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 your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yuexiu Transport Infrastructure Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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越秀交通基建有限公司
Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC; (2) NOTICE OF SPECIAL GENERAL MEETING; AND (3) CLOSURE OF REGISTER OF MEMBERS

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

YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

The Board Letter is set out on pages 6 to 27 in this circular. The Independent Board Committee Letter is set out on pages 28 to 29 in this circular. The IFA Letter is set out on pages 30 to 60 in this circular.

A notice convening the SGM to be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 31 December, 2025 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A proxy form for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjourned meeting or postponed meeting thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM if you so wish.

15 December 2025

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

"Accounts Date"	31 August 2025
"Acquisition"	the acquisition of the Target Equities
"Announcement"	the announcement of the Company dated 3 December 2025 in relation to the Acquisition
"Announcement Date"	3 December 2025
"associate(s)"	has the meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors
"Board Letter"	the section headed "LETTER FROM THE BOARD" of this circular
"Company"	Yuexiu Transport Infrastructure Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange (stock code: 01052)
"Compensation Amounts"	has the meaning as defined in section 2.8 (The Compensations Amounts) of the Board Letter
"Completion"	completion of the sale and purchase of the Target Equities in accordance with the SPA
"Completion Date"	the date on which the Completion occurs
"Concession Right"	the concession right for the Target Expressway, obtained by the Target Company by entering into a concession agreement for Chengkou (Shandong-Hebei Border) to Zhanhua expressway with the Shandong Provincial Department of Transport (licensing authority) and obtaining the approval from the Shandong Provincial People's Government (including but not limited to the right to operate the Target Expressway and the Toll Collection Right)
"Condition(s)"	the condition(s) precedent for the Completion
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules

"controlling shareholder"	has the meaning as ascribed to it under the Listing Rules
"Director"	a director of the Company
"Group"	the Company and its subsidiaries
"Guangxi Guizheng"	Guangxi Guizheng Expressway Investment and Construction Co., Ltd.* (廣西桂政高速公路投資建設有限公司), a former shareholder of the Target Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFA"	Yu Ming, the independent financial adviser appointed by the Company in accordance with the Listing Rules for the purposes of advising and making recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the SPA and the transactions contemplated thereunder
"IFA Advice"	the advice given by the IFA as set out in the IFA Letter
"IFA Letter"	the letter issued by the IFA as set out in the section headed "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" of this circular
"Independent Board Committee"	the independent board committee of the Company established in accordance with the Listing Rules to advise and to make recommendations to the Independent Shareholders on the Acquisition, the SPA and the transactions contemplated thereunder
"Independent Board Committee Letter"	the section headed "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" of this circular
"Independent Director"	an independent non-executive Director

"Independent Shareholders"	Shareholders other than those who (i) have a material interest in the Acquisition and therefore are, together with their associates, required to abstain from voting on the resolution to approve the Acquisition under the Listing Rules; or (ii) are otherwise required to abstain from voting on (or voting in favour of) the resolution to approve the Acquisition under other applicable laws, rules or regulations
"JSTI"	JSTI Group Co., Ltd.* (蘇交科集團股份有限公司), the traffic consultant of the Group in relation to the Acquisition, which is listed on Shenzhen Stock Exchange (stock code: 300284)
"km"	kilometre
"Latest Practicable Date"	11 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Parties"	collectively, the Purchaser and the Vendor
"percentage ratios"	has the meaning as ascribed to it under the Listing Rules
"PRC" or "China"	the People's Republic of China
"Profit Forecast"	has the meaning as defined in section 2.4 (Total Consideration) of the Board Letter
"Purchaser"	Yuexiu (China) Transport Infrastructure Investment Company Limited* (越秀(中國)交通基建投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Qiangrong Holdings"	Qiangrong Holdings Group Co., Ltd.* (強榮控股集團有限公司), a shareholder of the Target Company holding 15% of the equity interests of the Target Company
"Qinbin Expressway"	Qinhuangdao-Binzhou Expressway (G1011)* (秦皇島-濱州高速公路(G1011)), an expressway connecting Qinhuangdao in Hebei Province and Binzhou in Shandong Province

"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be held on Wednesday, 31 December 2025 for the Independent Shareholders to consider and, if thought fit, approve the Acquisition (including any adjourned meeting or postponed meeting thereof)
"Shandong"	Shandong Province (山東省) of the PRC
"Shareholder(s)"	a holder of the Shares
"Shares"	ordinary shares of nominal value of HK$0.10 each in the capital of the Company
"SPA"	the conditional sale and purchase agreement in relation to the transfer of the Target Equities entered into between the Vendor and the Purchaser on 3 December 2025
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Shandong Qinbin Expressway Construction Co., Ltd.* (山東秦濱高速公路建設有限公司), which was held as to 85% and 15% by the Vendor and Qiangrong Holdings respectively as at the date of the SPA
"Target Equities"	85% of the equity interests in the Target Company held by the Vendor
"Target Expressway"	Chengkou (Shandong-Hebei border) to Zhanhua section of the Qinbin Expressway (秦濱高速公路埕口(魯冀界)至沾化段)
"Toll Collection Right"	the toll collection right over the Target Expressway
"Total Consideration"	has the meaning as defined in section 2.4 (Total Consideration) of the Board Letter
"Traffic Study Report"	the traffic volume, operation and maintenance cost forecast report dated December 2025 prepared by JSTI in respect of the Target Expressway
"Valuation Date"	31 August 2025

"Valuation Report"	the valuation report dated 3 December 2025 prepared by the Valuer in relation to the valuation of the Target Equities as at the Valuation Date
"Valuer"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent professional business valuer appointed by the Company in relation to the Acquisition
"Vendor"	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司)
"Yu Ming"	Yu Ming Investment Management Limited

Note:

* For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this circular in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.

越秀交通基建有限公司
Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 01052)

Executive Directors:
LIU Yan *(Chairman)*
YAO Xiaosheng
CHEN Jing
CAI Minghua
PAN Yongqiang

Independent non-executive Directors:
FUNG Ka Pun
LAU Hon Chuen Ambrose
CHEUNG Doi Shu
PENG Vincent Shen

Registered Office:
Clarendon House,
2 Church Street,
Hamilton, HM 11,
Bermuda

Principal place of business in Hong Kong:
17A Yue Xiu Building,
160 Lockhart Road,
Wanchai,
Hong Kong

15 December 2025

To the Shareholders,

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC AND (2) NOTICE OF SPECIAL GENERAL MEETING

1 INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the IFA containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Acquisition, the SPA and the transactions contemplated thereunder; (iv) the Valuation Report; (v) the summary of the Traffic Study Report; (vi) other information as required under the Listing Rules; and (vii) a notice of the SGM.

2 THE ACQUISITION

Set out below is a summary of the principal terms of the SPA and other relevant information on the Acquisition.

2.1 Date

3 December 2025

2.2 Parties

The Vendor and the Purchaser

2.3 Assets to be acquired

The Target Equities are 85% of the equity interests in the Target Company.

The Target Company was established in July 2013. In December 2021, the Vendor acquired 85% of the equity interests in the Target Company from Qiangrong Holdings and Guangxi Guizheng for a transfer price of RMB855.03 million (adjusted based on deductions) determined through arm's length commercial negotiations and taking into account the Target Company's overall financial condition at the time. As at the Latest Practicable Date, the Vendor and Qiangrong Holdings respectively hold 85% and 15% of the equity interests in the Target Company, corresponding to RMB1,301.35 million and RMB229.65 million to the registered capital of the Target Company.

On 23 December 2024, the Intermediate People's Court of Nanning, Guangxi Zhuang Autonomous Region accepted Qiangrong Holdings' application for insolvency and reorganisation, and has appointed the administrator. The Company's legal adviser to PRC law advised the Company that the insolvency and reorganisation proceedings of Qiangrong Holdings will not affect any rights of the Target Equities held by the Vendor and the Target Company's ability to perform its contractual obligations, or deteriorate its creditworthiness. As such, the Target Company's operational capabilities and Concession Right remain unaffected. So far as the Company is aware, the Target Company has not received any notices asserting that it should assume guarantee responsibilities in respect of the debts of Qiangrong Holdings since its insolvency and reorganisation application was accepted by the court. The court-appointed administrator has notified all known creditors and made a public announcement for unidentified creditors to declare their claims. To protect their own rights, creditors would declare their claims (including any guarantees) to the court-appointed administrator and/or demand the Target Company to perform its guaranteed obligations. Since the insolvency and reorganisation proceeding for Qiangrong Holdings has been ongoing for nearly a year, any creditor claiming related to the Target Company's guaranteed liabilities should typically have been declared and/or demanded by creditors. Furthermore, pursuant to the terms of the SPA, the Vendor has provided a two-year indemnity against any such losses. For further details, please refer to sections 2.7 (Key warranties and undertakings given by the Vendor) and 2.8 (The Compensation Amounts). It is also understood that claims which are made by the creditors more than three years after the insolvency and reorganisation application was accepted

by the court may be challenged. Further, the Company's legal adviser to PRC law advised that the risk of the Target Company being liable for Qiangrong Holdings' obligations is remote.

2.4 Total Consideration

The total consideration for the Acquisition (the "**Total Consideration**") is RMB1,153.50 million.

The Total Consideration is payable in cash. As at the Latest Practicable Date, the Company intends to finance the Total Consideration with internal resources.

Basis for determining the Total Consideration

The Total Consideration, which is determined with reference to the appraised market value of the Target Equities as at the Valuation Date and the factors mentioned in section 7 (REASONS FOR AND BENEFITS OF THE ACQUISITION) of this Board Letter and after arm's length negotiation between the Parties, represents a discount of approximately 3.86% to the appraised market value of the Target Equities (RMB1,199.79 million) according to the Valuation Report.

The Valuation Report, which adopted the discounted cash flow method under income approach, constituted a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules. Based on the free cash flow to equity approach, which is used to arrive at the appraised market value of the Target Equities of RMB1,199.79 million, the internal rate of return is estimated at 10.43%. Please refer to section 5 (MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER) below for assumptions on which the Profit Forecast was based.

2.5 Payment

Subject to the Conditions having been fulfilled (or waived, as the case may be), the Purchaser shall pay in one lump sum the Total Consideration on or after the Completion Date, and in any event within five working days from the fulfillment (or waiver, where applicable) of the Conditions.

2.6 Conditions to Completion

Completion shall take place within two days from the fulfillment (or waiver, where applicable) of the following Conditions:

(i) the Company having issued the Circular and the Independent Shareholders having approved the Acquisition, the SPA and the transactions contemplated under the SPA in accordance with the Listing Rules;

(ii) the representations and warranties given by the Vendor under the SPA having remained true, accurate, complete and not misleading and there not having been any omission from the signing of the SPA up to the Completion Date;

(iii) the Vendor having obtained written approval or relevant documents of no objection from the Shandong Provincial Department of Transport to the Acquisition; and

(iv) the Target Company having obtained consent from its creditor banks agreeing to or having no objection to the Acquisition in accordance with the provisions of the relevant loan agreements.

None of the Parties may waive the Conditions set out in (i), (iii) and (iv) above.

The Purchaser may waive (with or without conditions) the Condition to be fulfilled by the Vendor and/or the Target Company as procured by the Vendor set out in (ii) above.

If all the Conditions cannot be fulfilled (or waived, where applicable) on or before 30 June 2026, the SPA shall be terminated automatically unless the Parties agree to an extension.

2.7 Key warranties and undertakings given by the Vendor

The Vendor has warranted and undertaken as at the signing date of the SPA and will warrant and undertake on each day before Completion, among other things, to the Purchaser the following:

(i) the Vendor is the sole beneficial owner of the Target Equities;

(ii) the Target Equities are true, complete and legal and free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights;

(iii) the Target Company legally owns the Concession Right, and its title to the Concession Right is not subject to any ongoing or known potential litigation or arbitration;

(iv) the Concession Right is true and legal and is free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights, other than the charges over the Toll Collection Right made in favour of the creditor banks in connection with ordinary financing arrangements of the Target Company, and other third party rights disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence;

(v) the concession right agreement in respect of the Target Expressway between the Target Company and Shandong Provincial Department of Transport dated 6 March 2017 is a legal and valid contract;

(vi) the establishment of the Target Company fully complies with the laws and regulations of the PRC, and save as disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence, the operating activities of the Target Company up to the Completion Date would not cause or constitute circumstances resulting in material adverse effects as defined under the SPA; and

(vii) the Vendor shall compensate losses suffered by the Purchaser pursuant to the provisions on Compensation Amounts if, among other things:

(A) the interest of the Purchaser in the Target Equities (or any part thereof) is prejudiced as a result of third party's claims or other reasons on the Target Equities (or any part thereof) acquired by the Purchaser from the Vendor due to causes that occurred on or prior to the Completion Date;

(B) the Concession Right has been cancelled, deprived or permanently or temporarily terminated (other than suspension, reduction or exemption of toll pursuant to the PRC laws, regulations or national policies) due to causes that occurred on or prior to the Completion Date; or

(C) due to causes occurring on or prior to the Completion Date, the Target Company suffers losses within two years from the Completion Date arising from (i) penalties imposed by government authorities (regardless of their form or the nature of the matter) or the recovery, payment of related fees and/or damages (excluding those already deducted in the valuation of the Target Equity by the Purchaser), and/or (ii) any undisclosed debts or undisclosed guarantees that exist up to the Completion Date.

2.8 The Compensation Amounts

The Vendor has undertaken that if it does not raise any written objection within 10 working days from the date of written notice from the Purchaser, the Vendor shall pay such amounts equal to the Compensation Amounts to the Purchaser within 20 working days from the date of written notice from the Purchaser. The compensation amounts refer to the following sum ("**Compensation Amounts**"):

(i) 85% of the amount of any debts, guarantees or other payables of the Target Company which were outstanding but not disclosed as at the Accounts Date;

(ii) 85% of the amount of any shortfall, reduction or loss of value of assets of the Target Company as at the Completion Date as compared to that as at the Accounts Date (excluding fair wear and tear and ordinary depreciation);

(iii) 85% of the amount of any decrease in assets or increase in debts or liabilities of the Target Company as a result of expenses incurred or transactions entered into between the Accounts Date and the Completion Date which are not in the ordinary course of business of the Target Company, regardless of whether details of such expenses incurred or transactions entered into outside the ordinary course of business have been disclosed to the Purchaser; and

(iv) any other compensation amounts which the Purchaser is entitled to receive from the Vendor pursuant to the SPA (including but not limited to the amounts that should be borne or compensated by the Vendor as identified from the Completion accounts to be audited by an independent accounting firm to be jointly appointed by the Parties within 15 working days after the Completion).

2.9 Completion

Within two days from the date of the fulfillment (or waiver, where applicable) of the Conditions, Completion shall take place when the Purchaser is registered as the shareholder of the Target Equities in the register of members of the Target Company.

Upon Completion, the Company will indirectly own 85% of the equity interests in the Target Company, whilst Qiangrong Holdings will continue to own the remaining 15% of the equity interests. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

2.10 Performance Bonds

Subject to communication with the Shandong Provincial Department of Transport, the Purchaser may be required to procure a new performance bond for RMB92.65 million in relation to the Target Expressway to the Shandong Provincial Department of Transport as part of Completion to ensure performance of its obligations and responsibilities corresponding to the equity interests held by the investor (from time to time), as the Purchaser will become the holder of 85% equity interests in the Target Company. In the event of the Purchaser breaches its investor's obligations and responsibilities, the Shandong Provincial Department of Transport would be entitled to seek recourse and claim against the performance bond for damages, with the maximum compensation payable under the performance bond will be RMB92.65 million. The Target Company, Guangxi Guizheng, Qiangrong Holdings and the Vendor have respectively issued performance bonds to ensure the performance of obligations in respect of the Target Expressway. All performance bonds expire either upon the full payment of the guaranteed amount or 45 days after the date of issuance of the project's completion examination and acceptance certificate (examination and acceptance is expected to be completed by the first half of 2026).

So far as the Company is aware, apart from the project's completion examination and acceptance (for which the Target Company has submitted an application to Shandong Provincial Department of Transport and the completion and examination certificate is expected to be obtained by the first half of 2026), the other obligations and responsibilities that the investors are required to complete have mostly been fulfilled. The quality of the project's completion and examination has been rated as excellent. Currently, only the overall completion examination and acceptance procedure is under process. Accordingly, the Company's legal adviser as to PRC law advised that the risk of incurring losses under the performance bond is low.

As the performance bonds backed by Qiangrong Holdings and the Vendor were procured by connected persons of the Company in relation to the Target Expressway (which will be owned and operated by the Group after Completion), were made on normal commercial terms and are not secured by the assets of the Group, such arrangements are exempt from all reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

3 INFORMATION ON THE TARGET COMPANY

3.1 Establishment and principal business

The Target Company was established in Shandong, the PRC on 26 July 2013, whose principal business is holding the Concession Right and operating the Target Expressway.

The Target Expressway was constructed in two phases, and toll collection began after each phase was completed and opened to traffic. The toll collection period for the Chengkou to Zhanhua section (埕口至沾化段) began on 16 November 2020 and will expire on 15 November 2045, and the Shandong-Hebei border to Chengkou section (魯冀界至埕口段) began on 21 January 2022 and will expire 20 January 2047.

3.2 Financial information

Set out below is the financial information on the Target Company in relation to the periods specified below:

	For the eight months ended 31 August 2025 (unaudited) *(RMB'000)*	**For the year ended 31 December 2024 (audited)** *(RMB'000)*	**For the year ended 31 December 2023 (audited)** *(RMB'000)*
Revenue*(Note)*	545,757	752,496	563,219
Profits before taxation	287,720	281,271	25,691
Profits after taxation	266,883	281,271	25,691
	As at 31 August 2025 (unaudited) *(RMB'000)*	**As at 31 December 2024 (audited)** *(RMB'000)*	**As at 31 December 2023 (audited)** *(RMB'000)*
Total equity	36,457	–230,426	–511,697
Total assets	4,904,601	4,971,081	5,410,438

Note:

The revenue includes toll revenue (excluding 9% value-added tax) and other toll operating income.

4 INFORMATION ON THE TARGET EXPRESSWAY

4.1 Location

The Target Expressway is an important section of the Qinbin Expressway. Qinbin Expressway is a connecting route of the Beijing-Harbin Expressway (G1)* (京哈高速公路(G1)), a key expressway in the national expressway network, and also the fastest coastal expressway circling Bohai region. It connects several important ports, including Qinhuangdao Port* (秦皇島港), Caofeidian Port* (曹妃甸港), Tianjin Port* (天津港), and Huanghua Port* (黃驊港), thereby significantly promotes port industries, logistics and transportation, and the development and utilisation of coastal resources. It has great significance for strengthening the economic ties between Shandong peninsula and Beijing-Tianjin-Hebei region, building the Efficient Ecological Economic Zone of the Yellow River Delta and the Shandong Peninsula Oceanic Economic Zone, and promoting economic integration around the Bohai region.

For reference purposes, set out below is a map showing the location of the Target Expressway:



4.2 Toll mileage and other information

The toll mileage and other information on the Target Expressway are set out below:

Toll mileage:	60.693 km (inclusive of the Zhangweixin River Mega Bridge* (漳衛新河特大橋))
Design speed:	120 km per hour
Number of lanes:	Dual four lanes
Number of toll collection stations:	Four
Completion examination and acceptance:	Completion examination application has been submitted, approval is expected to be received in the first half of 2026
Expiry date of the Toll Collection Right:	
Section from Chengkou to Zhanhua (埕口至沾化段):	15 November 2045
Section from Shandong-Hebei border to Chengkou (魯冀界至埕口段):	20 January 2047

Note:

1. The section from Shandong-Hebei border to Chengkou includes the Zhangweixin River Mega Bridge* (漳衛新河特大橋).

4.3 Toll level

The toll level of the Target Expressway as at the Announcement Date is primarily based on classification of vehicles by reference to (i) (in the case of passenger vehicles) the number of seats or (ii) (in the case of trucks and special purpose vehicles) the number of axles and, where applicable, length of the vehicle and maximum permitted total weight. Details of the toll rates of the Target Expressway as at the Announcement Date are set out below:

Table: Toll rates based on classification of vehicles

	Vehicle class	**Classification Standard**	**General Toll Rate** *(RMB/km)*	**Zhangweixin River Mega Bridge Toll Rate** *(RMB/vehicle)*
1	Passenger vehicles	≤ 9 seats	0.58	15.00
	Trucks	(i) Number of axles: two; (ii) Length of truck: below 6,000 mm; and (iii) Maximum permitted total weight: less than 4,500 kg	0.68	22.50
2	Passenger vehicles	10 to 19 seats (including 19 seats)	0.73	22.50
	Trucks	(i) Number of axles: two; (ii) Length of truck: not less than 6,000 mm; or (iii) Maximum permitted total weight: not less than 4,500 kg	1.29	30.00
3	Passenger vehicles	20 to 39 seats (including 39 seats)	0.87	30.00
	Trucks	Number of axles: three	1.90	40.50
4	Passenger vehicles	≥ 40 seats	1.09	37.50
	Trucks	Number of axles: four	2.52	52.50
5	Trucks	Number of axles: five	3.13	60.00
6	Trucks	Number of axles: six	3.74	90.00

Notes:

1. For trucks with more than six axles, the toll rate shall be calculated based on the toll coefficient for six-axle trucks with an increase of 0.5 in the coefficient for each additional axle.

2. The toll standards for special purpose vehicles shall be implemented in accordance with the standards for the corresponding categories of trucks.

5 MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER

5.1 Discounted cash flow method under income approach

The Valuation Report in relation to the Target Equities was prepared using the discounted cash flow method under the income approach. The market approach was not adopted due to the unique characteristics of the Target Equities and the lack of market comparables or transactions available as at the Valuation Date to derive an indicative value with a sufficient level of accuracy. The cost approach was not adopted as it did not directly incorporate information about the economic benefits contributed by the business of the Target Company.

The discounted cash flow method involves estimating all future cash flows of the investment and using a discount rate encapsulating the time value of money and risks involved in the business to devolve the future cash flows into a present value. For the purpose of valuing the Target Equities, the free cash flow to equity model (FCFE) for each year was determined as follows:

FCFE = Net Income + Depreciation and Amortisation Expense – Capital Expenditure – Change in Net Working Capital + Net Borrowing

In determining an appropriate discount rate for the purpose of the Valuation Report, the Valuer used the capital asset pricing model (CAPM) to estimate the cost of equity for the Target Equities. The cost of equity takes into account factors including (a) interest rate risks, (b) liquidity risks, (c) market risks and (d) company specific risks. Key inputs and parameters are set out below:

Parameter	As at 31 August 2025	Notes
Risk-free Rate	1.35% – 2.60%	Based on ChinaBond Government Bond Yield Curve sourced from Bloomberg L.P., according to remaining life on concession period, and adjusted according to the remaining life of the Target Expressway in each discounting year
Re-levered Beta	0.239 – 0.880	Based on levered beta of the comparable companies (see note 1) sourced from Bloomberg L.P., and adjusted for ongoing changes in capital structure of the Target Company. As the Target Company shall repay its outstanding borrowings over the course of operation, its capital structure will evolve accordingly, and will result in dynamic shifts in the debt-to-equity ratio.

Parameter	As at 31 August 2025	Notes
Market Risk Premium	5.25%	Based on market risk premium of China sourced from Damodaran
Size Premium	2.66%	Based on size of the Target Equities sourced from Kroll Cost of Capital Navigator
Specific Risk Premium	3.00%	Based on the Valuer's analysis, being the liquidity risk premium and risk concerning the uncertainty of the forecast
Cost of Equity	9.11% – 11.63%	Cost of Equity = Risk Free Rate + Re-levered Beta × Market Risk Premium + Size Premium + Specific Risk Premium
Equivalent Single Discount Rate	10.06%	Model implied

Note 1: Comparable companies for the purpose of determining the re-levered beta include (a) Yuexiu Transport Infrastructure Limited, (b) Chengdu Expressway Co., Ltd., (c) Shenzhen Expressway Corporation Limited, (d) Zhejiang Expressway Co., Ltd., (e) Shenzhen Investment Holdings Bay Area Development Company Limited, and (f) Anhui Expressway company Limited.

5.2 Principal assumptions

The principal assumptions on which the Profit Forecast is based are set out below:

Specific Assumptions

(i) The Target Company will continue to operate the Target Expressway throughout the concession period, which ends in November 2045 for the section from Chengkou to Zhanhua (埕口至沾化段) and January 2047 for the section from Shandong-Hebei border to Chengkou (魯冀界至埕口段).

(ii) Capital expenditure will be primarily for maintenance of the Target Expressway throughout the remaining operation period up to January 2047.

(iii) Traffic volume and toll revenue will develop in accordance with the base case scenario as projected by JSTI, taking into account historical traffic data, economic research, vehicle classification, and toll rates.

(iv) Operating expenses will develop as projected by JSTI, comprising mainly cost of services from operating (including repair and maintenance costs, green cleaning costs, related labour costs and others), with transfer and handover costs by the expiration of the Concession Right.

(v) The applicable income tax rate will be 25% throughout the projection period, except for the period ended December 2025 where the Target Company will enjoy a 50% discount on tax payment.

General assumptions

(i) The Target Company's core operations will continue without material change, supported by sufficient financial, human, and physical capital.

(ii) The Target Company will continue to be operated under prudent and effective management policies necessary to maintain the character and integrity of the Target Equities.

(iii) There will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the business of the Target Company.

(iv) All relevant laws, statutes, ordinances and regulations pertaining to the Target Company will be complied with and, where applicable, will be renewable upon expiry, and all operational and contractual terms stipulated in relevant contracts and agreements will be honoured.

5.3 Limiting conditions

Set out below are key limiting conditions of the Valuation Report:

(i) Reliance has been placed on the accuracy, completeness, and reasonableness of the financial and other information provided to the Valuer by the Company, the Target Company and/or their representatives, alongside public and industry information obtained from sources the Valuer deems reputable. The Valuer has not independently verified any of this information, has not performed any work in the nature of an audit, and takes no responsibility for its accuracy.

(ii) No environmental, structural or engineering assessments were conducted or provided, and therefore the Valuation Report has not considered the potential impact to the subject property.

The details of the Valuation Report are set out in Appendix I to this Circular.

5.4 Traffic Study Report prepared by JSTI

Table A: Summary of the traffic forecast projection on annual average daily traffic basis (vehicles/day)

Year	Baseline case	Optimistic case	Conservative case
2025	21,236	21,236	21,236
2026	13,851	13,882	13,812
2027	15,711	15,783	15,623
2028	16,591	16,705	16,453
2029	14,565	14,699	14,404
2030	13,731	13,887	13,541
2031	16,516	16,764	16,219
2032	17,050	17,369	16,673
2033	17,600	17,997	17,139
2034	18,169	18,647	17,618
2035	18,756	19,321	18,111
2036	19,227	19,894	18,476
2037	19,709	20,485	18,848
2038	20,204	21,093	19,228
2039	20,711	21,719	19,616
2040	21,115	22,242	19,901
2041	21,524	22,784	20,191
2042	21,942	23,339	20,486
2043	22,368	23,908	20,785
2044	22,802	24,492	21,088
2045	23,245	25,090	21,396
2046	23,696	25,704	21,708
2047	24,157	26,333	22,025

Table B: Summary of the traffic forecast projection in annual toll revenue (RMB million)

Year	Baseline case	Optimistic case	Conservative case
2025	897	897	897
2026	599	600	598
2027	648	650	644
2028	691	694	685
2029	588	592	582
2030	571	576	563
2031	697	705	684
2032	719	729	703
2033	737	750	718
2034	759	773	735
2035	780	797	753
2036	799	819	767
2037	813	836	778
2038	830	856	790
2039	847	877	803
2040	863	896	814
2041	874	910	820
2042	887	927	829
2043	900	944	837
2044	916	964	848
2045	854	901	787
2046	353	374	324
2047	20	21	18
Total (based on rounded figures)	16,641	17,088	15,979

Notes:

1. The forecast set out in Table A above excludes (i) "green channel vehicles" that are fresh agricultural products standard container transport vehicles with gross weight, total length and total width not exceeding the maximum limits prescribed by the state and with total height not exceeding 4.2 meters that enjoy the "green channel" policy and are exempted from vehicle tolls and have priority and convenient passage, and (ii) toll-free passenger vehicle traffic during major holidays. The forecast assumes that there will be 23 toll-free days per year from 2026 onwards. The forecast only covers the toll revenue from the Target Expressway, as the service facilities operating right has been transferred to third parties in 2020, such revenue is not included in this forecast.

2. The toll revenue forecast in Table B above includes value-added tax, with a tax rate of 9%.

3. Major assumptions of the Traffic Study Report are as follows: (i) the economic development of the Target Expressway's location will maintain stable but gradually reducing growth (taking into account historical data such as GDP and work reports of local government authorities), (ii) the road network model is based on the latest planning information in respect of the expressway network in Shandong Province and Hebei Province, (iii) assumptions regarding the operation dates and traffic impact of planned and under-construction road and railway projects in the surrounding areas of the Target Expressway (including, without limitation, G228 national highway, reconstruction and expansion of the Hebei section of the Qinbin Expressway and the reconstruction and expansion of Changshen Expressway) and (iv) there is no change to the toll rate standards (disclosed above) and other toll policies. The relevant toll policies are: (a) a base 5% discount on toll fees is applied to passenger vehicles equipped with and using electronic toll collection (ETC) for payment while travelling on all toll roads within the Shandong province; (b) a 15% toll discount for freight trucks with ETC devices and for large operational coaches registered within the province's regulatory platform (the implementation period of which will be extended to and remains in effect until 31 December 2025, and assuming that the policy will remain unchanged during the Target Expressway's operating period); (c) hydrogen-powered vehicles equipped with ETC devices are temporarily exempted from expressway tolls when travelling on provincial expressways, which began on 1 March 2024 and is initiated on a two-year pilot basis, with potential adjustments upon review upon expiration, and assuming that the policy will remain unchanged during the Target Expressway's operating period; (d) green channel policy – toll exemption for standard container vehicles transporting fresh agricultural products whose total weight, length, and width do not exceed the nationally prescribed maximum limits, and whose total height does not exceed 4.2 meters, qualify for the "Green Channel" policy; and (e) toll-free period during major national holidays for passenger vehicles with seven seats or less to be exempted from toll payment.

5.5 Reports from the Board and auditor of the Company

The Board has issued a report confirming that the Directors have made the Profit Forecast after due and careful enquiry. Please refer to Appendix I to the Announcement for the said report of the Board. The said report of the Board is also set out in Appendix IV to this circular.

Ernst & Young have reviewed the arithmetical accuracy of the calculations of the discounted cash flow forecast upon which the Valuation Report is based. Please refer to Appendix II to the Announcement for the said report. The said report is also set out in Appendix V to this circular.

6 INFORMATION ON THE PARTIES

6.1 The Group and the Purchaser

The Group is principally engaged in the investment, construction and development, operation and management of expressways and bridges mainly in Guangdong Province and other high-growth provinces in the PRC.

The Purchaser is a wholly-owned subsidiary of the Company and is an investment holding company.

6.2 The Vendor

The Vendor is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People's Government. The Vendor and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investments and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other business. The Vendor is the ultimate controlling shareholder of the Company holding approximately 44.99% of the issued share capital of the Company as at the Announcement Date and therefore a connected person of the Company.

The Vendor is majority owned by the Guangzhou Municipal People's Government of the PRC.

7 REASONS FOR AND BENEFITS OF THE ACQUISITION

Qinbin Expressway is the fastest coastal expressway corridor along the Bohai Rim. The Target Expressway is the Shandong Province section of the Qinbin Expressway, and is an important part of the Beijing-Harbin Expressway (G1) (京哈高速公路(G1)) connecting line in the national expressway network.

The Target Expressway is located in the eastern coastal region of China, specifically in Shandong Province, which is a major economic, population, and industrial province in China. The Acquisition aligns with the Company's regional expansion strategy, thus sharing the benefits of the economic development in the eastern coastal region. The Target Expressway is located along a region with a thriving chemical industry, numerous seaports, and significant freight transport functions, with a high proportion of truck traffic volume (close to 50% of total traffic volume in 2024). In the future, it will continue to benefit from the deepening of economic cooperation in the Bohai Rim region and the further strengthening of economic ties between Shandong and the Beijing-Tianjin-Hebei region, with the proportion of trucks expected to continue to remain relatively stable.

The Chengkou to Zhanhua section of the Target Expressway expires in 2045, and the Shandong-Hebei border to Chengkou section (including the Zhangweixin River Mega Bridge) expires in 2047. Upon completion of the Acquisition, the weighted average remaining concession period of the controlled expressways of the Group will be extended by approximately 0.8 year, further enhancing the Group's sustainable development capabilities.

The Target Company's revenue for the year of 2024 was approximately RMB752.50 million. The completion of the Acquisition will expand the Group's revenue sources. As the Target Company was profitable for the year ended 31 December 2024 and the eight months ended 31 August 2025, the Company believes that the Target Company can continuously bring enhanced profits to the Group after Completion. It will also serve as a beneficial complement to the Group's asset portfolio following the disposal of its 60% equity interests in Jinxiong Expressway and the expiration of the toll collection period of Northern Ring Road in 2024, which is conducive to mitigating the impact on revenue and profit resulting from the diversion of expressway network, the expiry of the concession period of the Group's other projects or the reconstruction and expansion works on GNSR Expressway.

Save and except for Mr. Pan Yongqiang, none of the Directors has material interests in the Acquisition and the transactions contemplated thereunder. Save and except for Mr. Pan Yongqiang, no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

Taking into account the reasons and benefits described above, the Board considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

8 IMPLICATIONS UNDER THE LISTING RULES

8.1 Discloseable and connected transaction

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25% and the Vendor is the ultimate controlling shareholder of the Company, the Acquisition constitutes both a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

8.2 Shareholders required to abstain from voting at the SGM

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Acquisition, the SPA and the transactions contemplated thereunder other than its interest as a Shareholder, and such Shareholder's associates shall abstain from voting on the resolution to approve the same to be proposed at the SGM. As at the Latest Practicable Date, the Vendor, its associates, Mr. Pan Yongqiang and his spouse will be required to abstain from voting on the resolution to be proposed at the SGM to approve the Acquisition. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder would be required to abstain from voting on the resolution to approve the Acquisition.

8.3 Appointment of the IFA

In accordance with the Listing Rules, Yu Ming has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders, including but not limited to whether the terms of the Acquisition, the SPA and the transactions contemplated thereunder are fair and reasonable and whether the Independent Shareholders should vote in favour of the resolution in relation to the Acquisition. Please refer to the IFA Letter as set out in pages 30 to 60 of this circular for the opinion of the IFA.

Yu Ming is a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

8.4 Advice of the Independent Board Committee Letter

The Independent Board Committee, comprising all the Independent Directors, has been formed and after taking into account the IFA Letter, provided its advice to the Independent Shareholders, including but not limited to whether the terms of the Acquisition, the SPA and the transactions contemplated thereunder are fair and reasonable and how to vote on the resolution in relation to the Acquisition.

Please refer to the Independent Board Committee Letter as set out in pages 28 to 29 of this circular for the opinion of the Independent Board Committee and its recommendations to the Independent Shareholders as to how to vote at the SGM.

9 SGM

The SGM will be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 31 December 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, to approve, among other things, the resolution set out in the notice of the SGM, which is set out on pages SGM-1 to SGM-2 of this circular.

The register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025 (both days inclusive), during which period no transfer of Shares will be registered. The record date for ascertaining Shareholders' eligibility to participate in and vote at the SGM will be Wednesday, 31 December 2025. In order to be eligible to participate in and vote at the SGM, all transfer(s) of Share(s) (accompanied by the relevant share certificate(s)) must be lodged for registration with Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 23 December 2025.

A proxy form for the SGM is enclosed with this circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (or any adjourned meeting or postponed meeting thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM should you so wish, and in such event, the proxy forms previously submitted shall be deemed to be revoked.

The ordinary resolution to approve the Acquisition at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company after the SGM. The Vendor, its associates, Mr. Pan Yongqiang and his spouse will be required to abstain from voting at the SGM.

10 RECOMMENDATIONS

In addition to the information contained in the sections immediately preceding this section headed "10. RECOMMENDATIONS", you are advised to read carefully the Independent Board Committee Letter on pages 28 to 29 of this circular which contains its recommendations to the Independent Shareholders as to voting at the SGM in relation to the Acquisition, and the IFA Letter on pages 30 to 60 of this circular.

Having considered the terms and conditions of the Acquisition, the SPA and the transactions contemplated thereunder, the Directors (including the Independent Directors, after taking into account the IFA Letter, the text of which is set out on pages 30 to 60 of this circular) are of the opinion that the terms of the Acquisition, the SPA and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to approve the Acquisition, the SPA and the transactions contemplated thereunder at the SGM.

11 ADDITIONAL INFORMATION

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

The Acquisition is subject to certain conditions being satisfied (or waived, if applicable), and therefore Completion may or may not occur. Any estimates, projections, targets, forecasts, timelines and other forward-looking statements made or proposed by the Company or the Directors in this circular are based on its or their current expectations and assumptions. These statements are subject to uncertainties and are not guarantees of future performance or development. Accordingly, Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

Yours faithfully,
By Order of the Board
Yuexiu Transport Infrastructure Limited
LIU Yan
Chairman

越秀交通基建有限公司
Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 01052)

15 December 2025

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC

We refer to the circular of the Company to the Shareholders dated 15 December 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter have the same meanings as defined in the Circular.

For the purposes of the Listing Rules, we have been appointed by the Board as the Independent Board Committee to consider the Acquisition and after taking into account the advice of the IFA, to provide advice to the Independent Shareholders, including but not limited to whether the terms of the Acquisition, the SPA and the transactions contemplated thereunder are fair and reasonable. We are required to recommend on how the Independent Shareholders should vote for the resolution to be proposed at the SGM to approve the Acquisition, the SPA and the transactions contemplated thereunder.

The IFA, namely Yu Ming Investment Management Limited, has been appointed with the Independent Board Committee's approval to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the SPA and the transactions contemplated thereunder.

We wish to draw your attention to (i) the IFA Letter which contains details of the advice of the IFA and the principal factors and reasons it has taken into consideration, as set out on pages 30 to 60 of the Circular; and (ii) the letter from the Board as set out on pages 6 to 27 of the Circular.

Having considered the terms of the Acquisition, the SPA and the transactions contemplated thereunder, and the IFA Advice and the principal factors and reasons taken into consideration by the IFA, we are of the opinion that the terms of the Acquisition, the SPA and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. We, therefore, recommend that you vote in favour of the resolution to be proposed at the SGM to approve the Acquisition, the SPA and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee of
Yuexiu Transport Infrastructure Limited
FUNG Ka Pun
LAU Hon Chuen Ambrose
CHEUNG Doi Shu
PENG Vincent Shen
Independent Non-executive Directors

The following is the text of a letter of advice from Yu Ming to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, which has been prepared for the purpose of inclusion in this circular.

YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

15 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC

INTRODUCTION

Reference is made to the announcement of the Company dated 3 December 2025 in connection with acquisition of a toll road in Shandong province China by way of entering into the SPA whereby the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to buy, the Target Equities (i.e. 85% equity interests in the Target Company) at the Total Consideration of RMB1,153.5 million. Detailed terms of the Acquisition and the transactions contemplated thereunder are set out in the section headed "Letter from the Board" (the "**Letter**") in the circular of the Company dated 15 December 2025 (the "**Circular**") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25% and the Vendor is the ultimate controlling shareholder of the Company, the Acquisition constitutes both a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Company will convene the SGM at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the Independent Directors, has been established to advise the Independent Shareholders regarding the Acquisition and the transactions contemplated thereunder.

Yu Ming Investment Management Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the transactions contemplated thereunder.

We acted as the independent financial adviser to advise the independent board committee or independent directors of the Company, Yuexiu Property Company Limited (stock code: 123, "**Yuexiu Property**") and Yuexiu Services Group Limited (stock code: 6626, "**Yuexiu Services**") (Yuexiu Property and Yuexiu Services being associates of the Company) in respect of connected transactions of the Company, Yuexiu Property and Yuexiu Services in the past two years (details of the connected transactions were set out in the announcements of the Company dated 10 July 2024, 24 December 2024 and 6 June 2025, the announcements of Yuexiu Property dated 19 May 2024 and 14 November 2025 and the announcements of Yuexiu Services dated 18 December 2023 and 14 November 2025). The aforesaid appointments were limited to providing one-off independent financial advisory services pursuant to requirement of the Listing Rules, for which Yu Ming received normal professional fees and such advisory fee payment is not dependent on positive or negative independent advices that we give and is not material enough to affect our independence. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that would reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we comply with Rule 13.84 of the Listing Rules and are eligible to give independent advice in respect of the Acquisition to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the statements, information, opinions and representations provided to us by the Directors through management, officers and professional advisers of the Company ("**Relevant Information**"). We have assumed that all Relevant Information provided to us by the Directors for which they are solely responsible are, to the best of their knowledge, true, complete and accurate at the time they were made and continue to be so on the date of this letter.

We have no reason to suspect that any Relevant Information has been withheld, nor are we aware of any fact or circumstance which would render the Relevant Information provided and presented to us untrue, inaccurate, incomplete or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification on the Relevant Information provided to us by the Directors, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

I. Information on the Group

a. Background of the Group

The Company is incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange. The Group is principally engaged in the investment, construction and development, operation and management of expressways and bridges (the "**Existing Toll Roads, Bridges and Ports**") mainly in Guangdong Province and other high-growth provinces in the PRC. As at 30 June 2025, the Group had a total of 15 investments in its operating expressways, bridges and 1 port project, of which 10 expressways are operated and controlled by subsidiaries of the Group and the remaining investment are operated by associate companies and a joint venture of the Group. The Purchaser is a wholly-owned subsidiary of the Company and is an investment holding company.

b. Financial information on the Group

A summary of financial information of the Group is extracted from the annual report of the Company for the year ended 31 December 2024 and the interim report of the Company for the six months ended 30 June 2025 in Table-1 below:

Table-1: Financial highlights of the Group

	For the year ended 31 December		**For the six months ended 30 June**	
	2023	**2024**	**2024**	**2025**
	Audited	*Audited*	*Unaudited*	*Unaudited*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	3,966,726	3,867,119	1,826,884	2,099,133
Operating profit	1,804,404	1,641,738	790,520	850,644
Profit for the year/period	1,121,643	964,360	467,595	543,342
Profit attributable to shareholders of the Company	765,309	656,781	313,938	360,764

	As at 31 December		As at 30 June
	2023	2024	2025
	Audited	*Audited*	*Unaudited*
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	33,867,902	35,255,778	34,802,264
Current assets	2,634,556	2,251,013	2,576,871
Non-current liabilities	13,817,972	16,837,687	17,225,199
Current liabilities	7,834,549	5,262,967	4,408,501
Net assets	14,849,937	15,406,137	15,745,435

The revenue of the Group mainly generated from toll road operation, service area and gas stations, entrusted road management services and other toll related operations. For the year ended 31 December 2024, the revenue of the Group was approximately RMB3,867.1 million, representing a year-on-year decrease of approximately 2.5%. Profit attributable to shareholders of the Company was approximately RMB656.8 million, representing a year-on-year decrease of 14.2%. The decrease in the Group's revenue during the year, was primarily attributable to severe weather conditions that impacted China's central and eastern regions around the Chinese New Year, the increase in toll-free holidays and the traffic diversion some of the projects encountered. Apart from the reason of the decrease in revenue, decrease in profit attributable to shareholders of the Company was mainly attributable to the decrease in share of results of associates, net of tax by 82.6% or RMB166.0 million during the year as a result of the expiry of toll collection right on the Northern Ring Road project of an associate on 22 March 2024, and the expense incurred and provision for estimated expense before its return to the government.

For the six months ended 30 June 2025, the revenue of the Group was approximately RMB2,099.1 million, representing increase of 14.9% as compared to the corresponding period in 2024. Profit attributable to shareholders of the Company was approximately RMB360.8 million, representing a year-on-year increase of 14.9%. The increase in the Group's revenue during the six months ended 30 June 2025 was primarily attributable to the combined impact of the consolidation of Pinglin Expressway's financial performance and the increment in toll revenue of RMB55.6 million of Han'e Expressway. Apart from the impact of the reasons that drove the increase in revenue, the increase profit attributable to shareholders of the Company was also connected with the decrease in finance cost by optimising the overall debt structure and lowering loan interest rate, and the decline in market interest rates.

As at 31 December 2024, the Group's net assets amounted to approximately RMB15,406.1 million, representing an increase of approximately 3.7% from approximately RMB14,849.9 million as at 31 December 2023. As at 30 June 2025, the Group's net assets amounted to approximately RMB15,745.4 million, representing an increase of approximately 2.2% from approximately RMB15,406.1 million as at 31 December 2024.

c. Information on the Group's toll roads, bridges and port

As at 31 December 2024, the Group had the following Existing Toll Roads, Bridges and Port:

Table-2: Existing Toll Roads, Bridges and Port of the Group

	Toll Mileage *(km)*	Toll revenue in 2024 *RMB'000*	% to total toll revenue in 2024	Location	Interests	Last date for toll collection
SUBSIDIARIES						
GNSR Expressway[1]	42.5	1,039,813	27.5%	Guangzhou, Guangdong	60%	10 Jan 32
Suiyuenan Expressway	98.1	722,699	19.0%	Jingzhou, Hubei	70%	9 Mar 40
Daguangnan Expressway[2]	109.7	403,926	10.7%	Huangshi, Hubei	90%	29 Apr 42
Weixu Expressway	64.3	339,990	9.0%	Xuchang, Henan	100%	18 Nov 35
Lanwei Expressway	61.0	281,003	7.4%	Kaifeng, Henan	100%	1 Jul 34
Changzhu Expressway	46.5	259,318	6.8%	Changsha, Hunan	100%	30 Aug 40
Han'e Expressway	54.8	258,584	6.8%	Ezhou, Hubei	100%	30 Jun 42
Hancai Expressway[3]	36.0	249,627	6.6%	Wuhan, Hubei	67%	27 Aug 38
Cangyu Expressway	22.0	98,187	2.6%	Wuzhou, Guangxi	100%	28 Dec 30
Jinxiong Expressway[4]	23.9	81,790	2.2%	Tianjin	60%	17 Mar 30
Pinglin Expressway[5]	106.5	51,297	1.4%	Pingdingshan, Henan	55%	24 Oct 33
Total toll revenue		3,786,234	100%			

ASSOCIATES AND JOINT VENTURE

	Toll Mileage *(km)*	Revenue in 2024 *RMB'000*	Location	Interests	Last date for toll collection
Humen Bridge	15.8	978,575	Dongguan, Guangdong	27.78%	8 May 29
Qinglian Expressway	215.2	638,162	Qingyuan, Guangdong	23.63%	30 Jun 34
Huaxia Yuexiu Expressway REIT	38.5	225,331	Wuhan, Hubei	30%	9 Dec 36
Shantou Bay Bridge	6.5	103,272	Shantou, Guangdong	30%	23 Dec 28
Pazhou Port	NA	51,691	Guangzhou, Guangdong	45%	NA
Northern Ring Road[6]	22.0	159,281	Guangzhou, Guangdong	24.30%	22 Mar 24
GWSR Expressway	42.1	515,615	Guangzhou, Guangdong	35%	19 Dec 30
Total revenue		2,671,927			

Notes

1. Operating period of the GNSR Expressway may be extended upon completion of the reconstruction and expansion project.

2. The Huangshi toll station of Daguangnan Expressway opened to traffic in January 2025. Upon opening to traffic, the toll station extended the toll mileage of Daguangnan Expressway to 109.7 km.

3. The Caidian toll station of Hancai Expressway opened to traffic in June 2025

4. The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.

5. The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024.

6. The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024, and is currently in the process of being transferred to the government.

II. Information on the Vendor

The Vendor is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People's Government. The Vendor and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investments and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other business. The Vendor is the ultimate controlling shareholder of the Company holding approximately 44.99% of the issued share capital of the Company as at the Announcement Date and therefore a connected person of the Company.

The Vendor is majority owned by the Guangzhou Municipal People's Government of the PRC.

III. The SPA

a. Key terms and relevant information of the SPA

Key terms and relevant information of the SPA are summarised as follows:

Date:	3 December 2025
Parties:	The Vendor and the Purchaser
Assets to be acquired:	The Target Equities, being 85% of the equity interests in the Target Company.

The Target Company was established in July 2013. In December 2021, the Vendor acquired 85% equity interest in the Target Company from Qiangrong Holdings and Guangxi Guizheng for a total consideration of approximately RMB855.0 million (adjusted based on deduction) determined through arm's length commercial negotiations and taking into account the Target Company's overall financial condition at the time. As at the Latest Practicable Date, the Vendor and Qiangrong Holdings respectively hold 85% and 15% equity interests in the Target Company, corresponding to approximately RMB1,301.35 million and RMB229.65 million to the registered capital of the Target Company.

On 23 December 2024, the Intermediate People's Court of Nanning, Guangxi Zhuang Autonomous Region accepted Qiangrong Holdings' application for insolvency and reorganisation, and has appointed the administrator. The Company's legal adviser to PRC law advised the Company that the insolvency and reorganisation proceedings of Qiangrong Holdings will not affect any rights of the Target Equities held by the Vendor and the Target Company's ability to perform its contractual obligations, or deteriorate its creditworthiness. As such, the Target Company's operational capabilities and Concession Right remain unaffected. So far as the Company is aware, the Target Company has not received any notices asserting that it should assume guarantee responsibilities in respect of the debts of Qiangrong Holdings since its insolvency and reorganisation application was accepted by the court. The court-appointed administrator has notified all known creditors and made a public announcement for unidentified creditors to declare their claims. To protect their own rights, creditors would declare their claims (including any guarantees) to the court-appointed administrator and/or demand the Target Company to perform its guaranteed obligations. Since the insolvency and reorganisation proceeding for Qiangrong Holdings has been ongoing for nearly a year, any creditor claims related to the Target Company's guaranteed liabilities should typically have been declared and/or demanded by creditors. Furthermore, pursuant to the terms of the SPA, the Vendor has provided a two-year indemnity against any such losses. For further details, please refer to sections 2.7 (Key warranties and undertakings given by the Vendor) and 2.8 (The Compensation Amounts) in the Letter. It is also understood that claims which are made by the creditors more than three years after the insolvency and reorganisation application was accepted by the court may be challenged. Further, the Company's legal adviser to PRC law advised that the risk of the Target Company being liable for Qiangrong Holdings' obligations is remote.

Total Consideration:	The total consideration for the Acquisition (the "**Total Consideration**") is RMB1,153.5 million. The Total Consideration is payable in cash. As at the Latest Practicable Date, the Company intends to finance the Total Consideration with internal resources.
Payment:	Subject to the Conditions having been fulfilled (or waived, as the case may be), the Purchaser shall pay in one lump sum the Total Consideration on or after the Completion Date, and in any event within five working days from the fulfilment (or waiver, where applicable) of the Conditions
Conditions precedent:	Completion shall take place within two days from the fulfilment (or waiver, where applicable) of the following Conditions: (i) the Company having issued the Circular and the Independent Shareholders having approved the Acquisition, the SPA and the transactions contemplated under the SPA in accordance with the Listing Rules; (ii) the representations and warranties given by the Vendor under the SPA having remained true, accurate, complete and not misleading and there not having been any omission from the signing of the SPA up to the Completion Date; (iii) the Vendor having obtained written approval or relevant documents of no objection from the Shandong Provincial Department of Transport to the Acquisition; and (iv) the Target Company having obtained consent from its creditor banks agreeing to or having no objection to the Acquisition in accordance with the provisions of the relevant loan agreements. None of the Parties may waive the Conditions set out in (i), (iii) and (iv) above.

The Purchaser may waive (with or without conditions) the Condition to be fulfilled by the Vendor and/or the Target Company as procured by the Vendor set out in (ii) above.

If all the Conditions cannot be fulfilled (or waived, where applicable) on or before 30 June 2026, the SPA shall be terminated automatically unless the Parties agree to an extension.

Key warranties and undertakings given by the Vendor:

The Vendor has warranted and undertaken as at the signing date of the SPA and will warrant and undertake on each day before Completion, among other things, to the Purchaser the following:

(i) the Vendor is the sole beneficial owner of the Target Equities;

(ii) the Target Equities are true, complete and legal and free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights;

(iii) the Target Company legally owns the Concession Right, and its title to the Concession Right is not subject to any ongoing or known potential litigation or arbitration;

(iv) the Concession Right is true and legal and is free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights, other than the charges over the Toll Collection Right made in favour of the creditor banks in connection with ordinary financing arrangements of the Target Company, and other third party rights disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence;

(v) the concession right agreement in respect of the Target Expressway between the Target Company and Shandong Provincial Department of Transport dated 6 March 2017 is a legal and valid contract;

(vi) the establishment of the Target Company fully complies with the laws and regulations of the PRC, and save as disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence, the operating activities of the Target Company up to the Completion Date would not cause or constitute circumstances resulting in material adverse effects as defined under the SPA; and

(vii) the Vendor shall compensate losses suffered by the Purchaser pursuant to the provisions on Compensation Amounts if, among other things:

(A) the interest of the Purchaser in the Target Equities (or any part thereof) is prejudiced as a result of third party's claims or other reasons on the Target Equities (or any part thereof) acquired by the Purchaser from the Vendor due to causes that occurred on or prior to the Completion Date; or

(B) the Concession Right has been cancelled, deprived or permanently or temporarily terminated (other than suspension, reduction or exemption of toll pursuant to the PRC laws, regulations or national policies) due to causes that occurred on or prior to the Completion Date; or

(C) due to causes occurring on or prior to the Completion Date, the Target Company suffers losses within two years from the Completion Date arising from (i) penalties imposed by government authorities (regardless of their form or the nature of the matter) or the recovery, payment of related fees and/or damages (excluding those already deducted in the valuation of the Target Equity by the Purchaser), and/or (ii) any undisclosed debts or undisclosed guarantees that exist up to the Completion Date.

Compensation Amounts:

The Vendor has undertaken that if it does not raise any written objection within 10 working days from the date of written notice from the Purchaser, the Vendor shall pay such amounts equal to the Compensation Amounts to the Purchaser within 20 working days from the date of written notice from the Purchaser. The compensation amounts refer to the following sum ("**Compensation Amounts**"):

(i) 85% of the amount of any debts, guarantees or other payables of the Target Company which were outstanding but not disclosed as at the Accounts Date;

(ii) 85% of the amount of any shortfall, reduction or loss of value of assets of the Target Company as at the Completion Date as compared to that as at the Accounts Date (excluding fair wear and tear and ordinary depreciation);

(iii) 85% of the amount of any decrease in assets or increase in debts or liabilities of the Target Company as a result of expenses incurred or transactions entered into between the Accounts Date and the Completion Date which are not in the ordinary course of business of the Target Company, regardless of whether details of such expenses incurred or transactions entered into outside the ordinary course of business have been disclosed to the Purchaser; and

(iv) any other compensation amounts which the Purchaser is entitled to receive from the Vendor pursuant to the SPA (including but not limited to the amounts that should be borne or compensated by the Vendor as identified from the Completion accounts to be audited by an independent accounting firm to be jointly appointed by the Parties within 15 working days after the Completion).

Completion:

Within two days from the date of the fulfilment (or waiver, where applicable) of the Conditions, Completion shall take place when the Purchaser is registered as the shareholder of the Target Equities in the register of members of the Target Company.

Upon Completion, the Company will indirectly own 85% of the equity interests in the Target Company, whilst Qiangrong Holdings will continue to own the remaining 15% of the equity interests. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

Performance Bonds: Subject to communication with the Shandong Provincial Department of Transport, the Purchaser may be required to procure a new performance bond for RMB92.65 million ("**Purchaser Performance Bond**") in relation to the Target Expressway to the Shandong Provincial Department of Transport as part of Completion to ensure performance of its obligations and responsibilities corresponding to the equity interests held by the investor (from time to time), as the Purchaser will become the holder of 85% equity interests in the Target Company. In the event of the Purchaser breaches its investor's obligations and responsibilities, the Shandong Provincial Department of Transport would be entitled to seek recourse and claim against the performance bond for damages, with the maximum compensation payable under the Purchaser Performance Bond will be RMB92.65 million. The Target Company, Guangxi Guizheng, Qiangrong Holdings and the Vendor have respectively issued performance bonds to ensure the performance of obligations in respect of the Target Expressway. All performance bonds expire either upon the full payment of the guaranteed amount or 45 days after the date of issuance of the project's completion examination and acceptance certificate (examination and acceptance is expected to be completed by the first half of 2026).

So far as the Company is aware, apart from the project's completion examination and acceptance (for which the Target Company has submitted an application to Shandong Provincial Department of Transport and the completion and examination certificate is expected to be obtained by the first half of 2026), the other obligations and responsibilities that the investors are required to complete have mostly been fulfilled. The quality of the project's completion and examination has been rated as excellent. Currently, only the overall completion examination and acceptance procedure is under process. Accordingly, the Company's legal adviser as to PRC law advised that the risk of incurring losses under the performance bond is low.

As the performance bonds backed by Qiangrong Holdings and the Vendor were procured by connected persons of the Company in relation to the Target Expressway (which will be owned and operated by the Group after Completion), were made on normal commercial terms and are not secured by the assets of the Group, such arrangements are exempt from all reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Please refer to the Letter for further details of the SPA.

b. Basis of the Consideration

The Total Consideration, which is determined with reference to the appraised market value of the Target Equities as at the Valuation Date and the factors mentioned in the section headed "7. REASONS FOR AND BENEFITS OF THE ACQUISITION" in the Letter after arm's length negotiation between the Parties, represents a discount of approximately 3.86% to the appraised market value of the Target Equities (RMB1,199.79 million) according to the Valuation Report.

The Valuation Report, which adopted the discounted cash flow method under income approach, constituted a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules. Based on the free cash flow to equity approach, which is used to arrive at the appraised market value of the Target Equities of RMB1,199.79 million, the internal rate of return is estimated at 10.43%. Please refer to section headed "5. MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER" in the Letter for assumptions on which the Profit Forecast was based.

c. Purchaser Performance Bond

In respect of the Purchaser Performance Bond which may be required to be provided by the Purchaser, we noted that (i) the Purchaser Performance Bond if required to be made by the Purchaser will be in proportion to the 85% equity interests in the Target Company (being the Target Equities) as part of Completion; (ii) in the event the Purchaser breaches its investor's obligation and responsibilities, the Shandong Provincial Department of Transport would be entitled to seek recourse and claim against the Purchaser Performance Bond for damages with the maximum compensation payable of RMB92.65 million; (iii) apart from the project's completion examination and acceptance (for which the Target Company has submitted an application to Shandong Provincial Department of Transport, and the completion and examination certificate is expected to be obtained by the first half of 2026), other obligations and responsibilities that the investors are required to complete have mostly been fulfilled; (iv) the quality of the project's completion and examination has been rated as excellent. Currently, only the overall completion examination and acceptance procedure is under process; (v) the Company's legal adviser as to PRC law advised that the risk of incurring losses under the Purchaser Performance Bond is low. Having taken into account the above factors and that the Consideration represents 3.86% discount to or is RMB46.3 million less than the Appraised Value, we consider the risks associated with the Purchaser Performance Bond if required to be made by the Purchaser to be acceptable.

IV. Information on the Target Company

The Target Company was established in Shandong, the PRC on 26 July 2013, whose principal business is holding the Concession Right and operating the Target Expressway.

The Target Expressway was constructed in two phases, and toll collection began after each phase was completed and opened to traffic. The toll collection period for the Chengkou to Zhanhua section (埕口至沾化段) began on 16 November 2020 and will expire on 15 November 2045, and the Shandong-Hebei border to Chengkou section (魯冀界至埕口段) began on 21 January 2022 and will expire on 20 January 2047.

a. Financials of the Target Company

A summary of the financial information of the Target Company prepared in accordance with the PRC Generally Accepted Accounting Principles for the two years ended 31 December 2023 and 2024 and the eight months ended 31 August 2025 as extracted from the Letter is set out below:

Table-3 Financials of the Target Company

	Year ended 31 December		**Eight months ended 31 August**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	Audited	*Audited*	*Unaudited*
Revenue*(Note)*	563,219	752,496	545,757
Net profit	25,691	281,271	266,883
Net profit margin	4.56%	37.38%	48.90%

	As at 31 December		**As at 31 August**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	Audited	*Audited*	*Unaudited*
Total assets	5,410,438	4,971,081	4,904,601
Total liabilities	5,922,135	5,201,507	4,868,144
Net liabilities/assets	–511,697	–230,426	36,457

Note: The revenue includes toll revenue (excluding 9% value-added tax) and other toll operating income.

It is noted that the revenue of the Target Company has significantly increased by 33.6% from RMB563.2 million in 2023 to RMB752.5 million in 2024, and revenue of the Target Company for the eight months ended 31 August 2025 represented 72.5% of the total revenue of the Target Company for FY2024. The increase in revenue of the Target Company in 2024 and 2025 was mainly attributable to increased traffic volume due to construction which caused temporary closure of the parallel expressway and national/provincial highways, which diverted more traffic to the Target Expressway.

It is also noted that the net profit of the Target Company has also been significantly improved from RMB25.7 million in 2023 to RMB281.3 million in 2024 and RMB266.9 million net profit recorded for the eight-month period ended 31 August 2025 represented 94.9% net profit of the Target Company for the whole year of 2024. The increase in net profit of the Target Company is mainly attributable to (i) increase of toll traffic revenue and (ii) reduction of finance costs during relevant financial year/period.

Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

b. The Target Expressway

The Target Expressway is an important section of the Qinbin Expressway. Qinbin Expressway is a connecting route of the Beijing-Harbin Expressway (G1)* (京哈高速公路(G1)), a key expressway in the national expressway network, and also the fastest coastal expressway circling Bohai region. It connects several important ports, including Qinhuangdao Port* (秦皇島港), Caofeidian Port* (曹妃甸港), Tianjin Port* (天津港), and Huanghua Port* (黃驊港), thereby significantly promotes port industries, logistics and transportation, and the development and utilisation of coastal resources. It has great significance for strengthening the economic ties between Shandong peninsula and Beijing-Tianjin-Hebei region, building the Efficient Ecological Economic Zone of the Yellow River Delta and the Shandong Peninsula Oceanic Economic Zone, and promoting economic integration around the Bohai region.

For reference purposes, set out below is a map showing the location of the Target Expressway:



c. Toll mileage and other information

The toll mileage and other information on the Target Expressway are set out below:

Table-4 Target Expressway Toll Information

Toll mileage:	60.693 km (inclusive of the Zhangweixin River Mega Bridge* (漳衛新河特大橋))
Design speed:	120 km per hour
Number of lanes:	Dual four lanes
Number of toll collection stations:	Four
Completion examination and acceptance:	Completion examination application has been submitted, approval is expected to be received in the first half of 2026
Expiry date of the Toll Collection Right:	
Section from Chengkou to Zhanhua (埕口至沾化段):	15 November 2045
Section from Shandong-Hebei border to Chengkou (魯冀界至埕口段):	20 January 2047

Note: The section from Shandong-Hebei border to Chengkou includes the Zhangweixin River Mega Bridge* (漳衛新河特大橋).

d. Toll level

The toll level of the Target Expressway as at the Announcement Date is primarily based on classification of vehicles by reference to (i) (in the case of passenger vehicles) the number of seats or (ii) (in the case of trucks and special purpose vehicles) the number of axles and, where applicable, length of the vehicle and maximum permitted total weight. Details of the toll rates of the Target Expressway as at the Announcement Date are set out below:

e. Toll rates based on classification of vehicles

Table-5

Vehicle class		**Classification Standard**	**General Toll Rate** *(RMB/km)*	**Zhangweixin River Mega Bridge Toll Rate** *(RMB/vehicle)*
1	Passenger vehicles	≤ 9 seats	0.58	15.00
	Truck	(i) Number of axles: two; (ii) Length of truck: below 6,000 mm; and		
		(iii) Maximum permitted total weight: less than 4,500 kg	0.68	22.50
2	Passenger vehicles	10 to 19 seats (including 19 seats)	0.73	22.50
	Trucks	(i) Number of axles: two; (ii) Length of truck: not less than 6,000 mm; or		
		(iii) Maximum permitted total weight: not less than 4,500 kg	1.29	30.00
3	Passenger vehicles	20 to 39 seats (including 39 seats)	0.87	30.00
	Trucks	Number of axles: three	1.90	40.50
4	Passenger vehicles	≥ 40 seats	1.09	37.50
	Trucks	Number of axles: four	2.52	52.50
5	Trucks	Number of axles: five	3.13	60.00
6	Trucks	Number of axles: six	3.74	90.00

Notes:

1. For trucks with more than six axles, the toll rate shall be calculated based on the toll coefficient for six-axle trucks with an increase of 0.5 in the coefficient for each additional axle.

2. The toll standards for special purpose vehicles shall be implemented in accordance with the standards for the corresponding categories of trucks.

f. Market outlook of the Target Expressway

According to the National Bureau of Statistics of China, Shandong is third-largest provincial economy in the PRC, its economy consists of a significant portion of industrial activities and is in a strategic location to connect the "Belt and Road" project to countries such as Japan, North Korea and South Korea, it is also adjacent to major economic cities in the PRC such as Beijing and Tianjin. Shandong had a nominal GDP of RMB9.86 trillion in 2024, Shandong's economy grew by 4.6% in terms of GDP in 2024 and have recorded a compound annual GDP growth rate of 7.3% between 2020 and 2024.

According to the National Bureau of Statistics of China, economy of surrounding provinces, such as Heibei, Henan, Anhui and Jiangsu have all been growing steadily in recent years, they recorded compound annual growth rate of 6.6%, 4.1%, 7.0% and 7.0% respectively between 2020 and 2024. In view of the continuous economy growth of Shandong Province and surrounding provinces, it is expected that the demand for expressway to connect the provinces will follow the economy trend.

The Target Expressway is located in the Binzhou city of Shandong province and connecting the border of Cangzhou city of Hebei province. Adjacent cities of Binzhou includes Dezhou city, Zibo city, Dongying city and Jinan city.

Binzhou city sits on the northern bank of the Yellow River, while its administrative area straddles both sides of its lower course before its present delta. As of the 2020 Chinese census, its population was 3,928,568 inhabitants. The city's economy is supported by a foundation in new materials, large-scale chemicals, food processing, equipment manufacturing, and the textile and apparel sectors.

Cangzhou ranks the third city in Hebei Province. Its major port, Huanghua Port, is a major economic driver, it is a top bulk cargo port with global trade relations and recorded a record throughput of 330 million tons in 2023.

V. Rationale and Benefit of the Acquisition

As discussed in the section headed "7. REASONS FOR AND BENEFITS OF THE ACQUISITION" in the Letter, Qinbin Expressway is the fastest coastal expressway corridor along the Bohai Rim. The Target Expressway is the Shandong Province section of the Qinbin Expressway, and is an important part of the Beijing-Harbin Expressway (G1) connecting line in the national expressway network. The Target Expressway is located in the eastern coastal region of China, specifically in Shandong Province, which is a major economic, population, and industrial province in China. The Acquisition aligns with the Company's regional expansion strategy, thus sharing the benefits of the economic development in the eastern coastal region. In the future, it will continue to benefit from the deepening of economic cooperation in the Bohai Rim region and the further strengthening of economic ties between Shandong and the Beijing-Tianjin-Hebei region, with the proportion of trucks continuing to remain stable. Upon the completion of the

Acquisition, the weighted average remaining concession period of the controlled expressways of the Group will be extended by 0.8 year, further enhancing the Group's sustainable development capabilities. With financial performance of the Target Company in the past, the Company believes that the Target Company can bring enhanced profits to the Group after Completion. It will also serve as a beneficial complement to the Group's asset portfolio following the disposal of its 60% equity interest in Jinxiong Expressway and the expiration of the toll collection period of Northern Ring Road, which is conducive to mitigating the impact on revenue and profit resulting from the diversion of expressway network, the expiry of the Group's other projects or the reconstruction and expansion works on GNSR Expressway.

a. In line with the Group's Development and investment strategies

As disclosed in the annual report of the Company for the financial year ended 31 December 2024 ("2024 AR"), the Group will continue to improve the integrated business strategy of "investment, financing, management and divestment", under which it may acquire quality assets by establishing incubation platforms at the front end and take advantage of the positive effects of publicly traded domestic infrastructure REITs at the back end. The Group will leverage the positive interaction between the incubation platforms, publicly traded domestic infrastructure REITs and listed companies to realise asset inflow and outflow, and thereby further optimise the Group's asset portfolio and create greater value for shareholders.

As further disclosed in the interim report of the Company for the six-month period ended 30 June 2025 ("2025IR"), the Group continued to grasp the strategic opportunity period for expressway investment and mergers and acquisitions to gain its foothold in Guangdong-Hong Kong-Macau Greater Bay Area and Central and Eastern China, expanding its presence in other developing areas benefiting from urbanisation and industrialisation of such areas, and continue to make full use of the incubation platform model and exploring opportunities of investing in quality assets, the Group insisted on strengthening and expanding its infrastructure business mainly based on toll roads.

Having reviewed above information as disclosed in the 2024AR and 2025IR, we consider the Acquisition is in line with the Group's development and investment strategy.

b. Strengthen the revenue and profit base of the Company

As disclosed in the 2024AR, it is noted that (i) the Group has completed the disposal of a 60% equity interest in Jinxiong Expressway (located in the west of Tianjin Municipality and Hebei province at the junction, with a toll length of approximately 23.9 km with four lanes) on 18 December 2024; (ii) the toll collection right of Northern Ring Road (located in Guangzhou city with a toll length of approximately 22.0km with six or eight lanes) expired on 22 March 2024, and it is in the process of being transferred to the government; and (iii) the Group has completed the acquisition of the 55% equity interest in Henan Pinglin Expressway (located in Henan province with a toll length of approximately 106.5 km with four lanes) on 26 November 2024.

The Target Expressway started toll collection since 16 November 2020 and 21 January 2022, with about 20 and 21 years remaining toll collection period for the Chengkou to Zhanhua section (埕口至沾化段) and the Shandong-Hebei border to Chengkou section (魯冀界至埕口段) of the Target Expressway until 15 November 2045 and 20 January 2047 respectively.

As discussed in the paragraph headed "a. Financials of the Target Company" and "VIII. Financial effects of the Acquisition" in this letter, the Target Company has recorded strong growth of over 30% in the revenue from approximately RMB563.2 million in the year ended 31 December 2023 to approximately RMB752.5 million in the year ended 31 December 2024 and has been making profit for the past two financial years ended 31 December 2023 and 2024 of approximately RMB25.7 million and RMB281.3 million respectively, and for the eight months ended 31 August 2025 of approximately RMB266.9 million. Based on the 2025IR, the net profit of the Group for the six months ended 30 June 2025 was approximately RMB543.3 million. According to the 2025IR, the Group's gearing ratio as at 30 June 2025 was 48.5%. It is estimated that the Group's gearing ratio will increase to approximately 55.7 % assuming that the Completion had taken place as at 30 June 2025. Taking into account of the remaining toll collection period of over 20 years, profitability and financial information of the Target Expressway aforementioned, in particular, the continued cash inflow from toll revenue collection of the Target Expressway will reduce the gearing ratio of the Group over the toll collection period of the Target Expressway, the temporary increased gearing ratio of the Group as enlarged by the Acquisition (the "Enlarged Group") after the Acquisition is considered acceptable.

With the background of the Group as discussed in the paragraph headed "a. Background of the Group" above, in particular that the Group is principally engaged in the investment, construction and development, operation and management of toll expressways and bridges mainly in Guangdong Province and other high growth provinces in the PRC, and considering the Group's development strategy aforementioned, and the financial information as discussed in the above paragraph, we consider the Acquisition aligns with the Group's expansion strategy, strengthens the revenue and profit bases of the Group especially following the disposal of the Jinxiong Expressway and toll expiration of Northern Ring Road in 2024, and we concur with the management of the Company that the Acquisition is in the ordinary course of business of the Group and in the interest of the Company and independent shareholders as a whole.

VI. The Traffic Study Report

a. Qualification and experience of the traffic consultant

The Company has engaged JSTI to conduct a study on the traffic volume, toll revenue, operation and maintenance cost of the Target Expressway. Traffic study report provides the traffic volume, toll revenue and operation and maintenance cost projection of the Target Expressway, based on which the valuation report was also produced.

In assessing the expertise and independence of JSTI, we have conducted a phone interview with JSTI to discuss, among other things, its experience on traffic consultancy projects (including traffic volume, toll revenue, operation and maintenance cost projection) and relationship with the Group and the Vendor.

We understand that (a) JSTI is a comprehensive infrastructure solution provider established in 1978 and was listed on the ChiNext board of the Shenzhen Stock Exchange (Stock Code: 300284) in January 2012. Its primary business spans from expressways, municipal engineering, water transport, railways, urban rail transit, environmental protection, aviation, water conservancy, architecture, and power industries. JSTI provides full-industry-chain services encompassing investment and financing, project investment analysis, planning consultation, survey and design, construction supervision, engineering testing, project management, operation and maintenance, and new material R&D. Currently, it operates through 83 subsidiaries, maintains branches in over 30 regions worldwide, and executes projects in more than 50 countries. As at third quarter of 2025, Pearl River Industrial held 25.08% of the shares of JSTI, which was ultimately owned by the Guangzhou State-owned Assets Supervision and Administration Commission. In 2019, JSTI ranked 6th by Engineering News-Record ("ENR") of the United States / China Construction Times amongst top 60 Chinese engineering design enterprises; ranked 46th amongst top 150 global engineering design firms by ENR and ranked 44th in ENR's top 225 international engineering design companies; (b) JSTI's team responsible for the Traffic Study Report consists of 9 engineers with relevant experience ranges from 3 years to 27 years in provision of consultancy services in relation to expressways in the PRC, and the team has provided traffic consultancy services for more than 30 projects in relation to expressways for state-owned enterprises and listed companies in Hong Kong and China; and (c) although the substantial shareholder of JSTI was Guangzhou State-owned Assets Supervision and Administration Commission, JSTI is a third party independent of the Group and the Vendor. We have also reviewed the scope of work set out in the engagement letter between the Company and JSTI, which we consider to be appropriate and suitable for the purpose of preparing the Traffic Study Report.

b. Projection methodology

We have reviewed and discussed with JSTI the methodologies, basis and assumptions adopted to project traffic volume, toll revenue, operation and maintenance costs of the Target Expressway set out in the Traffic Study Report.

We noted that JSTI has, among other things, (i) collected and analysed the latest socio-economic data in the region of the Target Expressway to understand economic growth trends and make future forecasts based on the historical GDP data of Shandong Province, Hebei Province, Cangzhou city and Binzhou city and relevant planning and future socio economic indicators; (ii) obtained the historical traffic volume and toll revenue data of the Target Expressway; (iii) reviewed relevant road network plans and toll rates of Shandong Province published by the regulatory authorities, including but not limited to (1) Shandong Province Territorial Space Master Plan (2021-2035); (2) Binzhou City Territorial Space Master

Plan (2021-2035); (3) Hebei Province Territorial Space Master Plan (2021-2035); (4) Cangzhou City Territorial Space Master Plan (2021-2035); (5) Shandong Province Comprehensive Transport Network Plan Outline (2023-2035); (6) Shandong Province 14th Five-Year Plan for Comprehensive Transportation Development; (7)Hebei Province 14th Five-Year Plan for Developing a Modern Comprehensive Transportation System; (iv) assumed the toll rate standards of different vehicle types to remain unchanged for the rest of the Target Expressway's operation period based on published information; and (v) developed a traffic volume prediction and toll revenue forecast models under baseline, conservative and optimistic scenarios to estimate traffic volume and toll revenue of the Target Expressway and projected an operation and maintenance costs forecast of the Target Expressway consisting labour costs, operational management costs and maintenance expenditure.

In estimating the traffic volume, toll revenue of the Target Expressway, in addition to the economic and traffic volume growth trend, JSTI has also considered the road network and future traffic planning surrounding the Target Expressway including the commencement of operation of new railways and expressways, reconstruction and expansion plan of surrounding existing expressways, which may divert traffic to or away from the Target Expressway in building baseline, optimistic, and conservative scenarios for the Target Expressway's traffic volume, and the Valuer has adopted the baseline scenario in arriving at the Appraised Value of the Target Company. It is noted from the Traffic Study Report that according to the baseline scenario, the annual average daily traffic volume growth rate is estimated to be -34.4%, 10.6%, 6.2%, -13.3%,-3.6% and 20.6% for the years from 2026 to 2031, and the remaining years are projected to be in a decreasing growth rate ranging from 2.9% to 1.5% for the years from 2032 to 2047. We understand from JSTI that the significant fluctuation of the traffic volume projection for the first 6 years ending 2031 was mainly reflecting the commencement of operation of new railways/expressways and the reconstruction and expansion of surrounding/connecting expressways according to the road planning information published by relevant authorities in the PRC.

Furthermore, JSTI has confirmed with us that the adopted methodologies, bases and assumptions are commonly used for traffic volume and toll revenue projection and the Traffic Study Report is prepared in accordance with the forecasting procedures that is in-line with market practice and similar to those that JSTI employed for other toll road traffic studies in the PRC.

JSTI further advised that the underlying assumptions and forecast procedures adopted in the Traffic study Report are commonly used in its previous traffic projects in the PRC and Hong Kong. We conducted a search on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for expressway acquisitions which contains a traffic study report in a circular by other listed entities

in Hong Kong for the period from 1 January 2024 up to the Latest Practicable Date on a best effort basis. To the best of our knowledge, the following represent an exhaustive list of transactions based on the above criteria:

Circular date	**Issuer (stock code)**
28 February 2025	Shenzhen Investment Holdings Bay Area Development Company Limited (737)
10 February 2025	Anhui Expressway Company Limited (995)
1 November 2024	The Company (1052)
7 August 2024	First Pacific Company Limited (142)
6 March 2024	Jiangsu Expressway Company Limited (177)

We noted that different traffic experts adopted similar basis, assumptions and methodology in estimating the traffic volume and toll revenue of the expressways.

After having considered (i) all of the above factors the Traffic Expert has taking into account in arriving at their toll projection, (ii) the basis, assumptions and methodology for estimation of the traffic volume and toll revenue of the expressways, and (iii) on the basis that nothing has come to our attention that will cause us to doubt the reasonableness of the Traffic Study Report, we are of the view that the adopted methodologies, bases and assumptions stated therein are in-line with market practice.

VII. The Valuation Report

The Company has engaged the Valuer which is an independent third party to appraise the market value of the Target Equity. As stated in the Valuation Report, the appraised market value of the Target Equities as at the Valuation Date (i.e. 31 August 2025) was RMB1,199.79 million (the "**Appraised Value**").

a. Qualification and experience of the Valuer

In assessing the expertise and independence of the Valuer, we have conducted a phone interview with the Valuer to understand (i) the qualification of the team members responsible for the subject valuation, including its previous experiences in conducting business valuation, in particular expressway valuation, as well as the valuation methodology; and (ii) enquired about its current or previous working relationship between the Valuer with the Company, Target Company and the Vendor. We understand that the Valuer is an established appraisal firm with relevant experience in undertaking appraisals and has conducted various toll road valuations in the past and is a third party independent of the Group, the Target Company and the Vendor. We also understand that the Valuation Report is prepared by the Valuer's team led by Mr. Simon M.K. Chan, who is the executive director of

the Valuer. Mr. Chan is a qualified valuer and a qualified accountant with over 25 years of relevant experiences in valuation and financial advisory services in the Valuer and other professional firms. Other team members also have relevant education background and working experience in valuation projects in Hong Kong and the PRC. In addition, we reviewed the scope of work set out in the engagement letter between the Company and the Valuer, which we consider appropriate and suitable for the purpose of the valuation.

b. Valuation methodologies

We have reviewed and discussed with the Valuer the valuation methodologies stated in the Valuation Report and are advised that they have considered all the three generally adopted valuation methodologies, including the income approach, market approach and cost approach in assessing the market value of the Target Equities. Among the three valuation methods, discounted cash flow method under income approach is adopted given (i) it is often recognized and applied within the toll-road industry because it tends to reflect the unique characteristics of a project, such as its stage of development, concession period, and geographic location; (ii) it generally takes into account the long-term economic benefits that the toll roads might provide; and (iii) it offers a more tailored and potentially more precise valuation that aligns with the particularities of the toll-road and can facilitate a more realistic assessment of the Target Company's financial viability and investment potential.

The Valuer does not consider it appropriate to adopt market approach as it relies generally on deriving value through a measure of the values of market comparables or transactions. Considering the unique characteristics of the Target Equities, there was a lack of market comparables or transactions available to derive an indicative value with a sufficient level of accuracy.

The Valuer does not consider it appropriate to adopt cost approach as the cost approach does not directly incorporate information about the economic benefits contributed by the business of the Target Company.

Having considered the reasons for adopting the income approach and the bases and assumptions used for valuing the Target Equities as discussed in below paragraphs, we are of the view that the chosen valuation method in arriving the Appraised Value is in line with market practice.

c. Valuation bases and assumptions

We have discussed with the Valuer on the adopted bases and assumptions and are advised that a discounted future free cashflow to equity ("FCFE") instead of discounted future free cashflow to firm ("FCFF") calculation was adopted to appraise the market value of the Target Equities as it is a measure of the net amount of cash available to stockholders that is generated by a company after expenses, interest, taxes and changes in net working capital and investments are subtracted.

Furthermore, we are advised by the Valuer that the Capital Assets Pricing Model (the "**CAPM**") is used to estimate the required return on equity capital, adjusted for further unexplained risk premia. The discount rate represents an estimate of the rate of return required by a third party investor for an investment. The rate of return expected by an investor relates to perceived risks from the investment. In arriving at the cost of equity, the Valuer took into account a number of factors including (i) risk free rate based on Chinabond Government Bond Yield Curve, according to remaining life on concession period; (ii) leverage beta based re-levered beta of the comparable companies, and adjusted for ongoing changes in capital structure of the Target Company; (iii) market risk premium in the PRC; (iv) size premium based on the size of the Target Company; (v) risk premium of liquidity risk premium and risk concerning the uncertainty of the forecast. Based on the Valuation Report as set out in Appendix I to the Circular, it is noted that the adopted cost of equity declines from 11.63% for 2025 to 9.11% for 2047. According to the Valuer, such decline reflects the change in capital structure of the Target Company during the remaining operating period due to gradual repayment of bank borrowing, which will result in dynamic shifts in the debt-to-equity ratio. The risk-free rate is also adjusted according to the remaining life of the Expressway in each discounting year.

Moreover, we have reviewed and discussed with the Valuer the list of comparable companies set out in the Valuation Report used to determine the beta. Based on our discussion with the Valuer, we understand that they have employed the S&P Capital IQ database to identify and select companies listed on the Stock Exchange with more than 50% of their revenue generated from same industry of the Target Company in the PRC. Based on the above criteria, the Valuer has identified an exhaustive list of six comparable companies on a best effort basis. We have conducted an independent check on comparable companies on the website of the Stock Exchange on a best effort basis, so far as we are aware of, these six comparable companies represent an exhaustive list based on the afore-mentioned selection criteria adopted by the Valuer.

In addition, we have further discussed with the Valuer about the specific assumptions and general assumptions adopted in the Valuation Report and noted that (i) the specific assumptions are primarily rely on projections and assumptions outlined in the Traffic Study Report, historical data and financial forecast of the Target Company; and (a) 3.00% specific risk premium (being the liquidity risk premium and risk concerning the uncertainty of the forecast) is added, and (b) 2.66% size premium which is measured according to the size of the Target Expressway according to the scale of Kroll Cost of Capital Navigator; and (ii) the general assumptions are common assumptions adopted in business valuation including but not limited to no major changes in the existing political, legal, technological, tax, fiscal or economic conditions in the country or district where the business operates. We are not aware of any material facts which may lead us to doubt the principal bases or assumptions adopted for the valuation.

d. Net asset value and Appraised Value

We noted that the Target Company has a net asset value of RMB36.5 million as at the Valuation Date, while the Appraised Value of the Target Equities is RMB1,199.79 million as at the Valuation Date. We have discussed differences that net asset value and Appraised Value represent with the Valuer.

We understand that net asset value is a balance sheet accounting figure based on historical costs under cost approach of valuation and it is a backward looking value. It is calculated by using total assets minus total liabilities at a specific point in time and fails to capture future earnings potential or cash flow generation capability of a company. In contrast, the Appraised Value, calculated using FCFE model under the income approach, is forward looking. It reflects future economic benefits of the Target Company by deriving the present value from all expected future cash flows available to equity holders over the remaining life of the Target Expressway, after deducting all operating expenses, capital expenditures, interest and principal repayments. The present value is calculated by discounting of the net cash flows of the Target Expressway at cost of equity of the Target Company that reflects current market conditions, including risk free rates, equity risk premiums, and company specific risks. The Target Company operates the Target Expressway under a government granted concession period (expiring 15 November 2045 and 20 January 2047), providing a structured framework for long-term toll collection and revenue generation. The Target Expressway was financed predominantly through debt financing, which is not uncommon for infrastructure projects in their early stages. Consequently, even though the Target Company has generated strong operational cash flows since 2022, its balance sheet continues to carry significant debt, leading to a low net asset value despite its underlying economic value.

Unlike toll roads which have longer operation period with substantially reduced liabilities from operational cash flows leading to a high net asset value, the short operation history of Target Company of about 4 years combined with its significant debt financing structure reasonably explains the low net asset value of the Target Company. As provided by the Company and pursuant to terms of the loan agreements entered into by the Target Company, it is noted that the usage of the financing currently obtained by the Target Company were for the purpose of construction of the Target Expressway and refinancing of construction cost related loans and liabilities.

Having considered characteristics of net asset value under the cost approach as compared to the Appraised Value derived from the FCFE model under the income approach, which reflected unique characteristics of the Target Expressway in terms of its operation dynamics, future earnings capability, financing structure as well as associated risks, we consider that the Appraised Value appropriately reflects the net worth of the Target Equities, and no anomalies is found between the net asset value of the Target Company and the Appraised Value.

VIII. Financial effects of the Acquisition

Independent Shareholders should note that the discussion below is for illustrative purposes only and may not necessarily represent the actual financial position and performance of the Group as a result of the Acquisition in the future.

a. Earnings

Based on the financial information (which is prepared in accordance with the Group's accounting policy) provided by the management of the Group), the Target Company has been making profit for the past two financial years ended 31 December 2023 and 2024 of approximately RMB25.7 million and RMB281.3 million respectively, and for the eight months ended 31 August 2025 of approximately RMB266.9 million. Based on the 2025IR, the net profit of the Group for the six months ended 30 June 2025 was approximately RMB543.3 million. Upon completion, the Target Company, and the financial results of the Target Company will be consolidated in the Group's financial statements. Result of the Enlarged Group will be increased by the earning of the Target Company hence bringing a positive impact to the Group's long-term financial performance.

b. Gearing

According to the 2025IR, the Group's gearing ratio as at 30 June 2025 was 48.5%, which was calculated based on net debt (total debts less cash and cash equivalents) of RMB14,852.8 million divided by total capitalization (being net debt plus total equity) of RMB30,598.2 million. The Total Consideration will be financed by cash. Based on the financial information (which is prepared in accordance with the Group's accounting policy) provided by the management of the Group, (i) the Target Company's financial position (including its borrowings of RMB4,494.5 million, cash position of RMB422.9 million and net asset of RMB36.5 million) as at 31 August 2025; (ii) the required cash amount for settling the Total Consideration of RMB1,153.5 million, assuming that the Completion had taken place as at 30 June 2025, it is estimated that the Group's gearing ratio will increase to approximately 55.7%.

Taking into account of the remaining toll collection period of over 20 years, profitability and financial information of the Target Expressway aforementioned, in particular, the continued cash inflow from toll revenue collection of the Target Expressway will reduce the gearing ratio of the Group over the toll collection period of the Target Expressway, the temporary increased gearing ratio of the Enlarged Group after the Acquisition is considered acceptable.

c. Working capital

Based on the 2025IR, the Group had a net current liability position of RMB1,831.6 million as at 30 June 2025. Based on the financial information (which is prepared in accordance with the Group's accounting policy) provided by the management of the Group, assuming that the Completion had taken place as at 30 June 2025 and taking into account (i) the net current liability position of the Target Company as at 31 August 2025 of RMB409.3 million; and (ii) the required cash amount for settling the Total Consideration of RMB1,153.5 million, it is expected that the net current liabilities of the Enlarged Group would increase by RMB1,712.8 million. However, the Directors are confident that the Enlarged Group will have sufficient working capital in the next 12 months from the date of the Circular having considered the forecast cash flows including the existing bank facilities available to the Group, unutilised quota for the issuance of super short-term commercial paper and/or medium-term notes available to the Company and the internally generated funds from operations.

We have been provided with and reviewed the working capital projection of the Enlarged Group from December 2025 to December 2026. It is noted that the working capital projection has, among other things, included (i) drawing down of bank loan facilities of RMB1,905 million, (ii) issuance of short-term and mid-term debt financing instruments of RMB6,600 million and (iii) RMB240 million equity fund raising from the minority shareholder of GNSR Expressway for its reconstruction and expansion project. As such, the Enlarged Group is expected to have sufficient working capital during the 12 month period after the Acquisition. In reviewing the working capital projection, we have reviewed the existing bank facilities available to the Group and the unutilised quota from the issuance of multiple types of debt financing instruments available to the Group and nothing has caught our attention that will cause us to doubt the working capital sufficiency of the Group in the 12 month period after the Acquisition.

d. Net assets

According to the 2025IR, the net assets of the Group as at 30 June 2025 was approximately RMB15.75 billion. Based on the financial information (which is prepared in accordance with the Group's accounting policy) provided by the management of the Group, assuming that the Completion had taken place as at 30 June 2025 and taking into account (i) the 85% equity interests of the Target Company was acquired at the Total Consideration of approximately RMB1,153.5 million; (ii) the net assets of the Target Company of RMB36.5 million; (iii) recognition of fair valuation adjustment to the Target Company's intangible operating rights of RMB1,958.5 million and corresponding deferred income tax liabilities of RMB489.6 million; (iv) transaction costs relating to the Acquisition RMB2.3 million and corresponding current income tax saving RMB0.6 million; and (v) expected liabilities of RMB148.3 million, the Acquisition is expected to result in an increase of RMB201.8 million in the net asset value of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not represent how the financial position of the Enlarged Group will be upon Completion.

RECOMMENDATION

Having taken into consideration the factors and reasons stated above, we consider the SPA (i) has been entered into on normal commercial terms and in the ordinary and usual course of the Group's business; (ii) the terms of the SPA are fair and reasonable and the Acquisition contemplated thereunder is in the interest of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we also recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM in respect of the SPA and the Acquisition.

Yours faithfully,
For and on behalf of
YU MING INVESTMENT MANAGEMENT LIMITED
Warren Lee
Managing Director

Mr. Warren Lee of Yu Ming Investment Management Limited is a responsible officer of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 30 years, and has been involved in and completed various corporate finance advisory transactions.

The following is the text of a report, prepared for the inclusion in this circular, received from the Valuer in connection with valuation of the Target Equities.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
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Tel +852 2846 5000 Fax +852 2169 6001
Company License No.: C-030171

3 December 2025

The Board of Directors
Yuexiu Transport Infrastructure Limited
17A, Yue Xiu Building
160 Lockhart Road
Wan chai
Hong Kong

Dear Sirs,

In accordance with the instructions from Yuexiu Transport Infrastructure Limited (the "**Company**"), Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**") has undertaken a valuation exercise which requires us to express an independent opinion on the market value of 85% equity interests in Shandong Qinbin Expressway Construction Co., Ltd. (the "**Target Company**") as at 31 August 2025 (the "**Valuation Date**"). The report which follows is dated 3 December 2025 (the "**Report Date**"). The purpose of this valuation is to express an independent opinion for the Company's internal reference.

Our valuation was carried out on a market value basis. According to the International Valuation Standards (the "**IVS**") issued by the International Valuation Standards Council (the "**IVSC**"), 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."

BACKGROUND

The Target Company, Shandong Qinbin Expressway Construction Co., Ltd., is a limited liability company established in the PRC in July 2013 and is principally engaged in construction, operation, and maintenance of the Shandong Section of Qinhuangdao–Binzhou Expressway ("**Expressway**"), which was constructed in 2 phases. We are given to understand that the operation period for the Expressway by the Target Company ends in November 2045 for phase 1 ("**Phase 1 Expressway**") and January 2047 for phase 2 ("**Phase 2 Expressway**") respectively.

The subject (the "**Subject**") of this valuation is being 85% equity interests in Shandong Qinbin Expressway Construction Co., Ltd.

FINANCIAL PERFORMANCE OF THE TARGET COMPANY

Key financial information (in RMB) of the Target Company for the last three financial years ended 31 December and for the 8 months ended 31 August 2025 are set out as below:

Reporting Period	**Year ended 31 December 2022** (Audited)	**Year ended 31 December 2023** (Audited)	**Year ended 31 December 2024** (Audited)	**8-month ended 31 August 2025** (Unaudited)
Revenue	408,985,676	563,218,737	752,495,606	545,757,088
EBITDA[1]	346,119,339	451,266,111	657,638,473	515,830,208
Net profit	(120,549,607)	25,690,770	281,271,071	266,883,148

Note:

1. EBITDA = Earnings before interest, tax, depreciation and amortization

Revenue

The revenue from Expressway operation represents the toll revenue and other revenues of the Subject, which increased by 37.71% from RMB408.99 million in year 2022 to RMB563.22 million in year 2023, and increased by 33.61% from RMB563.22 million in year 2023 to RMB752.50 million in year 2024.

Operating Expenses

Operating Expenses from Expressway operation comprises mainly of cost of services, operating and administration expenses, depreciation and amortization expenses and tax surcharge. The operating expenses to revenue ratio decreased from 62.81% in 2022 to 48.47% in 2023 and decreased to 39.38% in 2024.

SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have reviewed information including, but not limited to:

- Background of the Target Company;
- Historical financial information of the Target Company from financial year 2022 to 31 August 2025;
- Traffic consultant report ("**Traffic Consultant Report**") prepared by JSTI Group Co., Ltd. (蘇交科集團股份有限公司) (the "**Traffic Consultant**");
- Financial forecast of the Target Company from September 2025 to January 2047; and

- Other operation and market information in relation to the business of the Target Company.

We have held discussions with management of the Company and conducted market research from public sources to assess the reasonableness and fairness of information provided. We assumed such information to be reliable and legitimate, and we have relied to a considerable extent on the information provided in arriving at our conclusion of value.

BASIS OF OPINION

We have conducted our valuation in accordance with the IVS. The valuation procedures employed include a review of legal status and economic condition of the Target Company and an assessment of key assumptions, estimates and representations made by the proprietor or the operator of the Target Company. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- Projected traffic flow and toll income prepared by the Traffic Consultant provided to us by the Company;

- Projected cost of services, operating and administration expenses, and capital expenditure prepared by the Traffic Consultant provided to us by the Company;

- The economic outlook in general;

- The nature of business and history of the operation concerned;

- The financial condition of the Target Company;

- Market-driven investment returns of companies engaged in similar lines of business;

- Financial and business risk of the business including continuity of income and the projected future results;

- Consideration and analysis on the micro and macro economy affecting the business of the Target Company;

- Analysis on tactical planning, management standard and synergy of the Target Company; and

- Assessment of the leverage of the Target Company.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the valuation of the Subject.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the nature of the Subject, there are substantial limitations to adopting the market approach and the cost approach for valuing the underlying assets.

Firstly, the market approach relies on values derived from comparable transactions or listed peers. However, due to the unique characteristics of the Subject, including but not limited to its specific concession terms, geographic location, financing structure and stage of development, there were no sufficiently comparable market transactions or companies available as at the Valuation Date to support a reliable indication of value.

Secondly, the cost approach, which is based on historical accounting values of net assets, is not appropriate for this asset. It reflects a backward-looking measure that does not capture future earnings potential or cash flow generation capacity. The Target Company was financed predominantly through debt, which is typical for infrastructure projects in their early operating phase. As a result, despite strong operational performance since 2022, its balance sheet continues to carry significant liabilities, leading to a low net asset value that does not represent its underlying economic value.

In view of the above, we have adopted the income approach for the valuation of Subject. The income approach is considered suitable as it incorporates the financial forecasts provided by the Traffic Consultant, who possess extensive industry expertise and experiences, enabling them to reliably estimate revenue and operating costs, hence substantiate the forecast.

The valuation was developed through the application of an income approach technique known as the discounted cash flow method. The discounted cash flow method of valuation can be applied to many types of investment. In each case, it involves estimating all future cash flows of the investment and using a discount rate encapsulating the time value of money and risks involved in the business to devolve the future cash flows into a present value.

This valuation method is often recognized and applied within the toll-road industry because it tends to reflect the unique characteristics of a project, such as its stage of development, concession period, and geographic location, where these factors are typically critical in affecting the valuation. Additionally, this method generally takes into account the long-term economic benefits that the toll roads might provide. By focusing on these specific elements, the income approach offers a more tailored and potentially more precise valuation that aligns with the particularities of the toll-road sector. Consequently, it can facilitate a more realistic assessment of the Target Company's financial viability and investment potential, making it a commonly preferred methodology among industry professionals.

Under this method, value depends on the present worth of future economic benefits to be derived from the financial projection. Indications of value have been developed by the discounted future estimated cash flows available for payment of owners' interest to their present worth at discount rates which in our opinion are appropriate for the risks of the business. In considering the appropriate discount rate to be applied, we have taken into account a number of factors including the current cost of financing and the relevant risks inherent in the business.

MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions in determining the market value of the Subject have been made:

- The Valuation was primarily based on the financial projections and latest historical financial information made available to us. The projections outlined in the financial information provided were prepared on a reasonable basis, reflecting aspects of the Target Company including but not limited to market conditions, economic fundamentals, availability of competent management and sufficient personnel, sufficient facilities and systems for future expansion, and we assume they will materialize;

- We have assumed the accuracy of the financial and operational information such as management accounts and contractual agreements, provided to us by the Company relied to a considerable extent on such information in arriving at our opinion of value; and

- The Target Company has, or will have, sufficient capital needs (financial, human, physical) to achieve or contribute to current and future production;

- There will be no material change in the core operations of the Target Company from what is present and/or expected;

- We assume continuation of prudent and effective management policies that is considered to be necessary in order to maintain the character and integrity of the assets valued, regardless of the period of time;

- All relevant laws, statutes, ordinances and regulations pertaining to the Target Company are complied with and where applicable renewable upon expiry;

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;

- Operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

- We have been provided with copies of the operating licenses and company incorporation documents. We have assumed such information to be reliable and legitimate;

- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

FINANCIAL MODEL

The specific model we have utilized is the Free Cash Flow to Equity (FCFE) model. This model was selected over the Free Cash Flow to Firm (FCFF) model due to the Target Company's nature as an entity operating a finite-life asset with a dynamic capital structure. The Target Company is projected to systematically repay its outstanding borrowings throughout the concession period, resulting in a continuously evolving debt-to-equity ratio. The FCFE model is particularly well-suited for this scenario as it transparently and directly incorporates the effects of these financing activities into the annual cash flow projections. This methodology provides a more direct valuation of the equity interests for a project-based company with a predictable, yet changing, leverage profile over its operational life.

FCFE is a measure of the net amount of cash available to stockholders that is generated by a company after expenses, interest, taxes and changes in net working capital and investments are subtracted.

FCFE = Net Income + D&A – CAPEX – Change in NWC + Net Borrowing

Where

D&A = Depreciation and amortization expense

CAPEX = Capital expenditure

NWC = Net working capital

FINANCIAL PROJECTION

Our opinion of value was calculated using financial projection as prepared by the Traffic Consultant provided to us by the Company. Key inputs of the cash flow projection and our analysis are summarized as below:

(Years ended/ending 31 December. All figures in RMB unless specified otherwise)

	2025[3]	**2026**	**2027**	**2028**	**2029**
Revenue[1]	277,942,460	550,914,668	595,348,418	634,790,130	540,564,207
Operating expenses[2]	(113,321,440)	(283,428,221)	(286,941,681)	(290,031,336)	(291,442,630)
EBIT[5]	164,621,020	267,486,448	308,406,737	344,758,794	249,121,578
Net profit	112,011,311	123,739,573	161,687,165	195,037,375	126,634,725
Capital expenditure	(45,233,227)	(39,454,599)	(21,024,544)	(21,200,177)	(22,207,374)

	2030	2031	2032	2033	2034
Revenue[1]	525,184,806	640,389,936	660,499,943	677,499,820	696,808,693
Operating expenses[2]	(301,739,098)	(305,662,592)	(305,447,829)	(310,283,948)	(314,809,150)
EBIT[5]	223,445,707	334,727,344	355,052,114	367,215,873	381,999,543
Net profit	110,890,584	198,193,196	217,747,901	232,848,961	252,301,313
Capital expenditure	(50,129,036)	(25,165,968)	(37,667,141)	(38,153,932)	(40,070,305)

	2035	2036	2037	2038	2039
Revenue[1]	716,637,469	733,587,230	746,815,584	762,333,083	778,143,072
Operating expenses[2]	(330,397,177)	(333,393,334)	(340,906,742)	(351,737,837)	(365,023,733)
EBIT[5]	386,240,292	400,193,896	405,908,841	410,595,246	413,119,339
Net profit	262,458,893	277,559,414	285,491,459	290,673,131	293,751,623
Capital expenditure	(98,327,476)	(40,008,021)	(76,726,657)	(78,208,376)	(84,101,259)

	2040	2041	2042	2043	2044
Revenue[1]	793,050,007	802,620,665	814,500,571	826,527,258	840,997,908
Operating expenses[2]	(387,861,570)	(395,427,123)	(402,364,099)	(411,546,453)	(497,739,115)
EBIT[5]	405,188,437	407,193,542	412,136,472	414,980,806	343,258,792
Net profit	290,004,946	294,218,312	300,804,394	306,155,221	255,327,268
Capital expenditure	(129,406,352)	(27,767,198)	(29,417,821)	(30,249,553)	(31,081,537)

	2045	2046	2047[4]
Revenue[1]	784,074,389	323,617,887	17,997,357
Operating expenses[2]	(535,524,422)	(228,134,922)	(23,145,118)
EBIT[5]	248,549,968	95,482,965	(5,147,761)
Net profit	185,989,110	71,612,223	(5,147,761)
Capital expenditure	(68,994,400)	(11,619,367)	(122,968)

Notes:

1. Net of 9% value-added tax revenue

2. Comprise of cost of services, operating and administration expenses, depreciation and amortization expenses and tax surcharge

3. 4-month financial forecast starting on 1 September 2025

4. Financials forecast ending on 20 January 2047

5. EBIT = Earnings before interest and tax

Projection Period

- The forecast period is up to the end of the concession period of the Expressway, i.e. 15 November 2045 for Phase 1 Expressway and 20 January 2047 for Phase 2 Expressway.

Revenue

- Mainly represents the toll revenue and the base case scenario as projected by the Traffic Consultant has been adopted as the traffic volume and toll revenue for Expressway, with adjustment of excluding the value-added tax. Revenue is mainly driven by imposing toll charges on vehicles using the road for transportation purposes.

- In the Traffic Consultant Report, vehicles are charged according to their type, weight and the distance of road the vehicles have taken for transport. Historical traffic data, economic research, etc., were considered by the Traffic Consultant in their projections.

- The projected toll revenue is based on the classification of vehicle types and toll rates stipulated in the following documents,

    1) Shandong Provincial Department of Transport & Shandong Provincial Development and Reform Commission – Notice on Toll Standards for Vehicles on the Chengkou Shandong-Hebei Border) to Zhanhua Section of Qinbin Expressway (Lu Jiao Cai [2023] No. 49);

    2) Reply from the Department of Transport of Shandong Province on Issues Related to the Toll Collection Deadline for the Chengkou (Shandong-Hebei Border) to Zhanhua Section of Qinbin Expressway (Lu Jiao Cai Han [2025] No. 25);

    3) Shandong Provincial Department of Transport, Shandong Provincial Development and Reform Commission & Shandong Provincial Department of Science and Technology – Notice on Temporarily Exempting Hydrogen-Powered Vehicles from Expressway Tolls (Lu Jiao Cai [2024] No. 2);

    4) Shandong Provincial Department of Transport – Notice on Continuing to Implement Discounted Expressway Tolls for Designated Vehicle Categories (Lu Jiao Cai Han [2025] No. 1);

    5) Shandong Provincial Department of Transport – Notice on Further Improving Service Guarantees for Highway Passage of Container Trucks Transporting Fresh Agricultural Products (Lu Jiao Cai Han [2023] No. 12).

- Thus, the revenue growth would be driven by the increase in traffic and/or change in traffic mix by vehicle type.

- Please refer to Traffic Consultant Report for further details in relation to the projection of traffic volume and toll revenue.

Operating Cost

- Cost of services from operating comprises mainly of repairment and maintenance cost, green cleaning cost, related labour cost and others.

- The assets related to the toll right of expressway are recognized as intangible assets which are subject to amortization. Intangible assets are amortized on a straight-line basis, with expansionary/replacement capital expenditure with a depreciation life of until end of the concession right with nil residual value.

- The operating expense to revenue ratio during the projection period is ranged from 40.77% – 128.60%. The high ratio was due to the increase in dedicated road maintenance expenses and large compensation expense to employees as well as the handover expenses by the end of the concession right.

- Please refer to Traffic Consultant Report for further details in relation to the projection of operating expenses.

Income Tax Expense

- It is assumed that the applicable income tax rate is 25% throughout the projection period, except for the period ended December 2025 where the Target Company enjoys 50% discount on the tax payment.

Capital Expenditure

- It is assumed that the capital expenditure is for maintenance throughout the projection period, which is the remaining operation period up to January 2047, of the Expressway.

Other Assets and Other Liabilities

- Other assets and liabilities are considered as non-operating related and are based on the financial information provided by the Target Company, including cash and cash equivalent, other receivables, other payables and provision.

DISCOUNT RATE

In applying the discounted cash flow method for the Subject, it is necessary to determine an appropriate discount rate or cost of capital to account for the time value of money and the risks of the business. We have determined that the appropriate discount rate for the Subject is its cost of equity ("**COE**").

The discount rate represents an estimate of the rate of return required by a third party investor for an investment. The rate of return expected by an investor relates to perceived risks from the investment. Risk factors relevant in the determination of an appropriate discount rate include the following.

- Interest rate risk, which measures variability of returns caused by changes in the general level of interest rates;
- Liquidity risk, which measures the ease with which an instrument can be sold at the prevailing market price;
- Market risk, which measures the effects of the general market on the price behavior of securities; and
- Company specific risk, which measures the uncertainty inherent in the forecasted cash flow.

Company specific risk would account for certain risks that have not been captured under other components of the discount rate and the provided forecast data, given that the forecasted cash flow is the most expected business scenario as prepared by the Traffic Consultant.

Required Return on Equity

We have used modified Capital Assets Pricing Model ("**CAPM**") to estimate the required return on equity capital, adjusted for further unexplained risk premia. The required return on equity of a company represents the total rate of return investors expect to earn, through a combination of dividends and capital appreciation, as a reward for risk taking. The CAPM is a fundamental tenet of modern portfolio theory which is a generally accepted basis for marketplace valuations of equity capital. The CAPM technique is widely accepted in the investment and financial analysis communities for the purpose of estimating a company's required return on equity capital. The thinking behind it is that because specific risks can be avoided through portfolio diversification, the expected return on an asset should include only the risk premium for holding market risk. The degree of market risk is estimated via the beta which is determined referencing comparable publicly traded companies.

The equation of CAPM is shown as follows:

Cost of Equity or Required Return on Equity (r_e)	=	Risk Free Rate
	+	Re-levered Beta x Market Risk Premium
	+	Size Premium
	+	Specific Risk Premium

In determining the COE of the Subject, the following parameters have been used:

Parameter	As of 31 August 2025	Remark	Source
Risk-free Rate	1.35% – 2.60%	Based on ChinaBond Government Bond Yield Curve, according to remaining life on concession period	Bloomberg L.P.
Re-levered Beta	0.239 – 0.880	Based on levered beta of the comparable companies, and adjusted for ongoing changes in capital structure of the Target Company	Bloomberg L.P.
Market Risk Premium	5.25%	Based on market risk premium of China	Damodaran
Size Premium	2.66%	Based on size of the Subject	Kroll Cost of Capital Navigator
Specific Risk Premium	3.00%	Being the liquidity risk premium and risk concerning the uncertainty of the forecast	JLL analysis
Cost of Equity	9.11% – 11.63%	Calculated according to the equation of CAPM as stated above	
Equivalent Single Discount Rate	10.06%	Model implied	

Considering the Target Company shall repay its outstanding borrowings over the course of operation, its capital structure will evolve accordingly. This change in capital structure will result in dynamic shifts in the debt-to-equity ratio. The risk-free rate is also adjusted according to the remaining life of the Expressway in each discounting year, hence resulting in a dynamic discount rate. The calculation for the adopted discount rates is detailed in Appendix I of this report.

Comparable Companies

In determining the re-levered beta, a list of comparable companies was identified. The selection criteria include the followings:

- The comparable companies are publicly listed in Hong Kong;
- The comparable companies have major operation in China;
- The comparable companies are searchable in S&P Capital IQ database;
- The business of the comparable companies involves tolls and expressways operation;
- The companies derive at least 50% of their revenues from the same industry of the Target Company, i.e. operation of expressways; and
- Sufficient data (including historical transaction data) as at the Valuation Date of the comparable companies, is available.

As sourced from S&P Capital IQ, an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis. The details of the comparable companies are listed below:

Company Name	Company Description
Yuexiu Transport Infrastructure Limited	Yuexiu Transport Infrastructure Limited, together with its subsidiaries, invests in, constructs, develops, operates, and manages toll expressways and bridges in the People's Republic of China. The company was formerly known as GZI Transport Limited and changed its name to Yuexiu Transport Infrastructure Limited in May 2011. Yuexiu Transport Infrastructure Limited was incorporated in 1996 and is headquartered in Wanchai, Hong Kong.
Chengdu Expressway Co., Ltd.	Chengdu Expressway Co., Ltd. engages in the development, operation, and management of expressways located in Mainland China. The company operates through two segments, Expressway and Energy. It operates the Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Qiongming Expressway, and Chengdu Airport Expressway. In addition, the company is involved in the retail of refined oil; and operation of petrol stations, and vehicle charging facilities, as well as engages in the power generation and investment activities. The company was formerly known as Chengdu Chengguan Expressway Co., Ltd. and changed its name to Chengdu Expressway Co., Ltd. in 2016. The company was founded in 1998 and is headquartered in Chengdu, China.

Company Name	Company Description
Shenzhen Expressway Corporation Limited	Shenzhen Expressway Corporation Limited, together with its subsidiaries, primarily invests in, constructs, operates, and manages toll highways and roads, as well as other urban and transportation infrastructure in the People's Republic of China. It operates through Toll Road; Environmental Protection; and Others segments. The company offers recovery and solid waste management; clean energy power generation; construction management and highways operation management services for government and other enterprises; project development, road operation and maintenance, construction consulting, and industrial financial services, etc.; entrusted management, advertising, finance leasing, and construction services under franchised arrangement services; property development and management; and electronic toll collection and clearing systems and services. It also provides environment protection and infrastructure construction; environmental projects and advisory; capital market; wind power; kitchen waste disposal; commercial factoring; environmental and ecological monitoring; agricultural science research; health, elderly care, and nursing; engineering; business and office; information technology counseling and development; environment and facility; real estate; science and technology promotion and application; and real estate brokerage services. In addition, the company is involved in the leasing and management of apartments; manufacturing of equipment; asphalt materials; and ecological protection and environmental governance services. The company was incorporated in 1996 and is headquartered in Shenzhen, the People's Republic of China.
Zhejiang Expressway Co., Ltd.	Zhejiang Expressway Co., Ltd., an investment holding company, invests, develops, maintains, and operates roads in the People's Republic of China. It operates through Toll Operation, Securities Operation, and Others segments. The Toll Operation segment operates and manages high grade roads; and collects expressway tolls. The Securities Operation segment offers securities and future broking, margin financing and securities lending, securities underwriting and sponsorship, asset management, advisory, and proprietary trading services. The Others segment engages in hotel operation, high grade road construction, investment in other financial institutions, and other ancillary activities. It provides vehicle towing, repair and emergency, and rescue services, as well as investment management and advisory services; and technology services. The company was incorporated in 1997 and is headquartered in Hangzhou, the People's Republic of China. Zhejiang Expressway Co., Ltd. operates as a subsidiary of Zhejiang Communications Investment Group Co., Ltd.

Company Name	Company Description
Shenzhen Investment Holdings Bay Area Development Company Limited	Shenzhen Investment Holdings Bay Area Development Company Limited, an investment holding company, initiates, promotes, develops, and operates toll expressways and bridges in the People's Republic of China. It operates through Coastal Expressway (Shenzhen Section), GS Superhighway, GZ West Superhighway, and Xintang Interchange segments. The company operates toll expressway projects comprising Guangzhou-Shenzhen superhighway and Guangzhou-Zhuhai West superhighway, and Guangshen coastal expressway. In addition, it is involved in the land development and utilization project activities; investment, construction, and operation of expressways; and loan finance activities. The company was formerly known as Hopewell Highway Infrastructure Limited. Shenzhen Investment Holdings Bay Area Development Company Limited was incorporated in 2003 and is based in Wan Chai, Hong Kong. The company is a subsidiary of Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd.
Anhui Expressway Company Limited	Anhui Expressway Company Limited engages in the construction, operation, management, and development of the toll roads and associated service sections in the People's Republic of China. The company owns interests in the Hening Expressway, New Tianchang Section of National Trunk 205, Gaojie Expressway, Xuanguang Expressway, Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section, Guangci Expressway, Ningxuanhang Expressway, Anqing Yangtze River Expressway Bridge, and Yuewu Expressway Anhui section. It also provides pawn loan services. Anhui Expressway Company Limited was incorporated in 1996 and is headquartered in Hefei, the People's Republic of China.

CALCULATION OF EQUITY VALUE

After deriving the equity value of the Subject, we added the following excess cash and non-operating assets and subtracted non-operating liabilities (if any) to Subject to arrive the market value of 85% equity interests of Target Company.

	Income Approach *(RMB million)*
100% Equity value of the Target Company	1,233.98
Add:	
Other assets/(liabilities)[Note]	177.54
Market value of 100% equity interests of Target Company	1,411.52
Market value of 85% equity interests of Target Company	1,199.79

Note:

Other assets/liabilities cover non-operational items, including cash, other receivables, other payables and provisions.

SENSITIVITY ANALYSIS

A sensitivity analyses were prepared to project the results based on the changes of discount rate. The following table summarize the resulting values of the Subject based on changes of discount rate.

Change in Discount Rate *(%)*	**Market Value of the Subject** *(RMB million)*
+ 1.0%	1,067.98
+ 0.5%	1,131.57
+ 0.0%	1,199.79
– 0.5%	1,273.04
– 1.0%	1,351.74

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and JLL.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our Limiting Conditions as attached.

INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company and the Target Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 85% equity interests in Shandong Qinbin Expressway Construction Co., Ltd. as at the Valuation Date are reasonably stated at the amount of RMB1,199.79 million.

OTHER MATTER

As requested by the Company for internal reference purposes only, the internal rate of return for the Acquisition — based on FCFE model and a total consideration of RMB1,153.5 million for the Subject — is estimated at 10.43% on a 85% shareholding basis. This information is provided solely for the Company's reference and does not form part of our opinion.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Simon M.K. Chan
Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

LIMITING CONDITIONS

1. In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client/Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client/Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The board of directors and the management of Client/Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the Report is subject to the terms of the Agreement and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client/Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.

11. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the Agreement as at the Valuation Date. In accordance with our standard practice, we must state that this Report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. The Client/Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client/Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Client/Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time. The transaction amount does not need to be close to the result as estimated in this report.

17. The board of directors, management, staff, and representatives of the Client/Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client/Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

Appendix I – Discount Rate / COE Calculation

COST OF EQUITY Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Risk free rate	1.35%	1.36%	1.43%	1.59%	1.76%	1.91%	1.94%	2.02%	2.02%	2.07%	2.14%	2.11%
Equity Risk Premium	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Tax Rate	12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Applied D/E Ratio	306.64%	280.34%	237.10%	183.14%	177.78%	164.43%	147.10%	134.24%	116.60%	86.79%	61.95%	50.85%
Re-levered Beta	0.88	0.74	0.66	0.57	0.56	0.53	0.50	0.48	0.45	0.39	0.35	0.33
COE deriving from CAPM	**5.97%**	**5.25%**	**4.91%**	**4.57%**	**4.69%**	**4.72%**	**4.58%**	**4.53%**	**4.37%**	**4.14%**	**3.98%**	**3.85%**
Size premium	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%
Specific Risk	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COE per CAPM	**11.63%**	**10.91%**	**10.57%**	**10.23%**	**10.35%**	**10.38%**	**10.24%**	**10.19%**	**10.03%**	**9.80%**	**9.64%**	**9.51%**

COST OF EQUITY Year	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Risk free rate	2.14%	2.19%	2.24%	2.29%	2.38%	2.44%	2.49%	2.55%	2.60%	2.26%	2.19%
Equity Risk Premium	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Applied D/E Ratio	42.87%	41.16%	42.63%	40.87%	35.75%	30.68%	23.18%	12.89%	4.31%	0.00%	0.00%
Re-levered Beta	0.32	0.31	0.32	0.31	0.30	0.29	0.28	0.26	0.25	0.24	0.24
COE deriving from CAPM	**3.80%**	**3.83%**	**3.89%**	**3.93%**	**3.97%**	**3.98%**	**3.97%**	**3.92%**	**3.90%**	**3.51%**	**3.45%**
Size premium	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%
Specific Risk	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COE per CAPM	**9.46%**	**9.49%**	**9.55%**	**9.59%**	**9.63%**	**9.64%**	**9.63%**	**9.58%**	**9.56%**	**9.17%**	**9.11%**

The following is the text of a summary, prepared for the inclusion in this circular, received from JSTI Group in connection with the traffic forecasts for the Target Expressway.

JSTI Group Co., Ltd.
No. 8 Fuchunjiang East Street, Jianye District
Nanjing, Jiangsu Province, China

December 2025

To: The Directors of
Yuexiu Transport Infrastructure Limited

Dear Sir/Madam

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED SUMMARY OF THE TRAFFIC STUDY REPORT ON CHENGKOU (SHANDONG-HEBEI BORDER) TO ZHANHUA SECTION OF THE QINBIN EXPRESSWAY

As commissioned by Yuexiu Transport Infrastructure Limited, JSTI Group Co., Ltd. has conducted a forecast study on the traffic volume, toll revenue, and operation and maintenance costs of Chengkou (Shandong-Hebei Border) to Zhanhua Section of the Qinbin Expressway (hereinafter referred to as "**Target Expressway**").

The traffic study report has adopted general forecasting methods in the industry, with adherence to the principles of independence and objectivity. The summary of the research results is as follows (for detailed analysis and explanation, please refer to the complete report of this forecast):

1. TARGET EXPRESSWAY OVERVIEW

Chengkou (Shandong-Hebei Border) to Zhanhua Section of the Qinbin Expressway commences north of Shuigoubao Village, Chengkou Town, Wudi County, at the Zhangweixin River (Shandong-Hebei Border), connecting with the Hebei section of Qinbin Expressway, and ends between Maojia Village and Siyuan Reservoir in Zhanhua District, linking with the Rongcheng-Wuhai Expressway. As a crucial connecting route of the Beijing-Harbin Expressway within the National Expressway Network, the Target Expressway is significant for improving the regional road network layout, maximizing the overall efficiency of the network, strengthening economic and social ties between Shandong and Hebei provinces, and promoting economic integration in the Bohai Rim region.

The total length of the Target Expressway is 60.693 kilometers. It includes 1 mega bridge over the Zhangweixin River, 12 large bridges, 5 interchanges (including 1 hub interchange), 4 grade-separated intersections, 1 service area, 1 parking area, 2 maintenance areas (co-located with toll stations), 1 project management center, and 4 ramp toll stations. The Target Expressway was constructed in two phases, with Phase I (Chengkou Interchange to Zhanhua Interchange) opening on 16 November 2020 and Phase II (Shandong-Hebei Border to Chengkou Interchange) opening on 21 January 2022.



Figure 1 Location of the Target Expressway

2. MAIN CONTENT OF THE STUDY

The main content of this study is as follows:

- Collecting and organizing the historical and the latest socio-economic data for the study area to understand economic growth trends and make future forecast;

- Collecting and organizing the historical traffic volume data by vehicle type for the Target Expressway to understand the historical development of its traffic volume;

- Collecting the latest origin-destination (OD) data of the study area and analyzing expressway network toll collection data to understand the main traffic flow directions of the study area and the Target Expressway, so as to grasp the current traffic conditions;

- Developing a traffic volume forecast model for the study area and validating the model using the traffic volume data of the Target Expressway;

- Taking 2025 as the base year for the study and, in conjunction with the traffic volume and toll revenue from January to August 2025, forecasting future traffic volume and toll revenue for the Target Expressway. The toll revenue forecast is based on the current toll standards and related toll policies;

- Predicting operation and maintenance costs for future years based on the Target Expressway's historical costs and cost growth patterns;

- Submitting an independent report on traffic volume, toll revenue, and operation and maintenance cost forecasts.

3. MAIN BASIS FOR THE STUDY

The main basis for this forecast study includes:

- Historical GDP data and related planning materials from Shandong Province, Hebei Province, Binzhou City, Cangzhou City, and other regions.

- Relevant road network plans from the PRC, Shandong Province, Hebei Province, Binzhou City, Cangzhou City, and other regions including:

  (1) Outline of the National Comprehensive Three-dimensional Transportation Network Plan;

  (2) Shandong Province Territorial Space Plan (2021-2035);

  (3) Binzhou City Territorial Space Master Plan (2021-2035);

  (4) Hebei Province Territorial Space Plan (2021-2035);

  (5) Cangzhou City Territorial Space Master Plan (2021-2035);

  (6) Shandong Province Comprehensive Transport Network Plan Outline (2023-2035);

  (7) Shandong Province 14th Five-Year Plan for Comprehensive Transportation Development;

  (8) Hebei Province 14th Five-Year Plan for Developing a Modern Comprehensive Transportation System.

- Relevant documents on toll standards of the Target Expressway, including:

  (1) The Notice on Toll Standards for Vehicles on the Chengkou (Shandong-Hebei Border) to Zhanhua Section of Qinbin Expressway (Lu Jiao Cai [2023] No. 49) issued by Shandong Provincial Department of Transport & Shandong Provincial Development and Reform Commission;

  (2) Reply from the Department of Transport of Shandong Province on Issues Related to the Toll Collection Deadline for the Chengkou (Shandong-Hebei Border) to Zhanhua Section of Qinbin Expressway (Lu Jiao Cai Han [2025] No. 25);

  (3) The Notice on Temporarily Exempting Hydrogen-Powered Vehicles from Expressway Tolls (Lu Jiao Cai [2024] No. 2) issued by Shandong Provincial Department of Transport, Shandong Provincial Development and Reform Commission & Shandong Provincial Department of Science and Technology;

  (4) The Notice on Continuing to Implement Discounted Expressway Tolls for Designated Vehicle Categories (Lu Jiao Cai Han [2025] No. 1) issued by Shandong Provincial Department of Transport;

  (5) The Notice on Further Improving Service Guarantees for Highway Passage of Container Trucks Transporting Fresh Agricultural Products (Lu Jiao Cai Han [2023] No. 12) issued by Shandong Provincial Department of Transport.

- Traffic volume and toll revenue data for the Target Expressway provided by the Target Company, including:

  (1) Monthly gantry transaction data for the Target Expressway (January 2023 - August 2025);

  (2) Monthly entry/exit traffic volume data at toll stations for the Target Expressway (November 2020 - August 2025);

  (3) Monthly toll revenue data for the Target Expressway (January 2022 - August 2025).

- Shandong Province's provincial expressway network toll collection data (2016-2019, 2023, and January- August 2025).

- Other relevant national standards, etc.

4. FORECASTING METHODS

The forecasting methods used in this study are internationally recognized and widely used in traffic volume forecasting for expressways in the People's Republic of China, which is the four-stage method. The traffic forecasting research methods include the following stages:

(1) Predict the economic growth rate for future years;

(2) Calculate the traffic growth rate for the forecast period through elasticity coefficient analysis;

(3) Calculate the production and attraction volumes and the OD matrix for the assignment years of the forecast;

(4) Collect the road network information for the assignment years of the forecast;

(5) Assign traffic volume to the future road network for each assignment year based on model parameters.

5. MAIN ASSUMPTIONS

The main assumptions in this research report are as follows:

(1) Economic Growth Rate

The economic development of the Target Expressway's location is expected to maintain a stable growth with a gradual slowdown in growth rate, and the growth trends of various socio-economic indicators should also conform to this trend. Based on the historical GDP data of the region and relevant plans, predictions for future socio-economic indicators are made.

(2) Road Network Information

The study has collected the latest planning information for the expressway network in Shandong and Hebei provinces, as well as the planning information for rail and trunk roads. This information has been entered into the road network model. The information of main planned traffic facility construction around the Target Expressway is shown in Table 1.

Table 1 Main Planned Traffic Facility Construction Information

No.	Name of the project	Construction Phasing	Opening Time
1	Reconstruction and expansion of Cangzhou section of Rongwu Expressway	It was commenced in September 2022, with a construction period of three years	October 11, 2025
2	G228 Binzhou section	It was commenced in December 2019, with a construction period of six years	October 1, 2025
3	S236 overhaul project	It was commenced in July 2025, with a construction period of five months	2026
4	Tianjin section of Qinbin Expressway overhaul project	It was commenced in 2026, with a construction period of one month	2026
5	G228 Cangzhou section (including Zhangweixin River Bridge)	It was commenced in August 2023, with a construction period of three years	2026
6	Tianjin-Weifang High-speed Railway	It was commenced in November 2022, with a construction period of five years	2028
7	Reconstruction and expansion of the Dagao-Pengjia hub section of Changshen Expressway	It is expected to commence construction by the end of 2025, with a construction period of forty-two months	2030
	Reconstruction and expansion of the section from the Shandong-Hebei border to Dagao of Changshen Expressway	The design bidding has been initiated in October 2025, assuming that construction will begin by the end of 2026 and a duration of 3 years	2030
8	Linyi-Yancheng Expressway	The Shandong section is expected to start construction by the end of 2025, with a construction period of 3 years. The Jiangsu section is in the preliminary research stage, assuming that construction will begin in 2027 and the project duration will be 3 years	2030
9	Reconstruction and expansion of Hebei section of Qinbin Expressway	It is currently in the preliminary research stage, assuming a start date of 2027 and a construction period of 4 years	2031

Notes:

- Reconstruction and expansion of Cangzhou section of Rongwu Expressway has opened on October 11, 2025, and G228 Binzhou section has opened on October 1, 2025. Their impacts have been taken into account during the forecast.

- The above table only lists the projects in the planned road network that have a certain impact on the future flow of the Target Expressway.

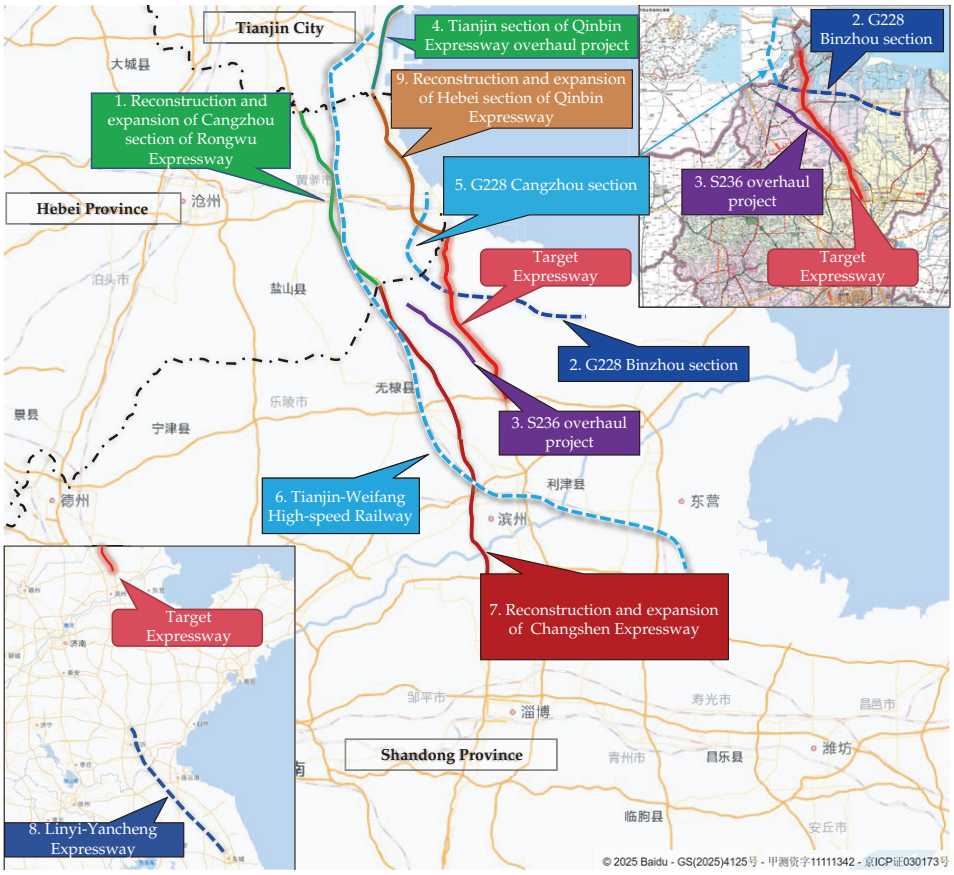


Figure 2 Location Map of Planning Transportation Facilities around the Target Expressway

(3) Toll Rate Standards

The toll period for the Target Expressway is 25 years. The toll period for Phase I from Chengkou to Zhanhua is from November 16, 2020 to November 15, 2045, and the toll period for Phase II from Shandong-Hebei border to Chengkou is from January 21, 2022 to January 20, 2047. In this forecast study, it is assumed that the toll rate standards of the Target Expressway will remain unchanged during the remaining operating period. Detailed toll rates by vehicle type are provided in Table 2.

Table 2 Toll Rate Standards for the Target Expressway by Vehicle Type

Vehicle class		Classification Standard	General Toll Rate *(RMB/km)*	Zhangweixin River Mega Bridge Toll Rate *(RMB/vehicle)*
1	Passenger vehicles	≤ 9 seats	0.58	15.00
	Trucks	(i) Number of axles: two; (ii) Length of truck: below 6,000 mm; and (iii) Maximum permitted total weight: less than 4,500 kg	0.68	22.50
2	Passenger vehicles	10 to 19 seats (including 19 seats)	0.73	22.50
	Trucks	(i) Number of axles: two; (ii) Length of truck: not less than 6,000 mm; or (iii) Maximum permitted total weight: not less than 4,500 kg	1.29	30.00
3	Passenger vehicles	20 to 39 seats (including 39 seats)	0.87	30.00
	Trucks	Number of axles: three	1.90	40.50
4	Passenger vehicles	≥ 40 seats	1.09	37.50
	Trucks	Number of axles: four	2.52	52.50
5	Trucks	Number of axles: five	3.13	60.00
6	Trucks	Number of axles: six	3.74	90.00

Notes:

- For trucks with more than six axles, the toll rate shall be calculated based on the toll coefficient for six-axle trucks, with an increase of 0.5 in the coefficient for each additional axle.
- The toll standards for special purpose vehicles shall be implemented in accordance with the standards for the corresponding categories of trucks.

(4) Other toll policies

In the forecast, it is assumed that the current toll collection policies in Shandong Province will remain unchanged, which mainly include:

- Passenger vehicles with ETC receive 5% discount: A base 5% discount on toll fees is applied to passenger vehicles equipped with and using ETC for payment while traveling on all toll roads within Shandong province.
- Freight vehicles with ETC receive 15% discount: A 15% toll discount is implemented for freight vehicles equipped with ETC devices and for large operational coaches registered within the province's regulatory platform. This policy has been extended and remains in effect until December 31, 2025.

- Toll Exemption for Hydrogen-Powered Vehicles: Starting from March 1, 2024, hydrogen-powered vehicles equipped with ETC devices are temporarily exempted from expressway tolls when traveling on provincial expressways. This policy is initiated on a two-year pilot basis, with potential adjustments upon review upon expiration.

- Toll Exemption for Green Channel Vehicles: Standard container trucks transporting fresh agricultural products whose total weight, length and width do not exceed the nationally prescribed maximum limits, and whose total height does not exceed 4.2 meters, qualify for the "Green Channel" policy. These vehicles are exempt from toll fees and granted priority for expedited passage.

- Toll Exemption for Small Passenger Vehicles on Major Holidays: Since October 2012, China has implemented a policy exempting small passenger vehicles from toll fees on major national holidays. The toll-free periods apply during the four statutory holidays: Spring Festival, Qingming Festival, Labour Day, and National Day. The exemption applies to standard passenger vehicles with 7 or fewer seats (including 7 seats) using toll roads.

6. HISTORICAL TRAFFIC VOLUME AND TOLL REVENUE

Historical traffic volume and toll revenue data of the Target Expressway are shown in Table 3.

Table 3 Historical traffic volume and toll revenue of the Target Expressway

Year	Traffic volume	Conversion traffic volume	Toll revenue
	(veh/d)	*(pcu/d)*	*(RMB in million)*
2023	13,634	27,639	610.93
2024	18,745	37,801	817.46
January to August 2025	20,939	41,892	590.16

Notes:

- The traffic volume presented in the table represents annual average daily traffic volume of the main line of the Target Expressway, excluding vehicles utilizing the Green Channel and those exempt from tolls during major statutory holidays.

- The toll revenue includes value-added tax, with a tax rate of 9%.

7. CONCLUSION

7.1 Traffic Volume and Toll Revenue Forecast Results

The growth of future economic and traffic trends involves a certain degree of uncertainty. Based on different projected growth rates for trend traffic volume, baseline, optimistic and conservative cases have been established.

During the forecast period, in addition to the impact of trend traffic volume growth, the road network and future traffic planning surrounding the Target Expressway have also been analyzed. The main influencing factors in the future are:

(1) The construction of the reconstruction and expansion of Cangzhou section of Rongwu Expressway, the Binzhou section of G228 and the overhaul project of S236 will be completed in the second half of 2025, the Tianjin section of Qinbin Expressway overhaul project and the Cangzhou section of G228 will be completed in 2026, resulting in a decrease in traffic volume and toll revenue for the Target Expressway in 2026.

(2) In 2027, during the reconstruction and expansion of the Changshen Expressway, it is expected that road control measures will be implemented on the sections subject to reconstruction and expansion from that year on, which will have a positive impact on the traffic volume of the Target Expressway.

(3) In 2028, the opening of the Tianjin-Weifang High-speed Railway will have a negative impact on the Target Expressway. After considering the positive impacts of the reconstruction and expansion of the Changshen Expressway, the traffic volume and toll revenue of the Target Expressway will increase in 2028.

(4) In 2029, it is expected that road control measures will be implemented on the sections subject to reconstruction and expansion from that year on during the reconstruction and expansion of the Hebei section of Qinbin Expressway. Therefore, the road network will divert the traffic, resulting in a decrease in the traffic volume and toll revenue of the Target Expressway that year.

(5) In 2030, after the completion of the reconstruction and expansion of the Changshen Expressway and the subsequent return of traffic flow, it will have a negative impact on the Target Expressway. At the same time, the opening of the Linyi-Yancheng Expressway will have a positive impact on the Target Expressway. After considering the combined effect, the traffic volume and toll revenue of the Target Expressway will further decline that year.

(6) In 2031, the reconstruction and expansion of the Hebei section of the Qinbin Expressway will be completed, and the traffic flow and toll revenue of the Target Expressway will return to normal levels.

The traffic volume and toll revenue forecast results are presented in Tables 4 and 5.

Table 4 Forecast Traffic Volume of the Target Expressway

	Baseline case			Optimistic case			Conservative case		
Year	AADT (veh/d)	Converted AADT (pcu/d)	Growth Rate	AADT (veh/d)	Converted AADT (pcu/d)	Growth Rate	AADT (veh/d)	Converted AADT (pcu/d)	Growth Rate
2025	21,236	42,639		21,236	42,639		21,236	42,639	
2026	13,851	27,978	-34.4%	13,882	28,028	-34.3%	13,812	27,899	-34.6%
2027	15,711	30,955	10.6%	15,783	31,068	10.8%	15,623	30,781	10.3%
2028	16,591	32,862	6.2%	16,705	33,041	6.3%	16,453	32,585	5.9%
2029	14,565	28,479	-13.3%	14,699	28,687	-13.2%	14,404	28,159	-13.6%
2030	13,731	27,457	-3.6%	13,887	27,703	-3.4%	13,541	27,071	-3.9%
2031	16,516	33,109	20.6%	16,764	33,500	20.9%	16,219	32,507	20.1%
2032	17,050	34,069	2.9%	17,369	34,571	3.2%	16,673	33,310	2.5%
2033	17,600	35,057	2.9%	17,997	35,675	3.2%	17,139	34,132	2.5%
2034	18,169	36,072	2.9%	18,647	36,814	3.2%	17,618	34,974	2.5%
2035	18,756	37,114	2.9%	19,321	37,987	3.2%	18,111	35,834	2.5%
2036	19,227	37,908	2.1%	19,894	38,933	2.5%	18,476	36,428	1.7%
2037	19,709	38,717	2.1%	20,485	39,900	2.5%	18,848	37,031	1.7%
2038	20,204	39,543	2.1%	21,093	40,892	2.5%	19,228	37,643	1.7%
2039	20,711	40,384	2.1%	21,719	41,907	2.5%	19,616	38,263	1.6%
2040	21,115	41,005	1.5%	22,242	42,700	1.9%	19,901	38,669	1.1%
2041	21,524	41,637	1.5%	22,784	43,520	1.9%	20,191	39,087	1.1%
2042	21,942	42,278	1.5%	23,339	44,354	1.9%	20,486	39,510	1.1%
2043	22,368	42,928	1.5%	23,908	45,205	1.9%	20,785	39,935	1.1%
2044	22,802	43,587	1.5%	24,492	46,071	1.9%	21,088	40,364	1.1%
2045	23,245	44,254	1.5%	25,090	46,954	1.9%	21,396	40,797	1.1%
2046	23,696	44,931	1.5%	25,704	47,854	1.9%	21,708	41,233	1.1%
2047	24,157	45,617	1.5%	26,333	48,771	1.9%	22,025	41,673	1.1%

Notes:

- The growth rate presented in the table refers to the growth rate of the converted annual average daily traffic (AADT).
- The traffic volume presented in the table represents annual average daily traffic volume of the main line of the Target Expressway, excluding vehicles utilizing the Green Channel and those exempt from tolls during major statutory holidays.

Table 5 Forecast Toll Revenue of the Target Expressway

	Baseline case		Optimistic case		Conservative case	
Year	Toll revenue *(RMB in million)*	Growth rate	Toll revenue *(RMB in million)*	Growth rate	Toll revenue *(RMB in million)*	Growth rate
2025	897		897		897	
2026	599	-33.2%	600	-33.0%	598	-33.3%
2027	648	8.1%	650	8.3%	644	7.8%
2028	691	6.6%	694	6.8%	685	6.3%
2029	588	-14.9%	592	-14.7%	582	-15.1%
2030	571	-2.8%	576	-2.7%	563	-3.1%
2031	697	22.0%	705	22.3%	684	21.5%
2032	719	3.1%	729	3.4%	703	2.7%
2033	737	2.6%	750	2.9%	718	2.1%
2034	759	2.9%	773	3.1%	735	2.4%
2035	780	2.8%	797	3.1%	753	2.4%
2036	799	2.4%	819	2.7%	767	1.9%
2037	813	1.8%	836	2.1%	778	1.3%
2038	830	2.1%	856	2.4%	790	1.6%
2039	847	2.1%	877	2.4%	803	1.6%
2040	863	1.9%	896	2.2%	814	1.4%
2041	874	1.2%	910	1.6%	820	0.8%
2042	887	1.5%	927	1.8%	829	1.0%
2043	900	1.5%	944	1.8%	837	1.0%
2044	916	1.8%	964	2.1%	848	1.3%
2045	854	-6.8%	901	-6.5%	787	-7.2%
2046	353	-58.7%	374	-58.5%	324	-58.9%
2047	20	-94.4%	21	-94.4%	18	-94.5%

Notes:

- The toll collection period for Phase I will expire in November 2045, and toll collection period for Phase II will expire in January 2047, resulting in significant fluctuation in growth rates from 2045 to 2047.
- The toll revenue includes value-added tax, with a tax rate of 9%.

It is estimated that the annual revenue of other businesses will be RMB1 million from 2025 to 2045, primarily consisting of revenue from communication pipelines (upward and downward crossings) and road assets compensation. No further consideration will be given after the toll collection expiration of Phase I of the Target Expressway.

7.2 Operation and Maintenance Cost Forecast Results

(1) Cost Composition

The operating and maintenance costs are divided into three parts: labour costs, operational management costs, and maintenance costs. The project handover and resettlement costs are considered respectively before the toll collection expiration of each phase. Inflation factors have been indirectly considered in the calculation of cost increase, and are not considered separately.

Labour costs refer to expenses such as salaries, bonuses, and related insurance benefits paid to employees of the company. The Target Company's organization has tended to be mature and the personnel has tended to be stable in 2024. Given that, the forecast considered, in addition to the analysis of historical data, a forecast of labour costs for the coming years, with expenses for the resettlement of personnel at the time of handover in the final year taken into account.

Operational management costs encompass various expenditures required to maintain normal business operations, such as network management fees, office expenses, meal allowances, vehicle usage and maintenance costs, property management fees, IT project expenditures, and miscellaneous expenses. Handover management expenses have been taken into account at the time of handover.

Maintenance costs refer to the expenses incurred for routine maintenance, maintenance projects and other work (mainly including regular inspections, monitoring, and handovers) carried out for various facilities such as roadbeds, pavements, bridges and tunnels, traffic engineering and roadside facilities (mainly including safety facilities, housing construction, and electromechanical engineering). These expenditures will ensure the continued functioning and safety of the expressway throughout its operational lifecycle.

(2) Forecast Results

The main conclusions of the operation and maintenance cost forecast are shown in Table 6.

Table 6 Predicted Annual Cost of the Target Expressway

Year	Operation and maintenance cost *(RMB in million)*	Year	Operation and maintenance cost *(RMB in million)*
2025	142	2037	164
2026	100	2038	168
2027	82	2039	178
2028	83	2040	236
2029	85	2041	120
2030	124	2042	123
2031	97	2043	126
2032	109	2044	210
2033	112	2045	287
2034	116	2046	46
2035	190	2047	11
2036	123		

Notes:

- The toll collection period of Phase I of the Target Expressway will end in 2045. By then, its operation and maintenance cost will no longer be considered, and pre-handover engineering works for the Phase I will be arranged in 2044 and 2045.
- Operating and maintenance costs for 2047 are calculated assuming operating up to January 20, 2047, including the project handover and resettlement costs.
- The operation and maintenance costs include value-added tax.

Yours faithfully
JSTI Group Co., Ltd.
Transportation Research Department Planning Research Division
Liu Yanping
Director

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 Group. 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 OF DIRECTORS/CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"):

(a) Interests in the Shares, underlying Shares and/or debentures of the Company

Name of Director	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Number of Shares held (short position)	Approximate % of shareholding in the total issued Shares *(Note 1)*
Ms. Liu Yan	Beneficial owner	485	–	Nil	0.00003
Mr. Cai Minghua	Beneficial owner	–	129,785*(Note 3)*	Nil	0.01
Mr. Pan Yongqiang	Beneficial owner/ Spouse interest	264,000*(Note 2)*	Nil	Nil	0.02
Mr. Lau Hon Chuen Ambrose	Beneficial owner	195,720	–	Nil	0.01
Mr. Cheung Doi Shu	Beneficial owner	500,000	–	Nil	0.03

Notes:

1. The total number of 1,673,162,295 Shares in issue as at the Latest Practicable Date was used for the calculation of the approximate percentage.

2. Mr. Pan Yongqiang is interested in 264,000 shares, out of which 164,000 shares are owned by him as personal interest and 100,000 shares are held by his spouse.

3. These are Shares issuable to Mr. Cai Minghua upon exercise of the share options granted to him pursuant to the share option scheme of the Company, the exercise price of which is HK$4.45.

(b) Interests in associated corporation(s)

Name of Director	Name of associated corporation	Capacity	Approximate % of shareholding in the total issued shares *(Note)*	Number of shares held (long position)	Number of shares held (short position)
Ms. Liu Yan	Yuexiu Property Company Limited	Beneficial owner	0.00008	3,400	Nil
Mr. Lau Hon Chuen Ambrose	Yuexiu Property Company Limited	Beneficial owner	0.03	1,258,712	Nil

Note: The total number of 4,025,392,913 shares of Yuexiu Property Company Limited in issue as at the Latest Practicable Date was used for the calculation of the approximate percentage.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its other associated corporations (within the meaning of Part XV of the SFO), which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

(c) Directorship in or Employment with Substantial Shareholders

As at the Latest Practicable Date, (i) Ms. Liu Yan, the Chairman and a Director, was the chief operating officer of Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司) ("**Guangzhou Yue Xiu**") and Yue Xiu Enterprises (Holdings) Limited ("**Yue Xiu Enterprises**"); (ii) Ms. Chen Jing, a Director, was a director of each of Grace Lord Group Limited ("**Grace Lord**") and Housemaster Holdings Limited ("**Housemaster**"), and the chief financial officer of Guangzhou Yue Xiu and Yue Xiu Enterprises; and (iii) Mr. Pan Yongqiang, a Director, was the general manager of the capital operations department of Guangzhou Yue Xiu and Yue Xiu Enterprises. Grace Lord, Housemaster, Guangzhou Yue Xiu, Yue Xiu Enterprises are entities who had interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

3 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or be determinable by any member of the Group within one year without payment of compensation (other than statutory compensation).

4 DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

(a) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

(b) Interests in contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and which was significant in relation to the business of the Group.

5 COMPETING INTERESTS

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

6 NO MATERIAL ADVERSE CHANGE

The Directors confirm there had not been any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up to, up to and including the Latest Practicable Date.

7 EXPERTS' QUALIFICATIONS AND CONSENTS

The following are qualifications of the experts who have given their opinion or advice which is included in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants
JSTI Group Co., Ltd.	Independent professional traffic consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional business valuer
Yu Ming Investment Management Limited	A corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
East & Concord Partners Guangzhou (北京天達共和(廣州)律師事務所)	PRC legal advisers

As at the Latest Practicable Date, none of the above experts had any shareholding, directly or indirectly, 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 at the Latest Practicable Date, none of the above experts had any direct or indirect interest in any assets which were acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired to disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

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

8 DOCUMENTS ON DISPLAY

A copy of the SPA is available on the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.yuexiutransportinfrastructure.com) for a period of 14 days from the date of this circular.

9 MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text.

3 December 2025

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place Central
Hong Kong

Dear Sirs,

Discloseable and connected transaction: acquisition of Shandong Qinbin Expressway Construction Co., Ltd.* (山東秦濱高速公路建設有限公司) (the "Target Company")

We refer to the valuation report dated 3 December 2025 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**Valuer**") in relation to the valuation ("**Valuation**") of 85% of the equity interests of the Target Company. The Valuation, which is prepared based on discounted cash flow method, is regarded as a profit forecast under Rule 14.61 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

We have discussed with the Valuer different aspects including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the report issued by our auditor (namely Ernst & Young) pursuant to Rule 14.60A(2) of the Listing Rules.

On the basis of the foregoing, we are of the opinion that the Valuation prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Yuexiu Transport Infrastructure Limited
LIU Yan
Chairman

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

To the Directors of Yuexiu Transport Infrastructure Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation dated 3 December 2025 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited in respect of the market value of 85% equity interests in Shandong Qinbin Expressway Construction Co., Ltd (the "**Target Company**") as at 31 August 2025 is based. The valuation is set out in the announcement of Yuexiu Transport Infrastructure Limited (the "**Company**") dated 3 December 2025 (the "**Announcement**") in connection with the acquisition of 85% equity interests in the Target Company. The valuation based on the Forecast is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors (the "**Directors**") of the Company are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions (the "**Assumptions**") determined by the Directors and as set out in the section headed "5. MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER" of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in all material respects, in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target Company. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young
Certified Public Accountants
Hong Kong

3 December 2025

越秀交通基建有限公司
Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Yuexiu Transport Infrastructure Limited (the "**Company**") will be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 31 December 2025 at 11:00 a.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as an ordinary resolution. Unless otherwise indicated, capitalized terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 15 December 2025 (the "**Circular**") of which this notice forms part.

ORDINARY RESOLUTION

"THAT:

(a) the agreement dated 3 December 2025 and entered into between Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司) ("**Vendor**") and Yuexiu (China) Transport Infrastructure Investment Company Limited* (越秀(中國)交通基建投資有限公司) ("**Purchaser"**), pursuant to which, among other things, the Vendor shall sell and the Purchaser shall purchase 85% of the equity interests in Shandong Qinbin Expressway Construction Co., Ltd.* (山東秦濱高速公路建設有限公司) at the consideration of RMB1,153.50 million and the transactions provided or contemplated thereunder be and are hereby approved, confirmed and ratified in all respects; and

(b) any one or more Directors be and are hereby authorised, for and on behalf of the Company, to sign, execute, perfect, perform and deliver all such other agreements, instruments, deeds and documents and do all such acts or things and take all such steps as such Director(s) in his/their absolute discretion consider to be necessary, desirable or expedient or in the interest of the Company to give effect or otherwise in connection with or incidental to the agreement as set out in paragraph (a) above and all transactions contemplated thereunder and to agree to such variations, amendments or waivers as are, in his/their opinion, in the interests of the Company and its shareholders."

By order of the Board
Yuexiu Transport Infrastructure Limited
Yu Tat Fung
Company Secretary

Hong Kong, 15 December 2025

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing signed by the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or signed by a duly authorized officer or attorney.

3. To be valid, the completed proxy form together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the SGM (or adjourned meeting or postponed meeting thereof).

4. Completion and return of the proxy form will not preclude members from attending and voting in person at the SGM or at any adjourned meeting or postponed meeting thereof (as the case may be) should they so wish, and in such event, the proxy form shall be deemed to be revoked.

5. Where there are joint registered holders of any share, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the share(s) shall alone be entitled to vote in respect thereof.

6. The register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for ascertaining shareholders' eligibility to participate in and vote at the SGM will be Wednesday, 31 December 2025. For the purpose of ascertaining the shareholders' eligibility to participate in and vote at the SGM to be held on Wednesday, 31 December 2025 at 11:00 a.m., all transfer of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 December 2025.

As at the date of this notice, the Board comprises:

Executive Directors	:	*LIU Yan (Chairman), YAO Xiaosheng, CHEN Jing, CAI Minghua and PAN Yongqiang*
Independent Non-executive Directors	:	*FUNG Ka Pun, LAU Hon Chuen Ambrose, CHEUNG Doi Shu and PENG Vincent Shen*