

12 August 2025

*To: The independent board committee and the independent shareholders
of Changjiu Holdings Limited*

Dear Sir/ Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) transactions contemplated under the Logistics Services Framework Agreement (the “**Logistics Transactions**”); and (ii) transactions contemplated under the Automobiles Sales Cooperation Agreement (the “**Sales Transactions**”, together with the Logistics Transactions, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 12 August 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 30 June 2025 (the “**Agreement Date**”), Changjiu Interconnect entered into the Logistics Services Framework Agreement with Yunche Logistics, pursuant to which Yunche Logistics shall provide on-demand car logistics services to Changjiu Interconnect in the PRC.

On 30 June 2025, Changjiu Interconnect entered into the Automobiles Sales Cooperation Agreement with Changjiu Automobile, pursuant to which Changjiu Automobile shall purchase automobiles from Changjiu Interconnect for sale.

With reference to the Board Letter, the Logistics Transactions and the Sales Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement, circular, annual reporting, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Shen Jinjun, Mr. Dong Yang and Mr. Wang Fukuan has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser. Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 the 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Yunche Logistics, Changjiu Automobile or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

A. BACKGROUND OF THE TRANSACTIONS

Information on the Group

With reference to the Board Letter, the Group is principally engaged in provision of pledged automobile monitoring services and automobile dealership operation management services in the PRC.

Set out below are the Group's consolidated financial information for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"):

	For the year ended 31 December 2024 ("FY2024") RMB'000 (audited)	For the year ended 31 December 2023 ("FY2023") RMB'000 (audited)	Change %
Revenue	677,627	641,770	5.59
– Pledged vehicle monitoring service	612,471	574,992	6.52
– Automobile dealership operation management service	65,156	66,778	(2.43)
Gross profit	298,044	282,687	5.43
Profit attributable to equity shareholders of the Company	161,407	102,323	57.74

As illustrated by the above table, the Group's revenue for FY2024 increased by approximately 5.59% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was primarily attributable to increase in revenue generated from pledged vehicle monitoring service as a result of increased number of service agreements. Along with the aforesaid increase in the Group's revenue, the Group's gross profit for FY2024 increased by approximately 5.43% as compared to that for FY2023. In addition, profit attributable to equity shareholders of the Company for FY2024 increased by approximately 57.74% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was mainly due to (i) increase in the Group's gross profit and net other income; and (ii) decrease in the Group's general and administrative expenses.

With reference to the 2024 Annual Report, the Group will continue to be committed to leading the development of automotive new retail, integrating resources from various parties and working closely with automotive dealers, suppliers and consumers. By integrating local automobile resources and demand information, and through accurate market positioning and innovative marketing strategies, the Group will enhance the platform's popularity and influence in the sinking markets and realize sustainable development of the business.

With reference to the Company's announcement dated 9 April 2025, Changjiu Interconnect, as the operating entity of the "9CheGO" automobile sales and distribution supply chain platform (the "9CheGO Platform"), entered into a project cooperation agreement (the "Project Cooperation Agreement") with FAW Toyota Motor Sales Co., Ltd. ("FAW Toyota"). According to the Project Cooperation Agreement, Changjiu Interconnect will serve as the annual exclusive distribution partner for all current models of the FAW Toyota Corolla 1.2T in the PRC market, with the ability to dynamically adjust production capacity based on market demand (i.e. the FAW Toyota Cooperation).

Information on Changjiu Interconnect

With reference to the Board Letter, Changjiu Interconnect is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is principally engaged in trading of automobiles and provision of automobile-related services, including but not limited to trading of new and used automobiles and provision of after-sale services, forming an ecological platform integrating transactions, services and data.

Information on Yunche Logistics

With reference to the Board Letter, Yunche Logistics is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Changjiu Logistics and an indirectly non-wholly owned subsidiary of Changjiu Industrial, which is principally engaged in transportation of cars including but not limited to second-hand cars, automobiles for e-commerce platforms, high-end cars and private cars. Changjiu Industrial is a 30% controlled company (within the meaning of the Listing Rules) of Mr. Bo, a Director and Controlling Shareholder of the Company. Yunche Logistics is an indirectly non-wholly owned subsidiary of Changjiu Industrial and is considered an associate of Mr. Bo and a connected person of the Company.

Information on Changjiu Automobile

With reference to the Board Letter, Changjiu Automobile is a company incorporated in the PRC with limited liability and a directly non-wholly owned subsidiary of Changjiu Industrial, which is principally engaged in automobile marketing, automobile accessories supply and investment in 4S dealership stores and related business. Changjiu Automobile is a directly non-wholly owned subsidiary of Changjiu Industrial and is considered an associate of Mr. Bo and a connected person of the Company.

B. THE LOGISTICS TRANSACTIONS

Reasons for and benefit of the Logistics Transactions

As aforementioned, Changjiu Interconnect, as the operating entity of the 9CheGO Platform, entered into the Project Cooperation Agreement and commenced the FAW Toyota Cooperation. With reference to the Board Letter, other than the FAW Toyota Cooperation, the Group is at an advanced stage of discussions with other automobile suppliers for similar cooperation (i.e. the Potential Cooperation). It is beneficial for Changjiu Interconnect to use Yunche Logistics's logistics services to supplement the Group's transportation capacity, given that Yunche Logistics operates the leading car transportation platform in PRC. The Company believes that Yunche Logistics can utilize its (i) abundant transportation and delivery resources and extensive logistics network to provide door-to-door delivery services to the end customers in small towns and rural areas; (ii) well-established system and platform equipped with advanced algorithm; and (iii) matured service offering along with extensive experience, in providing more cost efficient, rapid and high-quality solutions as compared to independent third party logistics service providers to satisfy the Group's increasing demands for outsourcing capacity driven by the FAW Toyota Cooperation.

With reference to the Board Letter, Changjiu Interconnect is not bound and will not be bound to use logistics services offered by Yunche Logistics. Changjiu Interconnect also engages other independent third party service providers to supplement transportation capacity, and will continue to engage other independent third party service providers if the terms and conditions for the services provided by independent third party service providers are more favorable to Changjiu Interconnect.

As Changjiu Interconnect commenced the FAW Toyota Cooperation and serves as the annual exclusive distribution partner for all current models of the FAW Toyota Corolla 1.2T in the PRC market, Changjiu Interconnect requires logistics services for conducting this business. In addition, when the Potential Cooperation materializes, Changjiu Interconnect's demand for logistics services will increase.

Having also considered that Changjiu Interconnect is not bound and will not be bound to use logistics services offered by Yunche Logistics under the Logistics Transactions (Changjiu Interconnect could engage other independent third party service providers if the terms and conditions for the services provided by independent third party service providers are more favorable to Changjiu Interconnect), we are of the view that the Logistics Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

Principal terms of the Logistics Transactions

Summarised below are the major terms of the Logistics Transactions, details of which are set out under the section headed “2. LOGISTICS SERVICES FRAMEWORK AGREEMENT” of the Board Letter:

Agreement date

30 June 2025

Parties

1. Changjiu Interconnect (as the service recipient)
2. Yunche Logistics (as the service provider)

Term

30 June 2025 to 31 December 2027

Subject matters

Yunche Logistics shall provide Changjiu Interconnect with on-demand automobile logistics services to Changjiu Interconnect from supplier warehouse to transit warehouse (i.e. Shorthaul Service) and from transit warehouse to automobile distributors or end customers (as applicable) in the PRC (i.e. Longhaul Service) to supplement the Group's transportation capacity.

Payment term

Upon completion of delivery of the automobiles to the transit warehouse or automobile distributors or end customers in the PRC (as applicable), the parties shall complete verification of service fees incurred and Yunche Logistics shall issue invoice to Changjiu Interconnect by the 5th day of the next month and Changjiu Interconnect shall settle the invoiced amount by the 15th day of the next month (or the following business day if falling on a non-business day).

Pricing policies

The relevant service fees for the logistics services shall be charged on per automobile basis, comprising transportation fee and storage fee.

The relevant service fees for the services are determined by both parties based on fair market rate with reference to (i) the price quotations that the Group obtained from independent third party service providers for comparable services; and (ii) the service fees charged by Yunche Logistics to any independent third party customers of strategic positions, taking into account the business volume. Changjiu Interconnect will from time to time review the service fees for the logistics services by comparing them against market prices chargeable by independent third party service providers for services of similar nature and scale, and ensure that the terms Changjiu Interconnect obtained from Yunche Logistics shall be on normal commercial terms or better as compared to those provided by independent third party service providers.

We consider the above pricing policies, which involve comparison with price quotations from independent third party service providers and continuous review of service fees for logistics services, could ensure fair pricing of the Logistics Transactions.

Proposed annual caps

Set out below are the proposed annual caps of the Logistics Transactions for the three years ending 31 December 2027 (the “Logistics Cap(s)”):

	For the year ending 31 December 2025 (“FY2025”) RMB	For the year ending 31 December 2026 (“FY2026”) RMB	For the year ending 31 December 2027 (“FY2027”) RMB
Logistics Caps	51,480,000	70,200,000	88,920,000

With reference to the Board Letter, the Logistics Caps were determined with reference to:

- (a) the expected number of automobiles distributed under FAW Toyota Cooperation of 22,000 for FY2025;
- (b) the expected number of automobiles distributed for the years ended 31 December 2026 and 2027 of 30,000 and 38,000 respectively, taking into consideration of FAW Toyota Cooperation and the expected annual increase of 8,000 units of automobiles due to increase in the overall demand for the logistics services by Changjiu Interconnect under the Potential Cooperation;

(c) the expected distance of transportation and number of automobiles per transaction for the Shorthaul Service and the Longhaul Service; and

(d) the expected inventory costs.

For our due diligence purpose, we obtained the calculation of the Logistics Caps (the “**Logistics Caps Calculation**”) from the Company. According to the Logistics Caps Calculation, the Logistics Caps were calculated as follows:

$$\text{Logistics Cap} = \text{Expected Total Transportation Fee} + \text{Expected Total Storage Fee}$$

whereas:

$$\text{Expected Total Transportation Fee} = \text{Expected Distribution Number} \times \text{Expected Transportation Fee per Unit}$$

$$\text{Expected Total Storage Fee} = \text{Expected Distribution Number} \times \text{Expected Days for Inventory Storage} \times \text{Expected Storage Fee per Unit}$$

Expected Distribution Number

The expected number of automobiles to be distributed per annum is 22,000 for FY2025, 30,000 for FY2026 and 38,000 for FY2027 (the “**Expected Distribution Number**”). For our due diligence purpose, we obtained copy of the Project Cooperation Agreement and noted that the Expected Distribution Number of 22,000 for FY2025 aligns with the distribution target as set out in the Project Cooperation Agreement.

As aforementioned, the expected annual increase of 8,000 units of automobiles is led by increase in the overall demand for the logistics services by Changjiu Interconnect under the Potential Cooperation. We obtained from the Company its internal record on discussions with other automobile suppliers for the Potential Cooperation. Based on the aforesaid internal record, (i) Changjiu Interconnect commenced discussions with two automobile suppliers in May 2025 for the Potential Cooperation; and (ii) Changjiu Interconnect had preliminarily agreed with each of the aforementioned automobile suppliers to distribute at least a few thousand units of automobiles for each of year 2025 and year 2026, subject to final discussions on other terms such as pricing.

As advised by the Directors, Changjiu Interconnect will continue to discuss with other automobile suppliers in relation to the Potential Cooperation and target to expand its distribution volume in FY2027.

In light of the above, we consider that the increased Expected Distribution Number for FY2026 and FY2027 (increased by 8,000 per annum) to be justifiable.

Expected Transportation Fee per Unit

Expected transportation fee (including both of the Shorthaul Service and the Longhaul Service) per unit of automobile to be distributed (the “**Expected Transportation Fee per Unit**”) was estimated based on quotations provided by Yunche Logistics.

For our diligence purpose, we obtained from the Company a copy of the aforesaid quotations which set out the transportation fees per unit of automobile and per kilometer (km) for specific locations and distances (“**Quoted Transportation Fees Per Unit & Per KM**”).

The Company also formulated a list of expected locations of automobile to be delivered (with estimated distances). The Company estimated the transportation fees per unit of automobile (for various locations) by applying the Quoted Transportation Fees Per Unit & Per KM according to Yunche Logistics’ quotations.

The Expected Transportation Fee per Unit was calculated as the average of the transportation fees per unit of automobile (for various locations) (the “**Average Transportation Fee**”), after rounding.

The Company also provided us (i) copies of quotations provided by three independent third parties which set out the Quoted Transportation Fees Per Unit & Per KM; and (ii) calculations of the Average Transportation Fee by applying the Quoted Transportation Fees Per Unit & Per KM according to the three independent third parties’ quotations).

We noted that the Average Transportation Fee as calculated by applying the Quoted Transportation Fees Per Unit & Per KM according to Yunche Logistics’ quotations is lower than the Average Transportation Fee as calculated by applying the Quoted Transportation Fees Per Unit & Per KM according to the three independent third parties’ quotations.

Expected Days for Inventory Storage

We noted from the Project Cooperation Agreement that Changjiu Interconnect is required to submit sales plan to FAW Toyota two months in advance (“**Two-month Notice**”). As advised by the Directors, this indicates that Changjiu Interconnect places advance orders with automobile suppliers to avoid shortage for sales. Changjiu Interconnect may not be able to precisely forecast sales number two months in advance. Vehicles that are not sold immediately after FAW Toyota delivering to Changjiu Interconnect will be kept in storage before they are sold by Changjiu Interconnect. Expected days for inventory storage (the “**Expected Days for Inventory Storage**”) of 30 days were estimated based on the Company’s expectation on the number of days that vehicles will be kept in storage before they can be sold by Changjiu Interconnect after considering the Two-month Notice.

Expected Storage Fee per Unit

Expected inventory storage fee per day for each unit of automobile to be distributed (the “**Expected Storage Fee per Unit**”) was estimated based on quotation provided by Yunche Logistics. For our diligence purpose, we obtained from the Company copies of the aforesaid quotation and quotations from three independent third parties. We noted that the quotation provided by Yunche Logistics is lower than those from three independent third parties.

Having considered the above, we are of the view that the Logistics Caps for the three years ending 31 December 2027 are fair and reasonable.

Shareholders should note that as the Logistics Caps are relating to future events and estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of cost/expense to be incurred from the Logistics Transactions. Consequently, we express no opinion as to how closely the cost/expense to be incurred from the Logistics Transactions will correspond with the Logistics Caps.

Having considered the above, including the principal terms of the Logistics Transactions as contemplated under the Logistics Services Framework Agreement and the Logistics Caps, we are of the view that the terms of the Logistics Transactions are fair and reasonable.

C. THE SALES TRANSACTIONS

Reasons for and benefit of the Sales Transactions

With reference to the Board Letter, as Changjiu Interconnect is the exclusive distributor of FAW Toyota Corolla 1.2T in the PRC, FAW Toyota Corolla 1.2T are exclusively sold to Changjiu Automobile Group and other independent third parties by Changjiu Interconnect. In addition, Changjiu Automobile Group possesses established sales and distribution network in the PRC, including 12 4S stores which may offer FAW Toyota Corolla 1.2T for sale and its expertise in provision of marketing and aftersale services for automobiles. The strategic continuous cooperation with Changjiu Automobile Group, following FAW Toyota Cooperation and taking into account of the Potential Cooperation, will enable the Group to leverage on the network of Changjiu Automobile Group and its expertise in provision of marketing and after-sale services and is in line with the long-term development strategy of the Group, and is conducive to expanding the sales channel of the Group in the PRC, enhancing the Group's sales volume, and facilitating the Group's long-term business development.

Given the above, the Sales Transactions are expected to facilitate the Group's automobile distribution under FAW Toyota Cooperation and the Potential Cooperation. Accordingly, we are of the view that the Sales Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

Principal terms of the Sales Transactions

Summarised below are the major terms of the Sales Transactions, details of which are set out under the section headed "3. AUTOMOBILES SALES COOPERATION AGREEMENT" of the Board Letter:

Agreement date

30 June 2025

Parties

1. Changjiu Interconnect
2. Changjiu Automobile (for itself and on behalf of its subsidiaries)

Term

30 June 2025 to 31 December 2027

Subject matters

Changjiu Automobile Group shall purchase automobiles including but not limited to FAW Toyota Corolla 1.2T from Changjiu Interconnect for sale.

Payment term

The relevant subsidiaries of Changjiu Automobile shall pay certain percentage of the total purchase price as deposit upon signing the underlying agreements and the remaining price prior to the delivery of the automobiles by Changjiu Interconnect, with details specified in the underlying agreements.

Pricing policies

The relevant purchase prices of the automobiles are determined by based on the recommended prices from the manufacturer.

Changjiu Interconnect will from time to time review the purchase prices of the automobiles by comparing them against market prices of automobiles of same models charged to independent third parties, and ensure that the terms Changjiu Interconnect obtained from Changjiu Automobile shall be on normal commercial terms or better as compared to independent third parties.

For our due diligence purpose, the Company provided us information abstracted from the 9CheGO Platform (the “9CheGO Platform Information”) which demonstrated that the purchase prices of FAW Toyota Corolla 1.2T (Pioneer Edition and Elite Edition) (being the models currently distributed by Changjiu Interconnect) are the same for all purchasers (including the Changjiu Automobile Group). We also obtained certain sales contracts for FAW Toyota Corolla 1.2T (Pioneer Edition/Elite Edition) entered into between Changjiu Interconnect and independent third parties prior to the Agreement Date and noted that the sales prices thereunder are the same (i) among each other; and (ii) as the recommended prices under the Project Cooperation Agreement.

Proposed annual caps

Set out below are the proposed annual caps of the Sales Transactions for the three years ending 31 December 2027 (the “Sales Cap(s)”):

	For the year ending 31 December 2025 RMB	For the year ending 31 December 2026 RMB	For the year ending 31 December 2027 RMB
Sales Caps	70,392,000	91,509,600	118,962,480

With reference to the Board Letter, the Sales Caps were determined with reference to:

- (a) the expected number of FAW Toyota Corolla 1.2T sold for FY2025 of 840 units in aggregate (“Expected Number”), based on the historical sales data of FAW Toyota Corolla 1.2T in 4S stores of Changjiu Automobile in 2024 (i.e. 70 units on average per store) and the current number of 4S stores of Changjiu Automobile in the PRC which may offer FAW Toyota Corolla 1.2T for sale (i.e. 12 stores in total);
- (b) the average sale price of FAW Toyota Corolla 1.2T of RMB83,800 (the “Average Sale Price”) assuming same volume of FAW Toyota Corolla 1.2T (Pioneer Edition) and FAW Toyota Corolla 1.2T (Elite Edition) will be sold; and
- (c) the expected increase in number of automobiles sold taking into consideration of the Potential Cooperation.

For our due diligence purpose, we obtained the calculation of the Sales Caps (the “Sales Caps Calculation”) from the Company. According to the Sales Caps Calculation;

- (i) the Sales Cap for FY2025 was calculated by the Expected Number multiplied by the Average Sale Price;
- (ii) the Sales Cap for FY2026 was calculated by the Sales Cap of FY2025 plus 30% increase; and
- (iii) the Sales Cap for FY2027 was calculated by the Sales Cap of FY2026 plus 30% increase.

The Expected Number

For our due diligence purpose, the Company provided us historical sales data of FAW Toyota Corolla 1.2T in 4S stores of Changjiu Automobile in 2024 and the current number of 4S stores of Changjiu Automobile in the PRC which substantiate the Expected Number (i.e. 70 units on average per store times 12 stores in total).

The Average Sale Price

Based on the 9CheGO Platform Information, we noted that the Average Sale Price aligns with the prices that Changjiu Interconnect offered to all purchasers (including the Changjiu Automobile Group).

The 30% increase

In respect of the increase of 30% for each of the Sales Cap for FY2026 and the Sales Cap for FY2027, we noted that such increase aligns with the average increase of approximately 32% in the Expected Distribution Number for FY2026 and FY2027 (i.e. increase by approximately 36% from 22,000 for FY2025 to 30,000 for FY2026, and further increase by approximately 27% to 38,000 for FY2027).

Having considered the above, we are of the view that the Sales Caps for the three years ending 31 December 2027 are fair and reasonable.

Shareholders should note that as the Sales Caps are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of revenue to be generated from the Sales Transactions. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Sales Transactions will correspond with the Sales Caps.

Having considered the above, including the principal terms of the Sales Transactions contemplated under the Automobiles Sales Cooperation Agreement and the Sales Caps, we are of the view that the terms of the Sales Transactions are fair and reasonable.

D. INTERNAL CONTROL MEASURES

With reference to the Board Letter, the Company has established the internal control measures as set out under the section headed “4. INTERNAL CONTROL MEASURES” of the Board Letter (the “IC Measures”) to ensure that the transactions entered into under the Logistics Services Framework Agreement and Automobiles Sales Cooperation Agreement will be conducted in accordance with the pricing policies of the Group and the respective terms of such agreements are on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms shall not be less favourable than the terms which can be obtained from an independent third party for the provision/sale of similar goods or services so far as the Company is concerned.

Having considered that the IC Measures involve:

- (i) approval the final pricing and other major terms of the Logistics Services Framework Agreement and Automobiles Sales Cooperation Agreement by senior management of the various departments including finance, business operation, sales and marketing and internal audit departments;
- (ii) review by managers of the relevant members of the Group on the terms of the transactions undertaken pursuant to the Logistics Services Framework Agreement and Automobiles Sales Cooperation Agreement on quarterly basis to ensure the prices thereunder will reflect the pricing policies of the Group and will be on arm's length basis under normal commercial terms;
- (iii) review by the finance department of the Company on a monthly basis, the transaction amount under the Logistics Services Framework Agreement and Automobiles Sales Cooperation Agreement and submission of such information for the management's review to ensure that the relevant transactions are carried out in accordance with the terms of the Logistics Services Framework Agreement and Automobiles Sales Cooperation Agreement and will not exceed the respective annual caps; and
- (iv) annual review by the auditors of the Company and the independent non-executive Directors,

we consider the IC Measures will facilitate fair pricing and annual caps monitoring for the Transactions.

E. LISTING RULES IMPLICATIONS

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective proposed annual caps for the period concerned under the relevant framework agreements; (ii) the terms of the Transactions (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded their respective proposed annual caps. In the event that the total amounts of the Transactions are anticipated to exceed their respective proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including the annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favor of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.