter a stage of development characterised by strong policy support and the coexistence of challenges and opportunities. Supported by the macroeconomic policy tone of stabilising growth and a series of industry policies, the market as a whole is expected to continue the pattern of low-speed growth on top of a high base. At the same time, due to phased factors such as policy transition and intensifying industry competition, the market will still face certain pressures in its development.

At the beginning of 2026, China's domestic automobile market encountered multiple phased challenges. The Ministry of Finance, the State Taxation Administration and the Ministry of Industry and Information Technology made it clear that the purchase tax exemption for NEVs would be adjusted from full exemption to a 50% reduction. This, coupled with the pull-forward effect caused by consumers seeking to catch the last window of the 2025 policy incentives, had already brought forward demand from the beginning of the year. In addition, eight departments including the Ministry of Commerce changed the vehicle trade-in subsidy model to one linked to a proportion of the vehicle price. While this helped drive consumption upgrading, it also dampened the willingness of price-sensitive consumers to purchase vehicles. As a result, together with increasingly cautious vehicle purchasing decisions by consumers, the pace of market demand release slowed down. According to a survey conducted by the China Automobile Dealers Association, more than half of dealers adopted a cautious and conservative attitude towards the 2026 market, and expectations for industry recovery remained relatively weak.

The Central Economic Work Conference held in 2025 clarified that economic work in 2026 will continue to adhere to the principle of "seeking progress while maintaining stability, and improving quality and efficiency", with domestic demand remaining the primary driver of growth. The Ministry of Finance has made clear that it will continue to implement a more proactive fiscal policy, with ultra-long special treasury bonds continuing to be used in areas such as the "Two New" initiative. Stabilising consumption and expanding domestic demand have become key policy priorities, providing long-term policy support for automobiles as a major consumer goods category. Against this backdrop, China's automobile market as a whole has entered a development cycle characterised by high sales volume but low growth.

In January 2026, nine departments including the Ministry of Commerce jointly issued the Notice on Implementing the Green Consumption Promotion Initiative (《關於實施綠色消費推進行動的通知》), aimed at accelerating the green transformation of development models and consumption patterns and fostering new growth drivers for green consumption during the 15th Five-Year Plan period. In September 2025, eight departments including the Ministry of Industry and Information Technology released the Work Plan for Stabilising Growth in the Automobile Industry (《汽車行業穩增長工作方案》), which includes measures such as expanding automobile service consumption, the effective implementation of which is expected to support the stable operation of the industry. Through concerted efforts by various stakeholders, tangible progress has been made in addressing "cut-throat" competition. The State Administration for Market Regulation has drafted the Guideline for Price Behaviour Compliance in the Automobile Industry (《汽車行業價格行為合規指南》), which is expected to significantly enhance price transparency. In 2026, efforts to further address such competition will continue, and as industry governance effectiveness improves, the automobile sector is expected to advance towards higher-quality development.

Chen Shihua, Deputy Secretary-General of CAAM, stated that strong macroeconomic fundamentals, precise and effective policy support, continuous improvement in industry governance and broad international market opportunities will constitute favourable factors for the development of China's automobile market in 2026, thereby supporting the industry in maintaining steady development as a whole.

The Group Will Continue its Network Optimisation to Build a Healthier Brand Portfolio

Looking ahead, the Group will seize development opportunities and aggressively expand into competitive NEV brands, while placing strong emphasis on improving service quality and profitability. A more prudent approach will be adopted in brand selection to mitigate investment risks. In future store development, the Group will prioritise investment efficiency and maintain a lean and lightweight approach to network expansion.

Based on the actual business capacity of individual brand outlets, the Group will continue to optimise its existing brand network, while deepening and expanding cooperation with leading NEV brands. These initiatives will continuously strengthen the Group's brand footprint in its core advantage regions, including Shaanxi and Gansu. Going forward, the Group will synchronously advance terminal network optimisation, strategically allocate resources to luxury vehicle brands in key cities, further accelerate the deployment of NEV businesses, and introduce leading new energy vehicle brands, so as to continuously enhance market penetration and lay a solid foundation for sustainable development.

The Group will continue to promote the "FUN TIME LANE" automobile theme fashion street zone projects. Brands such as Cadillac, Volkswagen Anhui and BYD-Dynasty have already moved into the "FUN TIME LANE" project, while the used car mall located on B2 of the shopping centre has officially opened for business, which is another important deployment of the Group in the automobile service sector, aiming to provide consumers with better, more convenient, and more professional used car trading services. The Group is also actively engaging with leading NEV brands and will progressively introduce various themed businesses including NEV vehicle business, along with the purpose-built businesses such as café and business catering to be introduced, which will drive regional consumption upgrading and become a new commercial landmark in the region. Currently, the "FUN TIME LANE" project in Lanzhou has already commenced operations, and BMW, GAC Toyota, DENZA, Audi as well as some other brands are open for business. Corporate offices, NEVs, catering facilities, education and other related business formats will be gradually introduced in subsequent phases, with the goal of achieving a 100% opening rate.

The Group Will Focus on Core Operations, Refine the Business Ecosystem and Drive High-Quality Development

As competition in the automobile market is expected to intensify further in 2026, the Group will build on its 2025 operational foundation and focus on core performance indicators to accurately capture profit growth opportunities. On the one hand, the Group will launch targeted "model campaigns" to capitalise on peak sales windows for new product launches and drive improvements in profitability. On the other hand, it will establish a new inventory ageing early-warning mechanism, promoting a transition in inventory management from a "reactive response" to "proactive prevention". This will help prevent the accumulation of long-aged inventory at the source, continuously optimise inventory structure and enhance inventory turnover efficiency.

Going forward, the Group will further deepen its digital transformation, refine its end-to-end new media operating system, and optimise its customer relationship management system to unlock the full lifecycle value of customers. At the same time, the Group will strengthen team development by comprehensively enhancing the professionalism and execution capabilities of its sales force. These efforts will enable the Group to respond effectively to market challenges, ensure the successful achievement of its 2026 sales targets, and promote steady and healthy growth across all business segments.

In the after-sales business segment, the Group will continue to advance the professionalisation of service processes, the refinement of customer operations and the platform-based development of technical capabilities. While steadily improving per-store profitability, the Group will further strengthen Sunfonda's differentiated brand advantages and comprehensive competitiveness in the aftermarket, ultimately achieving synergistic growth in both customer value and operating returns.

In the decoration business segment, the Group will leverage front-end product capability upgrades and back-end service experience optimisation to further build an operating system characterised by "clear value proposition, consistent experience and sustainable growth", thus providing solid support for overall profit enhancement and the long-term development of the customer ecosystem.

In the used car business segment, the Group will continue to focus on systematic upgrades and differentiated operations, driven by a three-dimensional strategy of "single-store branding, centre-store scale expansion and efficient wholesale operations", aiming to enhance quality and efficiency. At the single-store level, the Group will focus on building a closed-loop retail system for Audi-branded used vehicles, with the target of doubling Audi retail volumes; at the centre-store level, the Group will strengthen the scale of operations at its Xi'an store and upgrade the retail service experience at its Lanzhou store, enhancing regional market penetration and gross profit margins; and at the wholesale level, the Group will adhere to a data-driven procurement strategy, deepen multi-channel cooperation and strictly control wholesale inventory turnover days to no more than 7 days. Looking ahead, the Group will continue to strengthen the core competitiveness of its used car business, promote high-quality development and inject new growth momentum into the Group's overall expansion.

The Group Will Deepen Omnichannel Deployment to Precisely Reach Customers and Build Differentiated Competitive Advantages

The automobile consumer market is exhibiting increasingly pronounced generational characteristics. As the age of first-time car buyers continues to decline, younger consumers born in the 2000s have emerged as a new driving force in the market, with demand for personalised and diversified purchasing experiences becoming increasingly prominent. In response to such market changes, the Group has proactively adjusted its marketing strategy. Centred on integrated online and offline marketing, the Group is building a reputation-driven marketing system and differentiated competitive advantages through systematic new media matrix operations, precision-based private domain deployment and in-depth engagement with segmented communities.

In 2026, the Group will continue to focus on refined new media operations and brand-specific marketing initiatives tailored to differing customer needs, which will further enhance marketing effectiveness, consolidate and expand differentiated competitive advantages, and drive qualitative and efficiency improvements in marketing performance. With respect to new media operations, the Group will refine live streaming management by tailoring content and scheduling to vehicle models and customer profiles, with a focus on lead generation. At the same time, it will strengthen customer acquisition through short-form videos and build a dual-track collaborative system of "live streaming + short videos". The Group will also continue to expand and deepen its presence on the Xiaohongshu platform, standardise the personal IP operations of sales consultants, advance key customer seeding initiatives, optimise lead follow-up mechanisms, sustain incremental channel advantages and continuously enhance the effectiveness of new media channels.

In terms of marketing activities, the Group will implement tiered campaigns based on brand positioning and specific marketing objectives. For luxury brands, the focus will be on cross-industry collaborations, premium community engagement and immersive test-drive experiences to accurately reach high-end consumers. For mass-market brands, emphasis will be placed on converting prospective customer invitations, encouraging referrals from existing customers and organising test-drive events to stabilise showroom traffic. For NEV brands, priority will be given to KOL experience programmes, test drives and new vehicle launch events to enhance customer recognition. In addition, the Group will continue to implement effective measures such as full-staff marketing to deepen differentiated competitive advantages and expand channel growth potential, thereby enhancing customer satisfaction and loyalty and supporting sales growth across the Group.

Digital Transformation: Advancing Towards "Global Domain Intelligence and Value Co-creation"

In 2026, guided by the principles of "data-driven operations, intelligent leadership and ecosystem collaboration", the Group will focus on advancing three core initiatives to further deepen its digital transformation:

1. Intelligent Application Scenario Expansion Initiative

The Group will deeply embed intelligent models across all business scenarios, including marketing, services, supply chain and financial management, enabling full process intelligent upgrades from front-end customer acquisition to back-end operations. This will simultaneously enhance operational efficiency and customer experience, and establish an intelligent business operations system.

2. Data Security and Governance Enhancement Initiative

The Group will refine its comprehensive data security control system, strengthen data compliance management capabilities, and continuously improve data quality and governance effectiveness, so as to ensure that data assets achieve maximum value under secure and controllable conditions, thereby supporting its digital transformation.

3. Digital Ecosystem Collaboration Initiative

The Group will promote deep data interoperability and system integration with upstream and downstream partners, building an industry-level digital collaboration ecosystem. Through resource sharing and value cocreation across the industrial chain, the Group will continue to consolidate and enhance its digital competitive edge within the industry.

Digital development is a critical pillar of the Group's core strategy and an essential pathway to achieving highquality growth. Looking ahead, the Group will continue to take technological innovation as its driving force, data assets as its core lever and customer value as its fundamental orientation. By continuously deepening its digital transformation, the Group aims to enable technology to become the central force driving sustainable growth and leading industry transformation.

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

A. Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the directors of the Company and the chief executives of the Company in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO which as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(1) Interests and short positions in ordinary shares of the Company

Name of Directors	Capacity/Nature of interests	Notes	Number of shares	Approximate percentage* of shareholding in the Company
Mr. Wu Tak Lam	Interest held by controlled corporations	1	434,183,000 (L)	72.36%
Ms. Chiu Man	Interest held by controlled corporations	1	434,183,000 (L)	72.36%
Ms. Chen Wei	Beneficial owner		864,000 (L)	0.14%
Mr. Mou Junfa	Beneficial owner		3,005,000 (L)	0.50%

(L): Long position (S): Short position

Note:

1. These shares are all held by Top Wheel Limited ("**Top Wheel**").

   The issued share capital of Top Wheel is owned as to 70% by Golden Speed Enterprises Limited ("**Golden Speed**"), a corporation wholly-owned and controlled by Mr. Wu Tak Lam, and 30% by Win Force Enterprises Limited ("**Win Force**"), a corporation wholly-owned and controlled by Ms. Chiu Man. As Top Wheel is a controlled corporation of Mr. Wu Tak Lam, Ms. Chiu Man, Golden Speed and Win Force, they are deemed to be interested in the 434,183,000 shares held by Top Wheel pursuant to Part XV of the SFO.

* The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at the Latest Practicable Date.

(2) Long positions in the shares of associated corporations of the Company

Name of Associated corporation	Name of Director	Capacity/Nature of interest	Number of shares	Approximate percentage* of shareholding in the associated corporation
Golden Speed	Mr. Wu Tak Lam	Beneficial owner	1	100%
	Ms. Chiu Man	Interest of spouse	1	100%
Top Wheel	Mr. Wu Tak Lam	Interest held by a controlled corporation	14,000	70%
		Interest of spouse	6,000	30%
			20,000	100%
	Ms. Chiu Man	Interest held by a controlled corporation	6,000	30%
		Interest of spouse	14,000	70%
			20,000	100%

Note: Mr. Wu Tak Lam holds the entire issued share capital of Golden Speed which holds 70% of the issued share capital of Top Wheel. The remaining 30% of the issued share capital of Top Wheel is indirectly held by his wife, Ms. Chiu Man (an executive Director of the Company), through her wholly-owned investment company, Win Force. As Top Wheel holds more than 50% of the issued share capital of the Company and Golden Speed holds more than 50% of the issued share capital of Top Wheel, Top Wheel and Golden Speed are the associated corporations of the Company within the meaning of Part XV of the SFO.

* The percentage represents the number of ordinary shares involved divided by the number of issued shares of the associated corporation as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

B. Substantial Shareholders' interest and short positions in shares and underlying shares

Interests and short positions in ordinary shares of the Company

As at the Latest Practicable Date, the following persons (other than the Directors or chief executives of the Company) had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	Capacity/Nature of interests	Notes	Number of shares	Approximate percentage* of shareholding in the Company
Top Wheel	Beneficial owner	1	434,183,000 (L)	72.36%
Win Force	Interest held by controlled corporations	1	434,183,000 (L)	72.36%
Golden Speed	Interest held by a controlled corporation	1	434,183,000 (L)	72.36%

(L): Long position (S): Short position

Notes:

1. The above interests of Top Wheel, Win Force and Golden Speed were also disclosed as the interests of each of Mr. Wu Tak Lam and Ms. Chiu Man in the above section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company".

* The percentage represents the number of ordinary shares involved divided by the number of issued shares of the associated corporation as at the Latest Practicable Date.

Save as disclosed above, the Directors are not aware of any person (other than Directors or chief executive of the Company) who, as at the Latest Practicable Date, had any interest, directly or indirectly, or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO. Save that (i) Mr. Wu Tak Lam is a director of each of Top Wheel and Golden Speed; and (ii) Ms. Chiu Man is a director of each of Top Wheel and Win Force, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company was a director or employee of a company which has an interest or short position in the Shares and underlying shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with the Group which was not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. INTEREST IN ASSETS OR CONTRACTS

(a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

(b) As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at such date and which is significant in relation to the business of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors, controlling Shareholders or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

6. LITIGATION

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

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Group within the two (2) years immediately preceding the date of this circular which are or may be material:

(a) the Equity Transfer Agreement;

(b) the equity transfer agreement dated 10 March 2025 entered into between Xi'an Zhongyu Real Estate Co., Ltd.*(西安中嶼房地產有限公司)as the purchaser, and Shaanxi Sunfonda Huixiang Automobile Sale and Service Co., Ltd.(陝西新豐泰匯翔汽車銷售服務有限公司), Shaanxi Sunfonda Junmei Automobile Sale and Service Co., Ltd.*(陝西新豐泰駿美汽車銷售服務有限公司), Beijing Sunfonda Boao Automobile Sale and Service Co., Ltd.*(北京新豐泰博奧汽車銷售服務有限公司), Shaanxi Sunfonda Shangzhong Automobile Sale and Service Co., Ltd.*(陝西新豐泰尚眾汽車銷售服務有限公司), Shaanxi Sunfonda Yingbin Automobile Sale and Service Co., Ltd.*(陝西新豐泰迎賓汽車銷售服務有限公司), Yan'an Sunfonda Boao Automobile Co., Ltd.*(延安新豐泰博奧汽車有限責任公司)and SUNFONDA (HONG KONG) LIMITED(新豐泰(香港)有限公司)as the vendors, in relation to the disposal of 100% equity interest in Xi'an Sunfonda Jing River Logistics Development Co., Ltd.*(西安新豐泰涇河物流開發有限公司)("**2025 Equity Transfer Agreement**");

(c) supplemental agreement dated 25 April 2025 to the 2025 Equity Transfer Agreement.

8. EXPERT AND CONSENT

The following is the qualification of each of the expert who has given its opinions or advice for inclusion in this circular:

Name	Qualification
Cushman & Wakefield Limited	Qualified independent valuer

The above expert has given and has not withdrawn its respective written consent to the issuer of this circular with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As the Latest Practicable Date, the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As the Latest Practicable Date, the above experts did not have, directly or indirectly, any interest in any assets which had since 31 December 2025 (being the date to which the latest published audited consolidated accounts of the Group were made up) 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 members of the Group.

9. MISCELLANEOUS

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

(b) The head office of the Company is situated at Sunfonda Automobile Center, No. 1555 Ouya 1st Road, Beichen Avenue, Chanba Ecological District, Xi'an City, Shaanxi Province, the PRC. The principal place of business in Hong Kong of the Company is situated at Unit D, 13/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(d) The company secretary of the Company is Ms. Chan Sze Ting *(FCG, HKFCG)*. Ms. Chan is a director of the corporate services division of Tricor Services Limited, which is a global professional services supplier specializing in integrated business, corporate and investor services. Ms. Chan has over 18 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Chan is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and a fellow of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom.

(e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sunfonda.com.cn/) from the date of this circular up to 14 days thereafter:

(a) the Equity Transfer Agreement;

(b) the Valuation Report of the Target Company and the Target Property issued by Cushman & Wakefield Limited.