

24 May 2023

The Independent Board Committee and the Independent Shareholders
Qinhuangdao Port Co., Ltd.*

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS
REVISED ANNUAL CAP II UNDER
THE NEW GENERAL SERVICES AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Cap II for the two years ending 31 December 2024 for the provision of services by HPG and/or its subsidiaries to the Group under the New General Services Agreement (the “**General Services**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 24 May 2023 issued to the Shareholders (the “**Circular**”). Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, HPG was interested in 3,144,268,078 A Shares and 71,303,000 H Shares, representing approximately 57.55% of the issued share capital of the Company and hence a controlling shareholder and a connected person of the Company. The applicable percentage ratio in respect of the Revised Annual Cap II for the provision of services by HPG and/or its subsidiaries to the Group on an annual basis exceeds 5% and hence such transactions are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements of Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Chen Ruihua, Mr. Xiao Zuhe, Mr. Zhao Jinguang and Ms. Zhu Qingxiang (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the General Services (including the Revised Annual Cap II) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the revision of annual caps is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in

respect of the relevant resolution to approve the Revised Annual Cap II at the AGM. We, TC Capital International Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company or any other parties that could reasonably be regarded as relevant to the independence of us. In the last two years, we have acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in respect of the provision of the General Services by HPG and/or its subsidiaries to the Group under the New General Services Agreement and the provision of deposit taking services by Hebei Port Group Finance Company Limited to the Group under the new financial services framework agreement, details of which are set out in the circular of the Company dated 29 November 2021. Given (i) our independent role in the abovementioned engagement; and (ii) our fees for the abovementioned engagement represented an insignificant percentage of our revenue, we consider that the abovementioned engagement would not affect our independence to form our opinion in respect of the Revised Annual Cap II.

BASIS OF OUR OPINION

In putting forth our recommendation, we have relied on the information, opinions, facts and representations supplied to us by the Directors and/or the representatives of the Company. We have reviewed, among other things, (i) the New General Services Agreement; (ii) the annual reports of the Company for the years ended 31 December 2021 and 2022 (the “**2021 Annual Report**” and the “**2022 Annual Report**” respectively) and the first quarterly report of the Company for the three months ended 31 March 2023 (the “**2023 First Quarterly Report**”); (iii) other information as set out in the Circular; and (iv) relevant market data and information available from public sources.

We have assumed that all such information, opinions, facts and representations provided to us by the Directors and/or the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all respects. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the representatives of the Company. The Company has also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld or is misleading.

We consider that we have sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the representatives of the Company, nor have we conducted any independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, HPG and any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Revised Annual Cap II, we have taken into account the following principal factors and reasons:

1. Background information of the parties to the New General Services Agreement

(a) *The Group*

As stated in the Letter from the Board, the Group principally engages in the supply of highly-integrated port services including stevedoring, stacking, warehousing, transportation and logistics services, and handling various types of cargo including coal, metal ores, oil and liquefied chemicals, containers and general cargo and other commodities.

Set out below is certain financial information of the Group for the three years ended 31 December 2022 (“FY2020”, “FY2021” and “FY2022” respectively) and the three months ended 31 March 2022 and 2023 (“2022Q1” and “2023Q1” respectively) as extracted from the 2021 Annual Report, the 2022 Annual Report and the 2023 First Quarterly Report:

	For the three months		For the year ended 31 December		
	ended 31 March		2022	2021	2020
	2023	2022	2022	2021	2020
	RMB'	RMB'	RMB'	RMB'	RMB'
	million	million	million	million	million
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	1,726	1,648	6,919	6,595	6,456
Operating profits	527	431	1,665	1,278	1,230
Net profit attributable to shareholders of the parent	418	336	1,308	1,038	995

	As at	As at 31 December		
	31 March	2022	2021	2020
	2023	2022	2021	2020
	RMB' million	RMB' million	RMB' million	RMB' million
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total assets	28,260	27,941	27,777	26,243
Total liabilities	9,543	9,716	10,867	10,144
Net assets	18,717	18,225	16,910	16,099



As shown in the above table, the revenue of the Group amounted to approximately RMB6,595 million for FY2021, representing a slight increase of approximately 2% as compared with the corresponding figure for FY2020. The revenue of the Group further increased to approximately RMB6,919 million for FY2022, representing an increase of approximately 5% as compared with the corresponding figure for FY2021. The net profit attributable to shareholders of the parent amounted to approximately RMB1,038 million for FY2021, representing an increase of approximately 4% as compared with the corresponding figure for FY2020. The net profit attributable to shareholders of the parent further increased to approximately RMB1,308 million for FY2022, representing an increase of approximately 26% as compared with the corresponding figure for FY2021. The improvement in financial performance of the Group in FY2021 was mainly due to the increase in coal throughput of the Group as the Group focused on business expansion through various measures, such as proactively releasing its potential by improving efficiency and full coverage grid-based marketing, further refining production and continuously enhancing handling efficiency. The improvement in financial performance of the Group in FY2022 was mainly due to the increase in the throughput of metal ore, metal ore related products and other general cargoes of the Group as (i) two berths for iron ore which were newly put into operation have improved the berth utilisation and handling efficiency; and (ii) the Group strived to expand the cargo sources of “dry bulk to containers” and operated more routes to/from Tianjin port and newly launched regional routes in Shandong and Southern China.

The revenue of the Group amounted to approximately RMB1,726 million for 2023Q1, representing an increase of approximately 5% as compared with the corresponding figure for 2022Q1. The net profit attributable to shareholders of the parent amounted to approximately RMB418 million for 2023Q1, representing an increase of approximately 24% as compared with the corresponding figure for 2022Q1. The improvement in financial performance of the Group in 2023Q1 was mainly due to the increase in gains of Cangzhou Huanghuagang Mineral Port Co., Ltd.* and Tangshan Caofeidian Coal Port Co., Ltd*, subsidiaries of the Group, as compared to 2022Q1.

The net assets of the Group as at 31 December 2021 were approximately RMB16,910 million, representing an increase of approximately 5% as compared to that as at 31 December 2020, and further increased to approximately RMB18,225 million as at 31 December 2022, representing an increase of approximately 8%. The net assets of the Group as at 31 March 2023 were approximately RMB18,717 million, representing an increase of approximately 3% as compared to that as at 31 December 2022. The representatives of the Company advised us that such increase in net assets of the Group was mainly due to the profit-making position of the Group during FY2021, FY2022 and 2023Q1.



(b) HPG

As stated in the Letter from the Board, the business scope of HPG mainly includes investment in construction and operational management of ports and waterway; cargo loading and unloading, storing, boat tugging, railway transportation and other port operations and logistics services; shipping and port passenger transport services; port information technology consultation services; leasing and maintenance of port facilities, equipment and machinery; port industry investment, purchase and storage, development and utilisation of land resources along the coastline and in the port area; leasing of house; providing facilities to terminals for vessels; port operation; corporate management. As at the Latest Practicable Date, the State-owned Assets Supervision and Administration Commission of the Hebei Provincial People's Government was the controlling shareholder of HPG, which held 61.99% of the issued shares of HPG. Each of the State-owned Assets Supervision and Administration Commission of Tangshan Municipal People's Government, Caofeidian State Holding Investment Group Co., Ltd., Hebei Construction Investment Transportation Investment Co., Ltd., Tangshan Iron and Steel Group Co., Ltd. and Tangshan Construction Investment Limited held 26.29%, 6.63%, 3.24%, 1.37% and 0.47% of the issued shares of HPG.

2. The General Services

(a) Principal terms of the General Services

On 28 October 2021, the Company and HPG entered into the New General Services Agreement pursuant to which HPG and/or its subsidiaries shall provide the General Services to the Group and the Group shall provide various services to HPG and/or its subsidiaries for an effective period from 1 January 2022 to 31 December 2024 (both days inclusive). On 29 March 2023, the Board passed a resolution to propose a revision to the Existing Annual Caps. Further details of the terms of the New General Services Agreement are stated in the Letter from the Board.

For details of the pricing policies in relation to the General Services, please refer to the paragraphs headed "Basis for fee determination" under the section headed "Proposed revision of the Existing Annual Caps of the continuing connected transactions under the New General Services Agreement" in the Letter from the Board.

As stated in the Letter from the Board, the General Services are broadly classified into three kinds, namely social services, living logistics services and production services. Therefore, we have conducted our works to assess the pricing policy of the General Services according to these three kinds of the General Services. We have obtained the contract(s) or the top three contracts (if there are more than three contracts) in each of the two largest amount transactions of each kind of services for each of the two years ended 31 December 2022.



The two selected largest amount transactions of the social services under the General Services for each of the two years ended 31 December 2022 involved body check services. The representatives of the Company advised us that the Group provides medical benefits to its staff only at Hebei Port Group Harbour Hospital* (河北港口集團有限公司港口醫院) (“**Harbour Hospital**”) operated by HPG members and the fees of such medical benefits are payable by the Group to Harbour Hospital. We have obtained the breakdown of body check services provided by Harbour Hospital to the Group which comprised various body check packages and noted that the body check packages provided by Harbour Hospital to the staff of the Group were based on the title and gender of the staff. The representatives of the Company advised us that the prices of the body check packages charged by Harbour Hospital were determined based on the market prices, i.e. prices quoted from two independent third parties offering similar type of body check packages. We have reviewed the price list of body check packages and noted that the standard prices of body check packages provided by Harbour Hospital to all members of HPG are the same as the standard prices of the same body check packages provided by Harbour Hospital to the Group. We have also checked and noted that the prices of body check packages offered by Harbour Hospital to the Group were not less favourable than the prices of similar body check packages quoted from independent third parties to the Group.

The two selected largest amount transactions of the living logistics services under the General Services for each of the two years ended 31 December 2022 involved property management and cleaning services and catering services. The representatives of the Company advised us that the fees of the property management and cleaning services offered by HPG members were determined based on market prices. We have checked the fees of the property management and cleaning services offered by HPG members against two quotations from independent third parties for the same services and the same period and noted that the prices offered by HPG members to the Group were lower than the prices quoted from independent third parties. For the catering services, we have checked the prices of the food and beverages offered by HPG members against prices quoted from independent third parties and noted that the prices offered by HPG members to the Group were lower than the prices quoted from independent third parties.

The two selected largest amount transactions of the production services under the General Services for each of the two years ended 31 December 2022 involved port maintenance services. For the maintenance services the pricing of which was based on bid prices, the representatives of the Company advised us that the bid evaluation committee shall recommend the top three candidates and we obtained the letter of acceptance and noted that the selection of the suppliers and the prices of the selected transactions were based on the bidding notice issued by an independent bidding company. For the maintenance services the fees of which comprised labour cost and material expenses, the representatives of the Company advised us that the prices of the labour cost and material expenses were determined based on the market prices. For the labour cost, we have checked and noted that the unit prices of the labour offered by HPG members to the Group were lower than the unit prices of the labour quoted from two independent third parties. For the material expenses, the representatives of the Company advised us that the unit prices of the materials offered by HPG members were determined based on the prices of similar materials purchased from independent third parties which were recorded in a system named Enterprise Asset Management (the “**EAM System**”). We have checked and noted that the unit prices of



the materials offered by HPG members to the Group were within the range of the unit prices of similar materials purchased from independent third parties as recorded in the EAM System. We have also checked that the records of materials purchased from independent third parties in the EAM System are consistent with three relevant contracts, so we agree with the Company that the EAM System is reliable. For the maintenance services the fee rates of which were determined based on the Hebei provincial construction, installation, municipal and decoration engineering cost standard* (河北省建築、安裝、市政、裝飾裝修工程費用標準) (the “Standard”) prepared by the Hebei Provincial Engineering Construction Cost Management Station* (河北省工程建設造價管理總站) and issued by the Department of Housing and Urban Rural Development of Hebei Province* (河北省住房和城鄉建設廳), the representatives of the Company advised us that the pricing of these fee rates was also determined based on the market prices as the Standard was not a compulsory standard for the pricing of engineering costs. We have checked and noted that the fee rates offered by HPG members to the Group were not less favourable than the fee rates offered by independent third parties to the Group.

Therefore, we are of the view that the pricing policies for the General Services are fair and reasonable so far as the Independent Shareholders are concerned.

(b) Reasons for and benefits of the revision of annual caps

As advised by the representatives of the Company, (i) in view of the requirements of port operations required for the designated business, the Group needs services related to port operation provided by HPG and/or its subsidiaries. For the various services provided by HPG and/or its subsidiaries to the Group and among which, (a) social services are mainly physical examination benefits provided by the Group to its employees. The Group receives physical examination services provided by Harbour Hospital affiliated to HPG. The Group provides employees with medical benefits every year, including regular physical examination plan. The prices of physical examination packages provided by Harbour Hospital affiliated to HPG are better than those provided by independent third parties, thus the Group engages Harbour Hospital to provide the physical examination service to its employees; (b) living logistics services mainly include office property, port area environmental sanitation and other services of the Group. HPG and/or its subsidiaries provide the Group with comprehensive logistics support services, including but not limited to property and environmental sanitation services. The Group receives property and greening services provided by Qinhuangdao Fangyu Property Services Management Co., Ltd. affiliated to HPG; (c) production services are mainly port facilities, equipment maintenance, testing, supervision and other services of the Group. The Group receives related services provided by the port engineering companies, port machinery companies and testing companies affiliated to HPG. It is expected that the fixed asset investment and maintenance demand in relation to the port facilities and equipment maintenance of the Group shall have a significant increase; (ii) HPG and/or its subsidiaries have been providing the Group with ancillary administrative, property management and construction services since 2008. The General Services are essential to the core business and operation of the Group as they provide the supporting services to the port services of the Group. The Directors believe that securing the General Services from



HPG and/or its subsidiaries, who are experienced service providers, will provide the Group with a stable and reliable supply of supporting services at competitive costs; (iii) the total service fee for the General Services provided by HPG and/or its subsidiaries to the Group for the year ended 31 December 2022 accounted for over 99% of the Existing Annual Cap for the General Services provided by HPG and/or its subsidiaries to the Group for the year ended 31 December 2022; (iv) the consideration to be paid for the General Services provided by HPG and/or its subsidiaries to the Group under the New General Services Agreement shall be determined based on government-prescribed prices, government-guided prices, market prices, agreed prices or prices determined by tender process; and (v) in 2022, port resource integration started in Hebei Province and the reorganisation was completed to form a new HPG at the end of October 2022, with significant changes in the list of affiliated enterprises of HPG (namely, the new connected parties), and hence it is expected that there will be an increase in connected transactions between the Group and the new connected parties of HPG.

By entering into the General Services, the Group can take advantage of (i) its long-established relationship with HPG and/or its subsidiaries; and (ii) the stability and reliability of the supply of supporting services by HPG and/or its subsidiaries. Moreover, the General Services offer an additional option to the Group as the New General Services Agreement does not restrict the Group to procure the services from the corresponding contractual parties only. Thus, the Group may, but is not obliged to, continue to procure the services from the corresponding contractual parties if the price is competitive. Having also taken into account that (i) the utilisation rate of the Existing Annual Cap for the General Services provided by HPG and/or its subsidiaries to the Group for the year ended 31 December 2022 is over 99%; and (ii) the transaction amount with HPG and/or its subsidiaries is expected to increase due to the increase in the number of connected persons after the port integration in Hebei Province, we concur with the Directors that the revision of annual caps is in the interests of the Company and the Shareholders as a whole.

(c) The Revised Annual Cap II and basis of determination

The following table sets out the historical transaction amounts of the provision of the General Services by HPG and/or its subsidiaries to the Group for the two years ended 31 December 2022 and the Revised Annual Cap II for the two years ending 31 December 2024:

	Historical transaction		Revised Annual Cap II	
	amounts		For the year ending	
	For the year ended		31 December	
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provision of the General Services by HPG and/or its subsidiaries to the Group	606,033.1	603,311.3	1,239,400.0	1,363,340.0

The representatives of the Company advised us that the Revised Annual Cap II for the year ending 31 December 2023 was determined mainly based on (i) the historical transaction amount of the provision of the General Services by HPG and/or its subsidiaries to the Group for each of the two years ended 31 December 2022; (ii) the expected increase in fixed asset investment and maintenance demand of the Group; and (iii) the expected increase in transaction amount with HPG and/or its subsidiaries due to the port integration in Hebei Province.

As shown in the above table, the historical transaction amount of the provision of the General Services by HPG and/or its subsidiaries to the Group for the year ended 31 December 2022 amounted to approximately RMB603 million, which accounted for over 99% of the Existing Annual Cap for the General Services provided by HPG and/or its subsidiaries to the Group for the year ended 31 December 2022.

The expected increase in fixed asset investment and maintenance demand, in relation to the amount of services provided by HPG and/or its subsidiaries to the Group, of approximately RMB580 million for the year ending 31 December 2023 was determined based on the signed contracts of the Group and the fixed asset investment and maintenance plan of the Group. We have obtained a list of the signed contracts and the fixed asset investment plan of the Group and noted that the signed contracts and the projects in the fixed asset investment plan were mainly classified into smart port projects, green port projects, safe port projects and updating existing equipment and machinery. According to the 2021 Annual Report, the Group has formulated and issued three-year action plans for construction of smart port, green port and safe port, and the construction of the three-type port has been comprehensively upgraded and accelerated. In terms of smart port, the Group accelerates the unmanned and intelligent transformation of loading and unloading equipment, has carried out intelligent transformation of certain shiploaders and dumpers, and creates a new business card for the digital transformation of ports. In terms of green ports, the Group promotes measures such as atmospheric dust monitoring and improves preferential policies on shore power supporting facilities and renovated container yard bridges. In terms of safe port, the Group has carried out the labour competition of Safety Shift Action (勞動班組行), and promotes the transition of labour thought from “I was required to keep safe (要我安全)” to “I want to keep safe (我要安全)”. In addition, the Group improved safety management agreements with surrounding enterprises to effectively eliminate blind spots in supervision. We have also obtained the three largest amount contracts on the list of the signed contracts (the “**Top Three Contracts**”). The aggregate expected amount for the year ending 31 December 2023 as derived from the Top Three Contracts represented approximately 39% of the total expected amount of the signed contracts of the Group for the year ending 31 December 2023. Besides, the representatives of the Company advised us that the expected increase in maintenance demand of the Group was attributable to the maintenance demand of the phase 1 (expansion) of metal ores terminal project, the amount of which was determined based on the inspection and maintenance expenses of similar terminals of the Group.



The expected increase in transaction amount with HPG and/or its subsidiaries of approximately RMB50 million for the year ending 31 December 2023 was due to the increase in the number of connected persons after the port integration in Hebei Province. Moreover, the Group may shift the providers of some social services, living logistics services and production services from independent third parties to these new connected persons if the prices offered by them were more competitive. As advised by the representatives of the Company, after the discussion with HPG, the capacity of HPG and/or its subsidiaries to provide the General Services to the Group was higher than the Revised Annual Cap II and therefore HPG and/or its subsidiaries would be able to satisfy the expected increase in demand of the Group.

As shown in the above table, the Revised Annual Cap II for the year ending 31 December 2024 is approximately RMB1,363 million, representing an increase of 10% as compared to the previous year. Such increase was determined based on the average annual growth rate of the gross domestic product of the PRC and the expected increase in expenses of new port construction. According to the website of the National Bureau of Statistics (國家統計局), the average annual growth rate of the gross domestic product of the PRC is approximately 5% for the last five years. Besides, the representatives of the Company advised us that the expected increase in expenses of new port construction was attributable to the expected construction, engineering supervision and maintenance expenses of the new port, which were determined based on the expenses of similar ports of the Group. Thus, the Company determined that the Revised Annual Cap II for the year ending 31 December 2024 will have a growth of approximately 10% as compared with the previous year.

Given that (i) the utilisation rate of the Existing Annual Cap for the General Services provided by HPG and/or its subsidiaries to the Group for FY2022 is over 99%; (ii) the Top Three Contracts represented approximately 39% of the total expected amount of the signed contracts of the Group for the year ending 31 December 2023; (iii) according to the 2021 Annual Report, the construction of the three-type port has been comprehensively upgraded and accelerated; (iv) the number of connected persons increased after the port integration in Hebei Province; and (v) the new port construction is expected to increase the construction, engineering supervision and maintenance expenses of the Group, we are of the view that the Revised Annual Cap II are determined based on reasonable estimation and after due and careful consideration and are fair and reasonable so far as the Independent Shareholders are concerned.



3. Internal control measures

The representatives of the Company advised us that the continuing connected transactions of the Group will be executed in accordance with the Qinhuangdao Port Co., Ltd.* Connected Transaction Management Measures* (秦皇島港股份有限公司關聯交易管理辦法) (the “Measures”) to monitor and ensure that the pricing policies and annual caps of the continuing connected transactions are complied with. We have obtained the Measures and noted that a connected transaction committee is set up to manage all affairs relating to connected transactions of the Group and to guide, supervise and check the management of the connected transactions by the relevant departments. The finance department of the Company is responsible for (i) collecting the transaction amounts of the continuing connected transactions on a monthly basis; (ii) reporting the status of the continuing connected transactions periodically; and (iii) reporting to the connected transaction committee when there exists a possibility that any annual caps may be exceeded. We have obtained and reviewed the monthly reports for the twelve months ended 31 December 2022 and noted that both transaction amounts and annual caps for the continuing connected transactions for the corresponding year were recorded in the monthly reports.

Further details of the internal control measures of the Group are set out in the Letter from the Board.

As stated in the 2022 Annual Report, the independent non-executive Directors have reviewed the continuing connected transactions disclosed in the 2022 Annual Report and confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Company; (ii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms or not, on terms no less favourable than those available to or from independent third parties; and (iii) in accordance with the relevant agreements governing the transactions and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As stated in the 2022 Annual Report, the auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed in the 2022 Annual Report in accordance with Rule 14A.56 of the Listing Rules. The continuing connected transactions disclosed in the 2022 Annual Report (i) have been approved by the Board; (ii) have been, in all material respects, effected in accordance with pricing policies specified under the respective agreements relating to the transactions; (iii) have been, in all material respects, entered into on the terms of the respective agreements relating to the transactions; and (iv) do not exceed the annual caps as disclosed in relevant announcements.

Taking into account of the internal control measures as stated above, we concur with the Directors that there are adequate measures in place to monitor the General Services (including the Revised Annual Cap II) and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the General Services (including the Revised Annual Cap II) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the revision of annual caps is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the AGM to approve the Revised Annual Cap II.



TC CAPITAL
天財資本

Yours faithfully,
For and on behalf of
TC Capital International Limited

Edith Lee
Managing Director

Note: Ms. Edith Lee has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2015. She has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

* *For identification purpose only*