
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in **Chengdu Expressway Co., Ltd.**, you should at once hand this circular and the accompanying form(s) of proxy and reply slip(s) to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Chengdu Expressway Co., Ltd. 成都高速公路股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01785)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION – SUBSCRIPTION OF
LIMITED PARTNER INTERESTS IN A FUND
(2) PROVISION OF GUARANTEE IN RESPECT OF LOANS TO A SUBSIDIARY
(3) PROPOSED APPOINTMENT OF DIRECTORS
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on page 5 to page 33 of this circular. A letter from the Independent Board Committee, containing its advice to the Independent Shareholders, is set out on page 34 to page 35 of this circular. A letter from the Independent Financial Adviser, Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on page 36 to page 65 of this circular.

The EGM of the Company will be held at the meeting room 1 of Chengdu Expressway Co., Ltd., 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC at 10:00 a.m. on Friday, 18 September 2026. The notice convening the EGM is dispatched to the Shareholders together with this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. The form of proxy shall be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Board Office of the Company in the PRC at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC (for holders of Domestic Shares) as soon as possible and in any event not less than 24 hours before the time appointed for convening the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to lodge the completed reply slip to the Board Office of the Company on or before Friday, 11 September 2026.

3 September 2026

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Chengdu Communications Investment”	Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), a company incorporated in the PRC with limited liability on 16 March 2007, which is one of the controlling shareholders of the Company
“Chengdu Communications Investment Capital”	Chengdu Communications Investment Capital Management Co., Ltd. (成都交投資本管理有限責任公司)
“Chengdu Communications Investment Zhuoyue Fund”	Chengdu Communications Investment Zhuoyue Private Fund Management Co., Ltd. (成都交投卓越私募基金管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Chengdu Communications Investment Capital Management Co., Ltd.
“Chengdu Mengjiang”	Chengdu Mengjiang Comprehensive Energy Development Co., Ltd. (成都濛江綜合能源發展有限公司)
“Chengming Expressway”	Sichuan Chengming Expressway Co., Ltd. (四川成名高速公路有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company, which is held as to 51% and 49% by the Company and Communications Investment Construction and Management, one of the controlling shareholders of the Company, respectively
“Communications Investment Construction and Management”	Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司), formerly known as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a company incorporated in the PRC with limited liability, which is one of the controlling shareholders of the Company
“Company”	Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“controlling shareholders”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at the meeting room 1 of Chengdu Expressway Co., Ltd., 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC at 10:00 a.m. on Friday, 18 September 2026
“Energy Development Company”	Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司), a joint stock company incorporated in the PRC with limited liability and a subsidiary of the Company
“Energy Storage Fund”	Chengdu Energy Storage Industrial Chain Equity Investment Fund Partnership (Limited Partnership) (成都儲能產業鏈股權投資基金合夥企業(有限合夥))
“Energy Storage Fund Partnership Agreement”	the partnership agreement and its supplemental agreement entered into by Energy Development Company (a subsidiary of the Company and as a limited partner) with Chengdu Communications Investment Zhuoyue Fund (as the general partner), Chengdu Communications Investment Capital (as a limited partner) and Sichuan Aviation Electrical Micro Energy Co., Ltd. (as a limited partner) relating to the establishment of the Energy Storage Fund on 20 April 2026
“Fund”	Chengdu Zhuoyue Microgrid M&A Equity Investment Fund Partnership (Limited Partnership) (成都卓越微網併購股權投資基金合夥企業(有限合夥)) (subject to registration with the enterprise registration authority), the limited partnership established pursuant to the Partnership Agreement
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are approved to be listed and traded on the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors, being Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng, to advise the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Chengdu Communications Investment and Communications Investment Construction and Management
“Jiaozi Kechan M&A Fund”	Chengdu Jiaozi Kechan M&A Equity Investment Fund Partnership (Limited Partnership) (成都交子科產併購股權投資基金合夥企業(有限合夥))
“junior limited partner(s)”	limited partners of the Fund whose entitlement to distributions from the Fund is subordinated to that of the senior limited partners, and who receive return of capital and hurdle investment returns after the senior limited partners have been made whole, in exchange for an enhanced share of performance income. Junior limited partners are typically strategic or industry investors with deeper knowledge of the underlying assets and higher risk tolerance, who invest in the subordinated tranche to pursue enhanced returns
“Latest Practicable Date”	3 September 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lok Capital”	Luoneng (Hangzhou) Equity Investment Co., Ltd. (洛能(杭州)股權投資有限公司)
“Partnership Agreement”	the partnership agreement (as amended and supplemented) entered into by Energy Development Company (a subsidiary of the Company and as a new junior limited partner) with Chengdu Communications Investment Zhuoyue Fund (as the general partner), Chengdu Communications Investment Capital (as a junior limited partner), other general partner, senior limited partners and junior limited partners on 31 August 2026

DEFINITIONS

“PCG Power”	Hangzhou PCG Power Development Co., Ltd. (杭州碧澄能源發展有限公司)
“PRC”	the People’s Republic of China
“senior limited partner(s)”	limited partners of the Fund whose entitlement to distributions from the Fund ranks ahead of that of the junior limited partners, and who are entitled to receive return of capital and hurdle investment returns in priority to junior limited partners. Senior limited partners are typically financial investors with lower risk appetite, seeking stable and predictable returns
“Share(s)”	the share(s) of the Company, including Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Xiamen International Trust”	Xiamen International Trust Co., Ltd. (廈門國際信託有限公司)
“%”	per cent

LETTER FROM THE BOARD



Chengdu Expressway Co., Ltd.

成都高速公路股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01785)

Executive Directors:

Mr. Ding Dapan (Chairman)
Mr. Pan Xin

Non-executive Director:

Mr. Jiang Xinliang

Independent non-executive Directors:

Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu
Mr. Wang Peng

Registered office:

9th Floor, Youyi Data Building
No. 28 Jingyuan East Road
Deyuan town (Jingrong town)
Pidu District
Chengdu, Sichuan
PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

3 September 2026

To the Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION – SUBSCRIPTION OF
LIMITED PARTNER INTERESTS IN A FUND
(2) PROVISION OF GUARANTEE IN RESPECT OF LOANS TO A SUBSIDIARY
(3) PROPOSED APPOINTMENT OF DIRECTORS
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

References are made to the announcements of the Company dated 28 July 2026, 27 August 2026 and 31 August 2026 in relation to, among other matters, (i) proposed appointment of Mr. Wu Xiao (“**Mr. Wu**”) as an executive Director of the Company; (ii) proposed appointment of Ms. Jiang Na (“**Ms. Jiang**”) as a non-executive Director of the Company; and (iii) the Partnership Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the Partnership Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee to the Independent Shareholders, and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (ii) details of provision of guarantee in respect of loans to a subsidiary; (iii) details of proposed appointment of Directors; and (iv) notice convening the EGM, so as to enable you to make an informed decision while voting for or against the resolutions to be submitted at the EGM.

LETTER FROM THE BOARD

II. DISCLOSEABLE AND CONNECTED TRANSACTION – SUBSCRIPTION OF LIMITED PARTNER INTERESTS IN A FUND

The Board announces that on 31 August 2026, Energy Development Company, a subsidiary of the Company (as a new junior limited partner), entered into the Partnership Agreement with Chengdu Communications Investment Zhuoyue Fund (as the fund manager and general partner), Chengdu Communications Investment Capital (as a junior limited partner), other general partner, senior limited partners and junior limited partners, pursuant to which (i) Energy Development Company, as a new junior limited partner, subscribed for RMB150 million, representing 15% of the total capital commitment of the Fund; and (ii) Xiamen International Trust, Jiaozi Kechan M&A Fund and Chengdu Mengjiang, as new senior limited partners, subscribed for RMB200 million, RMB200 million and RMB100 million, respectively, representing 20%, 20% and 10% of the total capital commitment of the Fund, respectively. Upon completion of the transaction, the Company's investment in the Fund will be accounted for as a long-term equity investment. Profits of the Fund will be recognised as investment income of the Company on an annual basis in proportion to the Company's equity interest in the Fund. The Fund will not become a subsidiary of the Company and will not be included in the Company's consolidated financial statements.

The principal terms of the Partnership Agreement are summarised as follows:

Signing date:	31 August 2026
Name of the Fund:	Chengdu Zhuoyue Microgrid M&A Equity Investment Fund Partnership (Limited Partnership) (subject to registration with the enterprise registration authority)
Parties:	(1) Chengdu Communications Investment Zhuoyue Fund (as general partner and fund manager); (2) Lok Capital (as general partner); (3) Chengdu Communications Investment Capital (as a junior limited partner); (4) Energy Development Company (as a new junior limited partner); (5) PCG Power (as a junior limited partner); (6) Xiamen International Trust (as a new senior limited partner); (7) Jiaozi Kechan M&A Fund (as a new senior limited partner); and (8) Chengdu Mengjiang (as a new senior limited partner).

LETTER FROM THE BOARD

The Fund comprises two general partners, three senior limited partners and three junior limited partners. Chengdu Communications Investment Zhuoyue Fund serves as the fund manager and executive partner 1, responsible for the overall investment management and operational affairs of the Fund. Lok Capital serves as executive partner 2, responsible for assisting in project sourcing, investment plan design, post-investment management and appointing one member of the investment decision committee. The general partners bear unlimited liability for the debts of the Fund. As detailed below, the senior limited partners (Xiamen International Trust, Jiaozhi Kechan M&A Fund and Chengdu Mengjiang) are entitled to priority return of capital and hurdle investment returns, receive 5% of performance income (if there is any remaining distributable cash), and each appoint one observer with pre-review rights over investment and exit proposals. The junior limited partners (Chengdu Communications Investment Capital, Energy Development Company and PCG Power) receive return of capital and hurdle investment returns after the senior limited partners, and are entitled to 75% of performance income (if there is any remaining distributable cash). All limited partners' liability is limited to their respective capital commitments.

Scope of operation:

General operations: to be engaged in, among other things, equity investment, investment management and asset management activities in the form of private fund (subject to registration with the enterprise registration authority)

LETTER FROM THE BOARD

Scope of investment:	The Fund will be filed with the Asset Management Association of China as a private equity fund, and its investments will take the form of equity investments in target companies. The Fund shall invest in high-quality targets in the photovoltaic and energy storage industries. Specifically, the Fund targets the acquisition of mature, operating commercial and industrial (“C&I”) distributed solar PV power stations, predominantly operating under a “self-consumption with surplus grid feed-in” model, i.e., solar generation is primarily consumed by the underlying C&I operations, with surplus power exported to the grid. The target asset portfolio is approximately 560 MW across approximately 200 solar stations, averaging approximately 3 MW per station. Target assets are distributed nationwide: approximately 10% in the Sichuan-Chongqing region, over 60% in Eastern and Southern China (regions with favorable solar irradiation), and the balance in Central and Northern China. The underlying C&I offtakers are primarily cold-chain warehousing and logistics enterprises and large-scale manufacturers located at major domestic transportation hubs. Chengdu Communications Investment Zhuoyue Fund may, for cash management purposes, determine to invest, with the cash assets of the Fund, in bank deposits, treasury bonds, central bank bills, money market funds and other cash management instruments recognised by the China Securities Regulatory Commission prior to completion of filing of the Fund as a private fund or during periods when capital of the Fund remains idle. Save and except for the investment scope specified above, the Fund shall not engage in any other investment activities without the unanimous consent of all partners.
Investment objective:	The investment objective of the Fund is to engage in project investments in accordance with the provisions of the Partnership Agreement, and to achieve capital appreciation through the acquisition, holding and disposal of interests in investee enterprises.
Term:	The term of the Fund, as a limited partnership, shall be 20 years. The establishment date of the Fund (the “Fund Establishment Date”) shall be the date on which the Fund finalises its industrial and commercial registration and each of the partners contributes the first instalment of their subscribed capital commitment, the raised capital is transferred to the custody account of the Fund, and the custodian issues a notice certifying the receipt of the proceeds, being 8 May 2026.

LETTER FROM THE BOARD

The term of the Fund as a private fund (the “**Fund Term**”) shall be until the date falling upon the eighth anniversary since the Fund Establishment Date, which may be extended by up to two times, each extension not exceeding one year, subject to the operating requirements of the Fund and unanimous consent of all partners.

The term of investment of the Fund shall span over a period from the Fund Establishment Date until the fifth anniversary of the Fund (the “**Term of Investment**”). The term of exit of the Fund shall span over a period from the end of the Term of Investment until the eighth anniversary of the Fund Establishment Date (the “**Term of Exit**”).

Size and capital commitment
of the Fund:

Upon completion of the transaction, the total capital commitment of the Fund shall be RMB1,000 million, with the amount subscribed for by each partner as follows:

Fund partners	Category	Subscribed	As a
		amount	percentage of
		(RMB million)	total capital commitment (%)
Chengdu Communications Investment Zhuoyue Fund	General partner and fund manager	1	0.10
Lok Capital	General partner	1	0.10
Chengdu Communications Investment Capital	Junior limited partner	149	14.90
Energy Development Company	Junior limited partner (newly added)	150	15.00
PCG Power	Junior limited partner	199	19.90
Xiamen International Trust	Senior limited partner (newly added)	200	20.00
Jiaozi Kechan M&A Fund	Senior limited partner (newly added)	200	20.00
Chengdu Mengjiang	Senior limited partner (newly added)	100	10.00
	Total:	<u>1,000</u>	<u>100.00</u>

LETTER FROM THE BOARD

The capital commitment of the Fund was determined among the partners after arm's length negotiations with reference to the expected capital requirements and investment targets of the Fund. In particular, the total capital commitment of the Fund of RMB1 billion was determined with reference to the Fund's target asset portfolio of approximately 560 MW of distributed solar PV power stations, which requires a total acquisition cost of approximately RMB2.2 billion. The Fund intends to finance such acquisitions through a combination of equity capital contributed by the partners (being the total capital commitment of RMB1 billion) and acquisition financing of approximately RMB1.2 billion, representing a leverage ratio of approximately 55%, which the Directors consider to be prudent given that leverage ratios of 60% to 70% are typical for comparable acquisition financing in the market. Energy Development Company's capital commitment of RMB150 million (representing 15% of the total capital commitment) was determined after arm's length negotiations among the partners with reference to the overall capital requirements of the Fund and Energy Development Company's investment capacity, and represents a level of investment proportionate to its role as a strategic junior limited partner participating in the Fund's investment decision-making and post-investment asset management. Energy Development Company shall fund its share of the subscribed amount with self-owned funds.

Method of capital
contribution and payment:

Capital contributions shall be paid in cash in four tranches: the first tranche shall be paid upon the signing and effectiveness of the Partnership Agreement, with all partners making initial capital contributions of RMB10 million in aggregate in accordance with the payment notice issued by the fund manager to enable the partnership to complete the filing procedures as a fund product; The second tranche of capital contributions shall be paid by all partners based on their respective capital commitment percentages to cumulatively complete 30% of the total capital contributions, and the fund manager shall issue the second payment notice only after the proposed investment plan for the relevant tranche has been submitted to the investment decision committee for consideration; the third and fourth tranches of capital contributions shall be paid by all partners based on 45% and 25% of their respective capital commitment amounts. The timing and proportion of contributions by the general partners shall be the same as those of the limited partners.

LETTER FROM THE BOARD

Apart from the first and second tranches of paid-in contributions, the fund manager may issue the next payment notice only upon the simultaneous satisfaction of the following two conditions: (1) the funds from the previous tranche have been utilised to 70% (the utilised investment funds are measured based on the signing of investment contracts, including reasonable reserves for taxes, partnership fees and other necessary expenses); and (2) the investment plan for the relevant tranche has been submitted to the investment decision committee for consideration. The contribution progress of all partners shall in principle be consistent.

For each capital call made by the fund manager, Chengdu Communications Investment Capital and Energy Development Company shall be obliged to make payment only after PCG Power has made payment on time; and the new senior limited partners (Jiaozi Kechan M&A Fund, Chengdu Mengjiang and Xiamen International Trust) shall make their contributions only after the contribution amounts of the other partners have been determined and actually paid into the designated account for fundraising and settlement.

Operation and management of
the Fund:

The partners' meeting, comprising all the partners, shall be convened and presided over by Chengdu Communications Investment Zhuoyue Fund. Specific matters in relation to the Fund shall be determined with the unanimous consent of all partners, including extension of the Fund Term, change of capacity of partners, change of manager, non-cash distribution, early dissolution and liquidation of the Fund, amendments to the Partnership Agreement, and other proposals as deemed necessary by the general partner to be submitted to the partners' meeting for resolution. Matters relating to the change, removal, admission and withdrawal, and transfer of partnership interests by, the general partner, and admission of a new general partner for the election of a new executive partner following the resolution to replace the general partner, shall be determined with the unanimous consent of all other partners (excluding partners that are related parties of the partners concerned) except for the partners concerned. Other matters shall be passed by all general partners and limited partners representing over 50% (exclusive) of the paid-in capital contributions.

LETTER FROM THE BOARD

Chengdu Communications Investment Zhuoyue Fund shall be the manager of the Fund responsible for its investment and other related matters, including: (i) managing, deciding, executing and overseeing the Fund's investment activities and administrative matters; (ii) representing the Fund in acquiring, holding, managing and maintaining its assets; (iii) appointing professional advisers and service providers (including lawyers, auditors, appraisers and other intermediaries); (iv) selecting and replacing the custodian institution; (v) initiating or defending legal proceedings and resolving disputes on behalf of the Fund; (vi) executing documents on behalf of the Fund; (vii) accruing and paying fund expenses; and (viii) determining and implementing profit distribution plans in accordance with the Partnership Agreement.

Management fee:

Management fee of the Fund and compensation for executing partnership affairs of the Fund shall be payable at 1% per annum of the paid-in capital of all the partners during the Term of Investment and the Term of Exit, of which the management fee shall be calculated at 0.5% per annum of the paid-in capital of all the partners, and the remaining amount constitutes compensation for executing partnership affairs. No management fee or compensation for executing partnership affairs shall be paid during the period of extension or liquidation of the Fund.

LETTER FROM THE BOARD

The management fee of the Fund was determined after arm's length negotiation among the parties, with reference to the fee levels of comparable photovoltaic M&A funds in the market. In particular, the parties referenced five comparable photovoltaic and new energy acquisition funds managed by established market participants, with fund sizes ranging from approximately RMB300 million to approximately RMB1.3 billion, and management fee rates ranging from 1% to 1.5% per annum. The comparable funds invest primarily in distributed solar PV and new energy assets, which is consistent with the Fund's investment scope, and their fund sizes are broadly comparable to the Fund's total capital commitment of RMB1 billion. Three of the comparable funds are managed by Lok Capital (a general partner of the Fund), adopting *pari passu* or senior/subordinated structures with limited partners including listed companies, insurance institutions and local state-owned capital, which are similar in nature to the investor base of the Fund. The remaining two comparable funds are managed by other reputable market participants in the new energy sector. As the management fee information of private funds is not publicly available, the above represents the exhaustive set of comparable photovoltaic M&A fund fee information accessible to the parties. The Fund's aggregate management fee and compensation for executing partnership affairs of 1% per annum is at the lower end of the comparable range of 1% to 1.5% per annum, and is competitive compared with similar industrial funds.

LETTER FROM THE BOARD

Investment and
decision-making:

The Fund shall have an investment decision committee to make decisions on matters such as the project investment approach, investment requirements, investment protection and other investment terms and changes thereto, investment exit plans and changes thereto, the exercise of voting rights by the Fund as a shareholder or through its appointed directors, and other significant post-investment matters that the fund manager considers should be submitted to the investment decision committee for consideration. The investment decision committee shall comprise three members, each of which will be appointed by each of Chengdu Communications Investment Zhuoyue Fund, Energy Development Company and Lok Capital. The chairman of the committee shall be the member appointed by Chengdu Communications Investment Zhuoyue Fund. The nominee shall be selected based on the following criteria: (i) the member appointed by Chengdu Communications Investment Zhuoyue Fund shall possess fund management and industry experience, and be responsible for safeguarding the Fund's compliance and investment return requirements; (ii) the member appointed by Energy Development Company shall possess new energy industry and project management experience, and be responsible for assessing operational safety and the Fund's investment return targets; and (iii) the member appointed by Lok Capital shall possess new energy asset management experience, with sufficient expertise in asset investment, operation and maintenance (O&M) management, return analysis and exit execution. Decisions of the investment decision committee shall be made on a one-vote-per-member basis and require the unanimous consent of all members. Where a related party transaction is contemplated between the Fund and any member of the investment decision committee, the entity appointing the member or its related party(ies), such member shall abstain from voting in this respect.

LETTER FROM THE BOARD

In addition, the Fund shall have three observers, recommended by Jiaozi Kechan M&A Fund, Chengdu Mengjiang and Xiamen International Trust respectively. Observers shall have the same rights to information and supervision as members of the investment decision committee or the relevant governing bodies of the Fund. Any proposal relating to the Fund's investments and exits that the fund manager is required to submit to the investment decision committee or the relevant governing bodies of the Fund shall be submitted to the observers for pre-review at least five working days prior to the vote, together with the relevant project materials. If an observer discovers that an investment or exit violates national laws, regulations or regulatory documents or fails to comply with the Partnership Agreement, the observer shall have the right to submit a review application to the fund manager, and the fund manager is required to provide a verification or rectification opinion within five working days. If two or more observers do not accept the fund manager's verification or rectification opinion, they shall have the right to propose convening an interim partners' meeting to consider the matter. The executive partner shall have the right to increase the number of observers of the Fund and to recommend observers or designate the appointing entity for observers based on the investment needs of the Fund.

Although the specific individuals to serve on the investment decision committee have not yet been confirmed as at the Latest Practicable Date, the Board is satisfied that the committee members, once appointed, will be capable of managing the Fund's investments effectively, having regard to: (a) the complementary expertise required of each nominee, ensuring that the committee collectively covers fund compliance, industry knowledge, project assessment and asset management; (b) the depth of relevant senior management experience within Chengdu Communications Investment Zhuoyue Fund (which currently manages five funds with AUM exceeding RMB1.5 billion, details of which are set out under "REASONS FOR AND BENEFITS OF THE TRANSACTION" below), Energy Development Company (which possesses core operational capabilities in microgrid technologies and integrated energy management) and Lok Capital (which currently serves three funds with AUM of approximately RMB2.0 billion, details of which are set out under "REASONS FOR AND BENEFITS OF THE TRANSACTION" below); (c) the unanimous consent mechanism requiring all three members to agree on every investment decision, ensuring checks and balances among members with different professional perspectives; and (d) the additional oversight provided by the observer mechanism, which enhances the overall checks and balances on investment decisions.

LETTER FROM THE BOARD

Profit distribution and loss sharing:

During the term of the Fund, if there is distributable income, the fund manager shall use its best commercial efforts to make distributions to the partners in a timely manner, and in principle, at least once a year.

When an investment project of the Fund is exited, the fund manager shall in principle make an exit distribution within 60 days after the Fund receives the proceeds from the exit.

A final distribution shall be made upon the termination and liquidation of the Fund.

Distributions during the term, exit distributions after project disposals, and final distributions upon expiry of the term shall all follow the order of “return of principal before distribution of profit” as set out below: (1) return to the senior limited partners of all their paid-in capital contributions up to the time of distribution; (2) distribute to the senior limited partners until each senior partner has received a hurdle investment return calculated at a simple interest rate of 5.5% per annum on the cumulative distributions received under paragraph (1) above; (3) return to the partners other than the senior limited partners of all their paid-in capital contributions up to the time of distribution; (4) distribute to the partners other than the senior limited partners until each such partner has received a hurdle investment return calculated at a simple interest rate of 5.5% per annum on the cumulative distributions received under paragraph (3) above; (5) if there is any remaining distributable cash, it shall be distributed as performance income, of which 5% shall be distributed to all senior partners in proportion to their relative paid-in capital contributions (i.e., the proportion of such partner’s paid-in contribution to the total paid-in contributions of all partners) as at the time of distribution; 75% shall be distributed to all junior partners in proportion to their relative paid-in capital contributions as at the time of distribution; and 20% shall be distributed to the general partners, with the performance income distributed between the general partners in the ratio of 1:1.

The hurdle investment returns under paragraphs (2) and (4) above shall be calculated on the basis of the daily outstanding balance of each partner’s paid-in capital contributions that have not yet been returned during the term of the contributions, at an annualised rate of 5.5% divided by 365 days, calculated on a daily basis and accumulated over time.

LETTER FROM THE BOARD

The hurdle investment return of 5.5% per annum (simple interest) was determined through a market-based price discovery process conducted by Chengdu Communications Investment Zhuoyue Fund as the fund manager during the fundraising stage, based on feedback and subscription indications received from over 20 institutional investors (including local state-owned capital platforms and insurance institutions that the fund manager has previously cooperated with). The prevailing market range for hurdle returns of comparable private equity funds is typically 6% to 7% per annum. The hurdle return of 5.5% is below this market range, which is favourable to the junior limited partners (including Energy Development Company) as a lower hurdle rate results in a larger pool of excess returns available for performance income distribution in the future.

Losses arising from the operations of the Fund and project investments shall be borne by all partners in proportion to their respective capital commitment.

Transfer of interests by a
limited partner:

Where a limited partner transfers any of its interests in the Fund, other partners shall agree to waive their right of first refusal to such interests. The general partner shall issue a written response indicating whether it agrees to the transfer within 10 working days of the limited partner's application for transfer of interests. The general partner may refuse such transfer or disposal arrangement only if the transferee does not meet the conditions for a qualified investor in a private fund or violates mandatory regulatory provisions, and shall not impose other obstacles. Failure to respond within the prescribed time shall be deemed consent.

In addition, certain limited partners (including Energy Development Company) have additional exit rights upon occurrence of specified events, including: (i) failure to complete fund filing within 120 days after all partners have made their first capital contributions; (ii) failure to commence investment activities within one year after capital contribution; (iii) prolonged idle funds with no prospect of near-term improvement; (iv) material deviation from the Fund's investment objectives; (v) material regulatory issues affecting the fund manager; or (vi) other material changes rendering continued holding unsuitable. Upon the occurrence of any such event, the relevant limited partners may elect to transfer their interests or cease further contribution obligations, and other partners shall cooperate with such exit.

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RISK MANAGEMENT AND CONTROL MEASURES

The Fund has established a multi-layered investment decision-making and risk control framework, as detailed below:

At the fund level, an investment decision committee has been established under the Partnership Agreement, comprising one member appointed by each of Chengdu Communications Investment Zhuoyue Fund, Energy Development Company and Lok Capital. Each member has one vote, and resolutions require the unanimous consent of all members. Where a related party transaction is contemplated between the Fund and any member of the investment decision committee, the entity appointing the member or its related party(ies), such member shall abstain from voting in this respect.

At the governance level, major matters (including extension of the Fund Term, change of capacity of partners, change of manager, non-cash distribution, early dissolution and liquidation and amendments to the Partnership Agreement) require the unanimous consent of all partners, providing institutional checks and balances on the decision-making of the general partners and the fund manager.

At the project execution level, the investment approach, investment conditions and changes thereto, investment exit plans and changes thereto, and other significant post-investment matters must be considered and decided by the investment decision committee, with decisions made on a one-vote-per-member basis and requiring unanimous consent of all members. Where a related party transaction is contemplated between the Fund and any member of the investment decision committee, the entity appointing the member or its related party(ies), such member shall abstain from voting in this respect. In addition, observers appointed by the new senior limited partners may conduct pre-reviews of relevant proposals before they are submitted for voting, enhancing oversight of investment and exit decisions. The manager shall also continuously monitor the investee enterprises and strive to improve their operating performance and prevent investment risks.

At the capital and compliance level, capital contributions of the partners are made in instalments based on actual project needs to reduce the risk of idle funds. Idle funds are only permitted to be invested in low-risk cash management instruments recognised by the China Securities Regulatory Commission (bank deposits, treasury bonds, central bank bills, money market funds, etc.). Chengdu Communications Investment Zhuoyue Fund has been registered as a private fund manager with the Asset Management Association of China in accordance with the law, and the Fund will be filed as a private fund in accordance with applicable PRC regulations.

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REASONS FOR AND BENEFITS OF THE TRANSACTION

Since 2024, “promoting microgrid construction” has been repeatedly emphasised and incorporated into multiple national energy development action plans. Together with the successive promulgation of policies such as the Notice on Issuing the Basic Rules for the Electricity Ancillary Services Market, the Notice on Improving the Pricing Mechanism to Promote the On-site Consumption of New Energy Power Generation, the Basic Rules for Metering and Settlement in the Electricity Market, the Basic Rules for Operation of the Electricity Market and the Basic Rules for Registration in the Electricity Market, the path for microgrids to realise value through diversified means such as participating in market-oriented trading, providing frequency regulation and reserve services, and achieving aggregated operations of distributed energy has gradually become clearer, and a sustainable and predictable market-based revenue environment is rapidly taking shape. For state-owned enterprises, against this backdrop, investing in microgrids and related industrial chains through the establishment of a microgrid M&A fund is not only a concrete measure to respond to the national strategy for a new power system and green and low-carbon development, but also an effective path to achieve the strategic deployment of state-owned capital in key areas of the energy system.

Energy Development Company is actively positioning itself in the new energy sector and rapidly expanding its “power replenishment + microgrid”, “hub microgrid” and “park microgrid” businesses. This subscription of limited partner interests in the Fund is conducive to Energy Development Company building a professional fund cluster in the new energy sector, continuously promoting the development of its new energy business, and further strengthening its industrial layout in the power supply and replenishment field.

As a major clean energy province, Sichuan Province has the structural characteristics of “a high proportion of hydropower, rapidly growing wind and solar installed capacity, and continuously rising electricity load”. With the increasing pressure on peak shaving, frequency regulation and supply-demand balance in the power system, microgrids will become a key means of improving regional power supply reliability and promoting on-site consumption of new energy. The Development Plan (《發展規劃》) jointly issued by the Sichuan Provincial Department of Economy and Information Technology and the Provincial Energy Bureau proposes that by 2027, the operating revenue of the province’s new energy industry chain shall exceed RMB500 billion, with the goal of reaching RMB600 billion. The successive introduction of relevant policies has provided clear development direction and a predictable revenue path for the microgrid industry. In terms of regional support, Chengdu and its surrounding cities have formed an industrial chain support system covering distributed energy, energy storage, energy management, intelligent control and system integration. Meanwhile, Chengdu has a dense concentration of industrial parks, commercial complexes and data centers, providing a practical foundation for large-scale deployment of microgrids. Moreover, Chengdu has launched a virtual power plant and demand-side response market, and has preliminarily developed the conditions to form a full-industry-chain operation.

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The Fund is in line with Chengdu's green and low-carbon and "carbon peaking" policy direction, and remains consistent with the medium- and long-term strategic planning of the higher-level supervisory authorities, which will help the Group grasp development opportunities in the new energy industry and promote industrial transformation and upgrading. The Fund will focus on investing in high-quality assets such as photovoltaic power stations and energy storage, utilise the Fund's financial leverage and market-based resource integration advantages, build a "microgrid energy" industrial ecosystem, and promote the microgrid scenario layout of Energy Development Company and improvement of the Company's new energy industry chain. Sichuan Province and Chengdu have introduced systematic support policies for the photovoltaic and energy storage industries. The Fund can serve as a financial tool carrier for policy implementation, leveraging the synergistic effect of "capital + industry" to accelerate the reinforcement of key links in the industrial chain and enhance the long-term competitiveness of state-owned capital in the new power system and green and low-carbon transformation. On this basis, Energy Development Company can further amplify capital leverage, adopt a light-asset operating model of "small capital leveraging large projects" to efficiently drive large-scale expansion, enabling Energy Development Company to rapidly seize scarce grid connection point resources and high-quality industrial users within a limited market window at a capital investment far lower than full self-construction, thereby quickly growing its business scale to the forefront of the industry.

Chengdu Communications Investment Zhuoyue Fund is the sole fund management subsidiary under Chengdu Communications Investment. It currently manages five funds having committed capital ranging from approximately RMB72 million to RMB1 billion, with total committed capital of approximately RMB1.5 billion. The funds invest across sectors including aviation equipment, general aviation and smart transportation, cloud computing, intelligent manufacturing and new energy, and low-altitude unmanned aerial vehicles. Of the five funds, three have achieved IRR ranging from approximately 22% to 33%. The remaining two funds have lower IRR at this stage: one is a dedicated single-project fund with an IRR of approximately 0.4%, whose sole underlying investment has not yet undergone a new round of financing, and accordingly its valuation has remained substantially unchanged since initial investment; and the other was established in 2024 with an IRR of approximately 4.5%, which is due to the majority of its investments having been made in 2025 and not yet having generated material returns, however, several of its portfolio projects have completed new rounds of financing in 2026 and are expected to deliver improved performance going forward. Moreover, the core team members of Chengdu Communications Investment Zhuoyue Fund possess relevant experience in banking, trust, equity investment, risk management and industrial investment, including its general manager (who has over 14 years of experience in banking and fund investment management), its investment director (who has experience in asset management, equity investment and technology commercialisation), its risk control director (who has over 10 years of experience in trust risk management and fund compliance), and its investment department head (who is a certified public accountant with experience in securities investment and private equity).

The Fund also benefits from the dual general partner structure. Lok Capital, serving as the other general partner, is a new energy asset management and operation platform backed by GLP (a global leading thematic investment institution with assets under management exceeding US\$120 billion) and PCG Power. Lok Capital currently serves three photovoltaic M&A funds with aggregate assets under management of approximately RMB2 billion, with fund sizes ranging from RMB300 million to RMB1.3 billion. All three funds invest in distributed solar PV assets (the same asset class as the Fund), and adopt either pari passu or senior/subordinated structures. Their limited partners include listed companies, insurance institutions and local state-owned capital platforms. All three funds are currently in their respective investment periods. The management team of Lok Capital comprises professionals from leading institutions including GLP Capital, Poly Capital, ChinaVenture Capital and Citi, with extensive experience in new energy asset investment, fund services, post-investment management and asset exit.

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The dual general partner model combines Chengdu Communications Investment Zhuoyue Fund's local state-owned capital resource advantages and fund compliance capabilities with Lok Capital's specialised new energy asset management expertise and operational track record. The experience and track record of both general partners are directly relevant to the Fund's intended investment strategy of acquiring mature, operating C&I distributed solar PV power stations. In particular, Chengdu Communications Investment Zhuoyue Fund's experience in equity investment fund management, coupled with its established risk control and compliance framework, provides the Fund with robust governance and operational infrastructure, while its track record of achieving IRR exceeding 30% in certain funds demonstrates its capability to generate strong investment returns. On the other hand, Lok Capital's three existing funds invest in substantially the same asset class (distributed solar PV assets operating under the self-consumption with surplus grid feed-in model), and Lok Capital's team has accumulated practical expertise in photovoltaic asset due diligence, valuation, acquisition structuring and post-acquisition O&M management through managing approximately RMB2 billion of such assets. The Directors are of the view that this complementary arrangement provides the Fund with comprehensive capabilities in project sourcing, investment decision-making, post-investment operation and risk management, and that the managers collectively possess the requisite experience, expertise and capability to manage the Fund and implement its investment strategy effectively.

The Fund adopts a senior/subordinated structure whereby senior tranche investors are typically financial investors seeking stable returns, while subordinated tranche investors are typically strategic investors who, leveraging their industry expertise, are better positioned to assess underlying project risks and pursue higher returns. Energy Development Company possesses core strengths in microgrid and virtual power plant technologies, regional energy project implementation, and the operation of integrated energy management platforms, and is therefore a quintessential strategic investor. Going forward, Energy Development Company will also participate in the O&M management of the underlying assets, equipping it with the capability to identify and manage risks on an ongoing basis. The Directors (including the independent non-executive Directors) are of the view that Energy Development Company's investment in the Fund as a junior limited partner is fair and reasonable and in the interests of the Company and its shareholders as a whole, having considered the following: (i) as a junior limited partner, Energy Development Company is entitled to 75% of performance income (as compared with the senior limited partners' share of 5%); (ii) Energy Development Company appoints one of the three members of the investment decision committee, with all decisions requiring unanimous consent, thereby providing an effective veto right over all investment and exit decisions; (iii) the Fund has adopted multiple governance and control measures, including instalment contributions based on project needs, unanimous consent of all partners for major matters, abstention of relevant parties from voting on connected transactions, and a pre-review mechanism by observers appointed by the senior limited partners; (iv) Energy Development Company's capital commitment represents only approximately 15% of the total capital commitment of the Fund, and its potential loss exposure is limited to its committed contribution amount; (v) the Fund relies on the dual general partners' professional capabilities, with Chengdu Communications Investment Zhuoyue Fund providing fund management expertise and Lok Capital providing specialised new energy asset management and operational capabilities, making the realisation of investment returns highly feasible; and (vi) Energy Development Company's participation in the O&M management of the underlying assets further enables it to monitor and manage investment risks on an ongoing basis. Please also refer to the letter from the Independent Financial Adviser in this circular for details regarding the Independent Financial Adviser's assessment.

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In respect of the management fee and performance income arrangements, the Directors (including the independent non-executive Directors) have assessed and are satisfied that such arrangements are fair and reasonable, having regard to: (i) the Fund's aggregate management fee and compensation for executing partnership affairs of 1% per annum is at the lower end of the comparable range of 1% to 1.5% per annum charged by comparable photovoltaic M&A funds; (ii) the 20% performance income allocation to the general partners is consistent with the standard private equity fund waterfall structure (under which excess returns above the hurdle rate are typically split 80% to limited partners and 20% to general partners), and is also consistent with the profit-sharing arrangements of comparable funds managed by Lok Capital and the majority of comparable listed company fund transactions identified by the Independent Financial Adviser (as set out in the letter from the Independent Financial Adviser in this circular); and (iii) given the senior-to-subordinated ratio of 1:1, the subordinated tranche bears proportionally greater risk through deferred return of capital and hurdle investment returns, and is accordingly compensated with 75% of the limited partners' portion of performance income (compared with 5% for the senior limited partners), which the Directors consider to be a fair allocation reflecting the differential risk profile.

In evaluating the investment, the Directors (including the independent non-executive Directors) have taken into consideration the following factors in determining that the subscription was entered into on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole: (i) the reserve of underlying assets: the Fund has identified a target portfolio of approximately 560 MW of mature, operating C&I distributed solar PV assets across approximately 200 stations, providing a clear and actionable pipeline for deployment of capital; (ii) the duration of the Fund: the eight-year Fund Term (with possible extension of up to two years) is appropriate for a photovoltaic asset acquisition fund, allowing sufficient time for asset acquisition, stabilisation of cash flows and orderly exit; (iii) the distribution arrangements: the waterfall structure provides Energy Development Company, as a junior limited partner, with 75% of performance income as compensation for bearing subordinated risk, while senior limited partners receive 5% of performance income, which the Directors consider to be a fair allocation of risk and return among the partners; (iv) the management fee and operating expense structure: the aggregate fee of 1% per annum is at the lower end of the comparable range charged by comparable photovoltaic M&A funds, and no fees are payable during the extension or liquidation periods; (v) the prudent risk buffer: the instalment contribution mechanism (with drawdown tied to actual project needs and investment committee approval), the unanimous consent requirement of the investment decision committee, and Energy Development Company's participation in the operation and maintenance of underlying assets collectively provide multiple layers of risk mitigation; and (vi) the experience and capability of the fund managers: the dual general partner structure combines Chengdu Communications Investment Zhuoyue Fund's fund management expertise and compliance capabilities with Lok Capital's specialised photovoltaic asset management track record, both of which are directly relevant to the Fund's investment strategy. Accordingly, the Directors are of the view that the percentage of the Fund's profits to which the Group is entitled is consistent with its ownership percentage, and that the Partnership Agreement was entered into on normal commercial terms, and although the transactions contemplated thereunder are not entered into in the ordinary and usual course of the Group's business, the terms and conditions thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole. No Director has abstained from voting on the Board resolution approving the Partnership Agreement and the transactions contemplated thereunder.

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LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Chengdu Communications Investment is one of the controlling shareholders of the Company holding, either directly or indirectly through Communications Investment Construction and Management, 72.46% equity interests of the Company. As each of Chengdu Communications Investment Zhuoyue Fund and Chengdu Communications Investment Capital is a wholly-owned subsidiary of Chengdu Communications Investment, they are hence connected persons of the Company under Chapter 14A of the Listing Rules, and the Partnership Agreement and the transactions thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, where a series of connected transactions were all entered into within a 12-month period or are otherwise related, such transactions shall be aggregated and treated as a single transaction. As the relevant parties to the Partnership Agreement and the relevant parties to the Energy Storage Fund Partnership Agreement are Chengdu Communications Investment Zhuoyue Fund and Chengdu Communications Investment Capital, such transactions shall be aggregated. As the highest applicable percentage ratio calculated on an aggregated basis exceeds 5%, the Partnership Agreement and the transactions thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, pursuant to Rule 14.22 of the Listing Rules, where a series of transactions were all entered into within a 12-month period or are otherwise related, such transactions shall be aggregated and treated as a single transaction. As the relevant parties to the Partnership Agreement and the relevant parties to the Energy Storage Fund Partnership Agreement are Chengdu Communications Investment Zhuoyue Fund and Chengdu Communications Investment Capital, such transactions shall be aggregated. As the highest applicable percentage ratio calculated on an aggregated basis exceeds 5% but is less than 25%, the Partnership Agreement and the transactions thereunder constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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GENERAL INFORMATION OF THE FUND AND THE PARTIES

Chengdu Zhuoyue Microgrid M&A Equity Investment Fund Partnership (Limited Partnership)

The Fund is a limited partnership fund registered in China on 8 May 2026. As at the Latest Practicable Date, the general partners of the Fund are Chengdu Communications Investment Zhuoyue Fund and Lok Capital, and the limited partners are Chengdu Communications Investment Capital and PCG Power. As at the Latest Practicable Date, the Fund has not commenced any business activities and is still in the fundraising stage. Therefore, the financial information and historical performance of the Fund are not presented in this circular.

Energy Development Company

It is a joint stock company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of the Company which is held as to 94.49% and 5.51% by the Company and Chengdu Communications Investment Property Company Limited (成都交投置業有限公司), an indirect wholly-owned subsidiary of Chengdu Communications Investment. It is principally engaged in the retail of refined oil products, and also operates natural gas and new energy businesses through its joint ventures and associates. The Group is primarily engaged in the operation, management and development of expressways in and around Chengdu, Sichuan Province as well as retail of refined oil products, and also expands into operation of natural gas and new energy business.

Chengdu Communications Investment Zhuoyue Fund

It is a limited liability company incorporated in the PRC in December 2017 with a registered capital of RMB50 million, and a wholly-owned subsidiary of Chengdu Communications Investment Capital, serving as the primary platform for the equity investment and fund management business of Chengdu Communications Investment Capital. It obtained private fund manager registration qualification from the Asset Management Association of China on 25 November 2021 and is the sole company under Chengdu Communications Investment holding a fund manager license. It is principally engaged in private fund management, equity investment and other related businesses. Chengdu Communications Investment Zhuoyue Fund has established an organisational structure comprising an investment department, a fund operations department, a risk control department and a general administration/finance department, covering functions such as investment, fundraising and fund operations, risk management and compliance, and general administration and finance. Its senior management and core personnel have relevant experience in banking, trust, equity investment, risk management and industrial investment. At present, Chengdu Communications Investment Zhuoyue Fund manages five funds with total committed capital of approximately RMB1.5 billion, demonstrating its practical and mature operational experience in fund establishment, fundraising, investment and post-investment management.

Chengdu Communications Investment Capital

It is a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Chengdu Communications Investment. It is principally engaged in capital market services, including project investment, asset management, investment consulting, corporate management and socio-economic consulting services for enterprises.

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Lok Capital

It is a company incorporated in the PRC with limited liability, and a new energy asset management and operation platform jointly established by PCG Power and GLP Capital. It is principally engaged in management and operation of energy assets and real estate under its shareholders.

Lok Capital is owned as to 51% by Unity CMC Holdings Limited (“**Unity CMC**”), 40% by Luochen (Quzhou) Enterprise Management Consulting Partnership (Limited Partnership) (洛辰(衢州)企業管理諮詢合夥企業(有限合夥)), and 9% by PCG Power. Unity CMC is indirectly controlled by GLP Pte. Ltd. (“**GLP**”), a global leading thematic investment institution and industrial operator focused on sectors with broad market space and long-term growth drivers, including logistics, digital infrastructure and renewable energy. The executive partner of Luochen (Quzhou) Enterprise Management Consulting Partnership (Limited Partnership) (洛辰(衢州)企業管理諮詢合夥企業(有限合夥)) is Hangzhou Luohe Enterprise Management Co., Ltd. (杭州洛和企業管理有限責任公司), which is owned as to 99.99% by Li Wenxuan.

PCG Power

It is a company incorporated in the PRC with limited liability, and a new power system investment management and operation service provider offering one-stop green energy solutions, with businesses including investment and construction of new energy photovoltaic and energy storage power stations, power asset operations, comprehensive energy services, power trading and carbon asset management.

PCG Power has a diversified shareholding structure, with its single largest shareholder, Daxue Investments Pte. Ltd. (“**Daxue Investments**”), holding approximately 21%, Li Wenxuan indirectly controlling approximately 3.8%, and the remaining 18 shareholders each holding between approximately 0.38% and 8.78%. Daxue Investments is a private company with limited liability incorporated in Singapore in 2023 and is indirectly wholly owned by Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is an investment company with a net portfolio value of 403 billion Singapore dollars (equivalent to approximately RMB1,890 billion) as at 31 March 2022.

Xiamen International Trust

It is a company incorporated in the PRC with limited liability, principally engaged in asset trust services, acting as a sponsor of investment funds or fund management companies to engage in investment funds, corporate asset restructuring, mergers and acquisitions, project financing and securities underwriting.

Xiamen International Trust is owned as to 80% by Xiamen Jinyuan Jinkong Co., Ltd. (廈門金圓金控股份有限公司), 10% by Xiamen C&D Group Co., Ltd. (廈門建發集團有限公司), and 10% by Xiamen Port Holding Group Co., Ltd. (廈門港務控股集團有限公司). Xiamen Jinyuan Jinkong Co., Ltd. (廈門金圓金控股份有限公司) is owned as to approximately 98.997% by Xiamen Financial Holding Co., Ltd. (廈門金融控股有限公司) and 1.003% by Xiamen Jinyuan Investment Group Co., Ltd. (廈門金圓投資集團有限公司). Xiamen Financial Holding Co., Ltd. (廈門金融控股有限公司) and Xiamen Jinyuan Investment Group Co., Ltd. (廈門金圓投資集團有限公司) are ultimately wholly owned by Xiamen Municipal Finance Bureau.

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Jiaozi Kechan M&A Fund

It is a limited partnership established in the PRC, principally engaged in equity investment, investment management and asset management through private funds.

The general partner and fund manager of Jiaozi Kechan M&A Fund is Chengdu Jiaozi Innovation Private Fund Management Co., Ltd. (成都交子創新私募基金管理有限公司), holding a 0.5% interest; the limited partner is Chengdu Jiaozi Capital Management (Group) Co., Ltd. (成都交子資本管理(集團)有限公司), holding a 99.5% interest. Both companies are ultimately owned as to 92% by the State-owned Assets Supervision and Administration Commission of Chengdu (成都市國有資產監督管理委員會) and 8% by the Department of Finance of Sichuan Province (四川省財政廳).

Chengdu Mengjiang

It is a company incorporated in the PRC with limited liability, principally engaged in new energy technology research and development, energy storage technical services, contract-based energy management, energy conservation management services and other businesses.

Chengdu Mengjiang is wholly owned by Chengdu Mengjiang Investment Group Co., Ltd. (成都濛江投資集團有限公司). Chengdu Mengjiang Investment Group Co., Ltd. (成都濛江投資集團有限公司) is owned as to 90% by Chengdu Jianjiang Investment Group Co., Ltd. (成都湔江投資集團有限公司) and 10% by the Department of Finance of Sichuan Province (四川省財政廳). Chengdu Jianjiang Investment Group Co., Ltd. (成都湔江投資集團有限公司) is wholly owned by Pengzhou Municipal Finance Bureau (彭州市財政局) (Pengzhou State-owned Assets Supervision and Administration Bureau (彭州市國有資產監督管理局)).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Lok Capital, PCG Power, Xiamen International Trust, Jiaozi Kechan M&A Fund, Chengdu Mengjiang and their respective ultimate beneficial owners are independent third parties of the Company and its connected persons.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders on the Partnership Agreement and the transactions contemplated thereunder. The letter from the Independent Board Committee is set out on pages 34 to 35 of this circular.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Partnership Agreement and the transactions contemplated thereunder. The letter from the Independent Financial Adviser is set out on pages 36 to 65 of this circular.

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III. PROVISION OF GUARANTEE IN RESPECT OF LOANS TO A SUBSIDIARY

Overview of the Guarantee

In order to alleviate the liquidity pressure on Chengming Expressway, Chengming Expressway proposes to obtain new fixed asset loans and working capital loans totaling RMB634,217,000 (the “**Loans**”), comprising fixed asset loans of RMB542,000,000 and working capital loans of RMB92,217,000. The proceeds from the Loans will be used to repay certain existing fixed asset loans and loans from shareholders of Chengming Expressway. The Loans will effectively fill the funding gap of Chengming Expressway for the next five years, ensure the smooth implementation of the road resurfacing project in 2026, and alleviate the temporary pressure on toll income caused by the temporary road resurfacing resulting from the Chengwenqiong expressway expansion project and the major and medium repair projects of Chengming Expressway, thereby providing stable support for the daily operations of Chengming Expressway.

To ensure the smooth implementation of corporate operation and production and other tasks of Chengming Expressway, and in accordance with the Articles of Association and relevant provisions, and taking into account the actual production and operation situation of Chengming Expressway, the Board considered and approved on 29 April 2026 to agree that the Company will provide a shareholder’s guarantee (the “**Guarantee**”) for the Loans in proportion to its 51% shareholding in Chengming Expressway. The Company will enter into a guarantee agreement with the lender (an independent third party) in respect of the Guarantee.

The principal terms of the Guarantee are summarised as follows:

Scope of Guarantee:	Principal amount of up to RMB634,217,000 repayable by Chengming Expressway under the loan contracts (including fixed asset loans of RMB542,000,000 and working capital loans of RMB92,217,000), together with interest, default interest, liquidated damages and all other related costs
Manner of Guarantee:	The Company will assume joint and several liability for the fixed asset loans and working capital loans within the scope of the Guarantee, in proportion to its shareholding (51%) in Chengming Expressway. The Company’s Guarantee is independent of the guarantees provided by other guarantors in respect of the Loans

LETTER FROM THE BOARD

Basic Information of the Guaranteed Party

Chengming Expressway is a subsidiary of the Company within the scope of consolidation. As at the date of this circular, Chengming Expressway is held as to 51% and 49% by the Company and Communications Investment Construction and Management, one of the controlling shareholders of the Company, respectively.

As at 30 June 2026, the asset-liability ratio of Chengming Expressway was 81.43%.

As Communications Investment Construction and Management (a controlling shareholder of the Company) holds a 49% equity interest in Chengming Expressway, Chengming Expressway is a connected subsidiary of the Company. The provision of the Guarantee by the Company for Chengming Expressway constitutes a connected transaction of the Company under the Listing Rules. As the Guarantee is a several guarantee provided on normal commercial terms and in proportion to the Company's equity interest in Chengming Expressway, it is fully exempt from the reporting, announcement and Shareholders' approval requirements under Rule 14A.89 of the Listing Rules. However, as the asset-liability ratio of Chengming Expressway exceeds 70%, in accordance with the Articles of Association, the Guarantee shall be subject to consideration and approval at the general meeting of the Company by way of an ordinary resolution.

Other Matters

The Guarantee has been reviewed by the Company's PRC legal adviser, Tahota Law Firm, which has issued a legal opinion. The Guarantee is not expected to increase the Company's asset-liability ratio, nor will it have any material adverse effect on the Company's daily operations.

IV. PROPOSED APPOINTMENT OF DIRECTORS

On 28 July 2026 and 27 August 2026, the Board resolved to propose the appointment of Mr. Wu as an executive Director of the second session of the Board of Directors of the Company and Ms. Jiang as a non-executive Director of the second session of the Board of Directors of the Company, respectively. Pursuant to the Articles of Association, the appointment of Mr. Wu and Ms. Jiang as Directors is subject to the approval of the Shareholders at the general meeting.

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The biographical details of each of Mr. Wu and Ms. Jiang are set out below:

Mr. Wu Xiao (吳曉), aged 48. Prior to joining the Company, Mr. Wu successively served as an employee and manager of the operation department of Chengdu Traffic Information Port Co., Ltd. (成都交通信息港有限責任公司) from April 2006 to January 2017. From January 2017 to April 2020, Mr. Wu served as a senior supervisor of the contracts department of Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司). From April 2020 to August 2023, Mr. Wu served as secretary to the Party branch, director, deputy general manager and general manager of Chengdu Communications Investment Huaizhou New City Investment Operation Co., Ltd. (成都交投淮州新城投資運營有限公司). From August 2023 to July 2026, Mr. Wu served as deputy secretary to the Party general branch, general manager, secretary to the Party general branch, secretary to the Party committee, director and chairman of Chengdu Communications Investment Aviation Investment Group Co., Ltd. (成都交投航空投資集團有限公司). From September 2024 to July 2026, Mr. Wu also concurrently served as the chairman, and subsequently concurrently served as the secretary to the Party branch and chairman of Chengdu Low-altitude Flight Service Co., Ltd. (成都低空飛行服務有限責任公司).

Mr. Wu graduated from Southwest Jiaotong University (西南交通大學) in June 2005 with a bachelor's degree in computer science and technology. Mr. Wu was awarded the qualification of engineer by the Chengdu Professional Title Reform Leading Group (成都市職稱改革工作領導小組) in January 2018.

Ms. Jiang Na (姜娜), aged 40. Prior to joining the Company, from September 2009 to June 2013, Ms. Jiang served as a human resources specialist of the Chengdu Xiyuecheng Street Securities Business Outlet of Lianxun Securities Brokerage Co., Ltd. (聯訊證券經紀有限責任公司成都西月城街證券營業部). From August 2013 to April 2014, Ms. Jiang served as a recruitment specialist of Mantanghong (Chengdu) Real Estate Co., Ltd. (滿堂紅(成都)置業有限公司). From June 2014 to June 2018, Ms. Jiang worked in the human resources department of the Sichuan Branch of PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司四川省分公司). From December 2018 to June 2023, Ms. Jiang successively served as supervisor, senior supervisor, deputy director of the Party-mass and human resources department, and deputy secretary to the organ Party branch of the Company. From June 2023 to May 2026, Ms. Jiang successively served as senior supervisor, senior manager and deputy head of the organization and human resources department of Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司). Since May 2026, Ms. Jiang has served as the deputy head (for institutional reform) of the organization and human resources department (united front work department of the Party committee) of Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司).

Ms. Jiang graduated from Southwest Jiaotong University (西南交通大學) in June 2016 with postgraduate qualification and a Master of Business Administration degree, majoring in business administration. Ms. Jiang holds the qualification of assistant economist.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the above candidates of Directors have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholders of the Company, nor do they hold any other positions in the Company or any of its subsidiaries, or any directorship in other listed public companies in the past three years.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of the above candidates of Directors have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

After the proposed appointment of the above candidates of Directors as Directors have been approved by the Shareholders, the Company will enter into a service contract with each of them, and their terms as Directors of the second session of the Board will commence from the date of approval of their appointment by the Shareholders until expiry of the second session of the Board of the Company (including the extended term of the second session of the Board due to postponed election of a new session of the Board). Pursuant to the Articles of Association, a Director may offer himself/herself for re-election and re-appointment upon expiry of his/her term. According to the resolution approved at the 2019 annual general meeting of the Company, executive Directors and non-executive Directors of the second session of the Board shall not receive Directors' fees. Therefore, Mr. Wu, as an executive Director of the second session of the Board, and Ms. Jiang, as a non-executive Director of the second session of the Board, will not receive Directors' fees. The remuneration of Mr. Wu as the general manager of the Company will be determined with reference to the relevant remuneration policy of the Company, which comprises a fixed salary and performance bonus. In particular, the calculation of performance bonus is based on the completion of his annual performance targets, which will be reviewed by the remuneration and evaluation committee of the Board of the Company and finally determined by the Board.

Save as disclosed in this circular, the Board is not aware of any other matters concerning the proposed appointment of the above candidates of Directors as Directors that need to be brought to the attention of the Shareholders or subject to disclosure pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Resolutions regarding the proposed appointment of the above candidates of Directors as Directors will be proposed at the EGM by way of ordinary resolution for Shareholders' consideration and, if thought fit, approval.

V. EGM

1. Notice, Form of Proxy and Reply Slip of the EGM

The EGM of the Company will be held at the meeting room 1 of Chengdu Expressway Co., Ltd., 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC at 10:00 a.m. on Friday, 18 September 2026. The notice convening the EGM is set out on pages 72 to 74 of this circular.

The reply slip and form of proxy for use at the EGM are also enclosed herein and published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). If the Shareholders intend to attend the EGM by proxy, they are required to duly complete and return the form of proxy according to the instructions printed thereon.

LETTER FROM THE BOARD

For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board Office of the Company in the PRC at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

Holders of H Shares and Domestic Shares who intend to attend the EGM must complete the reply slip and return the same to the Board Office of the Company not later than Friday, 11 September 2026.

2. Closure of the Register of Members

For the purpose of holding the EGM, the register of members of the Company (the “**Register of Members**”) will be closed from Thursday, 17 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the EGM, holders of H Shares are requested to lodge all transfer documents accompanied by the relevant share certificates with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event no later than 4:30 p.m. on Wednesday, 16 September 2026. Shareholders whose names appear on the Register of Members on Thursday, 17 September 2026 shall be eligible to attend and vote at the EGM.

LETTER FROM THE BOARD

3. Abstention from Voting

Pursuant to the Listing Rules, any Shareholder and his/her/its associates with a material interest in the Partnership Agreement are required to abstain from voting on the resolution approving such transaction at the EGM. Accordingly, Chengdu Communications Investment and Communications Investment Construction and Management will abstain from voting on the resolutions regarding the Partnership Agreement and the transactions contemplated thereunder and the provision of guarantee in respect of loans to a subsidiary at the EGM. As at the Latest Practicable Date, Chengdu Communications Investment and Communications Investment Construction and Management held 1,200,000,000 Shares in the Company, representing approximately 72.46% of the issued share capital of the Company, and controlled or was entitled to exercise control over the voting rights in respect of the Shares held in the Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for Chengdu Communications Investment and Communications Investment Construction and Management, no other shareholder has a material interest in the Partnership Agreement and the transactions contemplated thereunder, and accordingly is required to abstain from voting on the relevant resolution to be proposed at the EGM.

4. Poll Voting at the EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will demand a poll on each resolution to be proposed at the EGM in accordance with Article 103 of the Articles of Association.

When voting by poll, each Shareholder present in person or by proxy at the EGM (or, in the case of a corporate Shareholder, its duly authorized representative) shall be entitled to one vote for each share registered in his/her/its name in the Register of Members. A Shareholder entitled to more than one vote need not cast all his/her/its votes or cast all the votes he/she/it is entitled to cast in the same way.

VI. RECOMMENDATION

For the Partnership Agreement and the transactions contemplated thereunder, your attention is drawn to (i) the letter from the Independent Board Committee, the full text of which is set out on page 34 to page 35 of this circular, containing its advice to the Independent Shareholders regarding the Partnership Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser, the full text of which is set out on page 36 to page 65 of this circular, containing its advice to the Independent Board Committee and the Independent Shareholders regarding the Partnership Agreement and the transactions contemplated thereunder; and (iii) the Appendix to this circular.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors, whose opinion is set out in the letter from the Independent Board Committee) are of the view that the Partnership Agreement was entered into on normal commercial terms, and although the transactions contemplated thereunder are not entered into in the ordinary and usual course of the Group's business, the terms and conditions thereof are fair and reasonable.

The Directors consider that the above ordinary resolutions are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend (i) the independent Shareholders to vote in favour of the resolutions regarding the Partnership Agreement and the transactions contemplated thereunder and the provision of guarantee in respect of loans to a subsidiary; and (ii) the Shareholders to vote in favour of the ordinary resolutions regarding the appointment of Directors.

By order of the Board
Chengdu Expressway Co., Ltd.
Ding Dapan
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Chengdu Expressway Co., Ltd.

成都高速公路股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01785)

3 September 2026

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION – SUBSCRIPTION OF LIMITED PARTNER INTERESTS IN A FUND

We refer to the circular of the Company dated 3 September 2026 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee, to consider whether the terms of the Partnership Agreement, the details of which are set out in the Letter from the Board, are fair and reasonable so far as the Independent Shareholders are concerned and to advise you in this regard.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the Partnership Agreement and the transactions contemplated thereunder. Details of the opinion of Gram Capital and the principal factors considered when arriving at such opinion are set out in the Letter from the Independent Financial Adviser on page 36 to page 65 of the Circular.

Your attention is also drawn to the Letter from the Board on page 5 to page 33 and other information set out in the appendix of the Circular.

Having taken into account the terms and conditions of the Partnership Agreement, the interests of the Independent Shareholders and the opinion from the Independent Financial Adviser, we are of the view that, the Partnership Agreement and the transactions contemplated thereunder are entered into on normal commercial terms and although the transactions contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favor of the relevant ordinary resolution to be proposed at the EGM to approve the Partnership Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Leung Chi Hang Benson

Mr. Qian Yongjiu
Independent non-executive Directors

Mr. Wang Peng

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

3 September 2026

*To: The Independent Board Committee and the Independent Shareholders
of Chengdu Expressway Co., Ltd.*

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION SUBSCRIPTION OF LIMITED PARTNER INTERESTS IN A FUND

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 3 September 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 31 August 2026, Energy Development Company, a subsidiary of the Company (as a new junior limited partner), entered into the Partnership Agreement with Chengdu Communications Investment Zhuoyue Fund (as the fund manager and general partner) (the “**Fund Manager**”), Chengdu Communications Investment Capital (as a junior limited partner), other general partner, senior limited partners and junior limited partners, pursuant to which (i) Energy Development Company, as a new junior limited partner, subscribed for RMB150 million, representing 15% of the total capital commitment of the Fund; and (ii) Xiamen International Trust, Jiaozi Kechan M&A Fund and Chengdu Mengjiang, as new senior limited partners, subscribed for RMB200 million, RMB200 million and RMB100 million, respectively, representing 20%, 20% and 10% of the total capital commitment of the Fund, respectively. Upon completion of the transaction, the Company’s investment in the Fund will be accounted for as a long-term equity investment. Profits of the Fund will be recognised as investment income of the Company on an annual basis in proportion to the Company’s equity interest in the Fund. The Fund will not become a subsidiary of the Company and will not be included in the Company’s consolidated financial statements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Board Letter, the Transaction, on an aggregated basis, constitutes (i) a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms or better and are fair and reasonable; (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of the business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and (a) the Company; and (b) parties to the Partnership Agreement; or (ii) any services (including independent financial advisory services) provided by Gram Capital to (a) the Company; and (b) parties to the Partnership Agreement, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

In connection with this engagement as the Independent Financial Adviser, apart from the normal professional fee and expenses payable to us, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, the Directors, chief executive of the Company or substantial Shareholders or any of their respective associates.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser

BASIS OF OUR OPINION

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

A. BACKGROUND OF AND REASONS FOR THE TRANSACTION

Information on the Group

With reference to the Board Letter, the Group is primarily engaged in the operation, management and development of expressways in and around Chengdu, Sichuan Province as well as retail of refined oil products, and also expands into operation of natural gas and new energy business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the Group's audited consolidated financial information for the two years ended 31 December 2025 as extracted from the Company's annual report for the year ended 31 December 2025 (the "2025 Annual Report"):

	For the year ended 31 December 2025	For the year ended 31 December 2024	Year on year change
	RMB	RMB	%
Revenue	2,928,652,977	2,915,386,143	0.46
– Expressway segment	1,629,022,798	1,612,188,802	1.04
– Energy segment	1,299,630,179	1,303,197,341	(0.27)
Gross profit	1,094,834,839	1,069,558,207	2.36
Net profit attributable to shareholders of the Company	552,386,167	519,517,638	6.33

As depicted from the above table, the Group's revenue was approximately RMB2,928.65 million for the year ended 31 December 2025 ("FY2025"), representing an increase of approximately 0.46% as compared to that for the year ended 31 December 2024 ("FY2024"). With reference to the 2025 Annual Report, such increase was due to the increase of approximately 1.04% in the Group's revenue from expressway segment, but offset by the decrease of approximately 0.27% in the Group's energy segment.

The increase in revenue generated from the Group's expressway segment, was mainly attributable to the combined effect of (i) the decrease of approximately 0.34% (or RMB4,814,266) in the toll income from expressway segment, which mainly results from the decrease of approximately 0.63% in the expressway daily weighted average traffic volume; (ii) the increase of approximately 24.98% (or RMB24,942,234) in the revenue from operation and management services of expressway segment, which was primarily attributable to the opening and operation of the new toll station on Sichuan Chengmian Cangba Expressway during FY2025, resulting in an expansion of the scope of the Group's operation and management services; (iii) the increase of approximately 1.19% (or RMB454,408) in the revenue from construction services of expressway segment, which was primarily derived from the corresponding construction income recognised by the Group based on the progress of certain construction project during FY2025; (iv) the increase of approximately 23.50% (or RMB4,217,161) in the revenue from maintenance services of expressway segment, which was primarily due to the opening of new sections on both of Chengdu Tianfu International Airport Expressway and Pujiang-Dujiangyan Section of Chengdu Economic Zone Ring Expressway, resulting in an expansion in the scope of the Group's maintenance services; (v) the decrease of approximately 53.64% (or RMB8,717,500) in the asset rental income of expressway segment, which was mainly due to the decrease in asset rental services on Chengdu Shuangliu Airport Expressway during FY2025; (vi) the decrease of approximately 0.32% (or RMB22,809) in the forward traffic volume compensation of expressway segment, which was primarily attributable to the Chengguan Expressway Pidun east (five-ring interconnection) transformation project; and (vii) the increase of approximately 306.49% (or RMB774,768) in the other income of expressway segment, which was primarily due to operating grants for new service areas.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The decrease in revenue generated from the Group's energy segment was mainly attributable to the combined effect of (i) the decrease of approximately 3.45% (or RMB43,445,369) in the revenue from sales of refined oil of energy segment, which was mainly due to the fact that domestic refined oil prices trended downward overall in 2025 and domestic refined oil market continued to face challenges from alternative energy sources, which persistently suppressed gasoline and diesel consumption in China; (ii) the increase of approximately 0.99% (or RMB253,277) in the revenue from convenience stores of energy segment, which was mainly attributable to an increase in revenue resulting from increase in the number of convenience stores; (iii) the increase of approximately 780.30% (or RMB20,027,021) in charging pile service fee income of energy segment, which was mainly due to service fee income generated by newly commissioned charging stations during FY2025; (iv) the increase of approximately 1,102.71% (or RMB19,388,207) in gas refueling income of energy segment, which was mainly due to the revenue from gas stations operated by the Group increased; (v) the increase of approximately 89.95% (or RMB2,585,129) in asset rental income of energy segment, which was mainly due to additional rental income from battery swap stations during FY2025; (vi) the decrease of approximately 41.74% (or RMB2,976,813) in the revenue from operation and management services of energy segment, which was primarily due to the lower-than-expected sales volume from certain petrol stations under entrusted management of the Group; (vii) the decrease of approximately 86.56% (or RMB1,359,620) in the revenue from construction services of energy segment, which was primarily because the Group provided external construction services during FY2024 while such services decreased during FY2025, resulting in a reduction in construction revenue; and (viii) the increase of approximately 116.86% (or RMB1,961,006) in other income of energy segment, which was mainly due to the increase in parking fee income driven by the growth in charging pile services as aforementioned.

In addition, the Group's gross profit also increased from approximately RMB1,069.56 million for FY2024 to approximately RMB1,094.83 million for FY2025, representing an increase of approximately 2.36%. With reference to the 2025 Annual Report, such increase was mainly due to the increase of approximately 3.43% in the gross profit of expressway segment, which was primarily due to an increase in revenue from operation and management services and maintenance service, as well as a decline in cost of the expressway segment, but partially offset by the decrease of approximately 2.26% in the gross profit of energy segment, which was primarily due to a decline in revenue from sales of oil products.

Moreover, the Group's net profit attributable to shareholders of the Company also increased from approximately RMB519.52 million for FY2024 to approximately RMB552.39 million for FY2025, representing an increase of approximately 6.33%. With reference to the 2025 Annual Report, such increase was mainly due to (i) the aforementioned increases in the Group's revenue and gross profit; and (ii) the increase of approximately 216.34% in the Group's non-operating income, which was mainly attributable to the newly recorded temporary lane occupation compensation during FY2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the Group's unaudited consolidated financial information for the six months ended 30 June 2026 (with comparative figures for the corresponding period in 2025) as extracted from the Company's interim results announcement for the six months ended 30 June 2026 (the "2026 IR Announcement"):

	For the six months ended 30 June 2026 RMB	For the six months ended 30 June 2025 RMB	Year on year change %
Revenue	1,361,886,622	1,416,963,434	(3.89)
– Expressway segment	734,367,465	772,650,716	(4.95)
– Energy segment	627,519,157	644,312,718	(2.61)
Gross profit	509,232,395	530,780,431	(4.06)
Net profit attributable to shareholders of the Company	258,115,781	262,444,862	(1.65)

As depicted from the above table, the Group's revenue was approximately RMB1,361.89 million for the six months ended 30 June 2026 ("1H2026"), representing a decrease of approximately 3.89% as compared to that for the six months ended 30 June 2025 ("1H2025"). With reference to the 2026 IR Announcement, such decrease was due to the decrease of approximately 4.95% in the Group's revenue from expressway segment and the decrease of approximately 2.61% in the Group's revenue from energy segment.

The decrease in revenue generated from the Group's expressway segment was mainly attributable to the combined effect of (i) the decrease of approximately 9.43% (or RMB63,749,138) in the toll income from expressway segment, which was mainly due to the exemption of vehicle toll fees for all vehicles traveling on Chengdu Airport Expressway with effect from 24:00 on 26 December 2025; (ii) the increase of approximately 0.19% (or RMB113,955) in the revenue from operation and management services of expressway segment, which was generally in line with that of 1H2025; (iii) the increase of approximately 120.39% (or RMB25,499,707) in the revenue from construction services of expressway segment, which was primarily derived from the corresponding construction income recognised by the Group based on the progress of certain construction project during 1H2026; (iv) the decrease of approximately 29.64% (or RMB2,758,794) in the revenue from maintenance services of expressway segment, which was primarily due to a decrease in the number of road maintenance projects involved in the 3 expressways operated under entrusted management as compared with that for 1H2025; and (v) the increase of approximately 36.45% (or RMB2,611,019) in the other income of expressway segment, which was primarily due to the increase in rental income as compared with that for 1H2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The decrease in revenue generated from the Group's energy segment was mainly attributable to the combined effect of (i) the decrease of approximately 2.21% (or RMB13,209,820) in the revenue from sales of refined oil of energy segment, which was mainly attributable to a decrease in sales volume of refined oil as compared with that for 1H2025 due to the impact of new energy industry; (ii) the increase of approximately 13.48% (or RMB1,479,625) in charging pile service fee income of energy segment, which was mainly due to service fee income generated by newly commissioned charging stations during 1H2026; (iii) the decrease of approximately 26.07% (or RMB4,288,393) in the revenue from convenience stores of energy segment, which was mainly attributable to a year-on-year decrease in revenue from convenience stores as a result of decreased customer traffic; (iv) the decrease of approximately 1.37% (or RMB145,918) in gas refueling income of energy segment, which was mainly attributable to the decrease in the sales volume of gas stations as compared with those for 1H2025 due to the impact of new energy industry; (v) the increase of approximately 31.58% (or RMB794,999) in the revenue from operation and management services of energy segment, which was primarily due to the revenue generated from the operation and management of newly added charging piles during 1H2026; (vi) the increase of approximately 20.97% (or RMB127,511) in the revenue from construction services of energy segment, which was primarily due to the construction revenue generated from the external provision of newly added charging piles during 1H2026; and (vii) the decrease of approximately 33.97% (or RMB1,551,565) in other income of energy segment, which was mainly due to the decrease in rental income as compared with that for 1H2025.

In addition, the Group's gross profit also decreased from approximately RMB530.78 million for 1H2025 to approximately RMB509.23 million for 1H2026, representing a decrease of approximately 4.06%. With reference to the 2026 IR Announcement, such decrease was mainly due to the aforementioned decrease in the Group's revenue.

Moreover, the Group's net profit attributable to shareholders of the Company also decreased from approximately RMB262.44 million for 1H2025 to approximately RMB258.12 million for 1H2026, representing a decrease of approximately 1.65%. With reference to the 2026 IR Announcement, such decrease was mainly due to (i) the aforementioned decreases in the Group's revenue and gross profit; and (ii) the increase of approximately 10.17% in the Group's administrative expenses, which was mainly attributable to an increase in labour costs as compared with that for 1H2025.

Information on Energy Development Company

Energy Development Company is a joint stock company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of the Company which is held as to 94.49% and 5.51% by the Company and Chengdu Communications Investment Property Company Limited (成都交投置業有限公司), an indirect wholly-owned subsidiary of Chengdu Communications Investment. It is principally engaged in the retail of refined oil products, and also operates natural gas and new energy businesses through its joint ventures and associates.

Information on General partners

The general partners are Chengdu Communications Investment Zhuoyue Fund (also being the Fund Manager and the executive partner) and Lok Capital (also being the executive partner).

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Chengdu Communications Investment Zhuoyue Fund is a limited liability company incorporated in the PRC in December 2017 with a registered capital of RMB50 million, and a wholly-owned subsidiary of Chengdu Communications Investment Capital, serving as the primary platform for the equity investment and fund management business of Chengdu Communications Investment Capital. It obtained private fund manager registration qualification from the Asset Management Association of China on 25 November 2021 and is the sole company under Chengdu Communications Investment holding a fund manager license. It is principally engaged in private fund management, equity investment and other related businesses. Chengdu Communications Investment Zhuoyue Fund has established an organisational structure comprising an investment department, a fund operations department, a risk control department and a general administration/finance department, covering functions such as investment, fundraising and fund operations, risk management and compliance, and general administration and finance. Its senior management and core personnel have relevant experience in banking, trust, equity investment, risk management and industrial investment. At present, Chengdu Communications Investment Zhuoyue Fund manages five funds with total committed capital of approximately RMB1.5 billion, demonstrating its practical and mature operational experience in fund establishment, fundraising, investment and post-investment management.

Lok Capital is a company incorporated in the PRC with limited liability, and a new energy asset management and operation platform jointly established by PCG Power and GLP Capital. It is principally engaged in management and operation of energy assets and real estate under its shareholders. Lok Capital is owned as to 51% by Unity CMC Holdings Limited (“**Unity CMC**”), 40% by Luo Chen (Quzhou) Enterprise Management Consulting Partnership (Limited Partnership) (洛辰(衢州)企業管理諮詢合夥企業(有限合夥)), and 9% by PCG Power. Unity CMC is indirectly controlled by GLP Pte. Ltd. (“**GLP**”), a global leading thematic investment institution and industrial operator focused on sectors with broad market space and long-term growth drivers, including logistics, digital infrastructure and renewable energy. The executive partner of Luo Chen (Quzhou) Enterprise Management Consulting Partnership (Limited Partnership) (洛辰(衢州)企業管理諮詢合夥企業(有限合夥)) is Hangzhou Luohe Enterprise Management Co., Ltd. (杭州洛和企業管理有限責任公司), which is owned as to 99.99% by Li Wenxuan.

Information on other limited partners

The other limited partners are Chengdu Communications Investment Capital (as a junior limited partner), PCG Power (as a junior limited partner), Xiamen International Trust (as a senior limited partner), Jiaozi Kechan M&A Fund, and Chengdu Mengjiang. Details of the other limited partners are set out in the section headed “GENERAL INFORMATION OF THE FUND AND THE PARTIES” of the Board Letter.

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Reasons for and benefits of the Transaction

Certain reasons for and benefits of the Transaction are set out under the section headed “Reasons for and benefits of the Transaction” of the Board Letter.

With reference to the 2025 Annual Report, in respect of the Group’s energy segment, the Group will accelerate scenario-based operations to support the optimisation of the energy structure. The Group will focus on the needs of “dual carbon” strategy and regional energy optimization, and building on the existing “Two Networks and One Platform”, the Group will accelerate the development of the “Three Microgrid Scenarios” and nurture its digital operational capabilities, and promote the layout and expansion of charging piles and battery swapping stations along the road network. Drawing on the experience of integrated microgrid construction, the Group will improve the energy supplement network, enhance service efficiency, practice green development concepts, and foster new profit growth drivers.

According to the Partnership Agreement, the Fund shall invest in high-quality targets in the photovoltaic and energy storage industries. With reference to the Board Letter, the subscription of limited partner interests in the Fund is conducive to Energy Development Company building a professional fund cluster in the new energy sector, continuously promoting the development of its new energy business, and further strengthening its industrial layout in the power supply and replenishment field. The Fund is in line with Chengdu’s green and low-carbon and “carbon peaking” policy direction, and remains consistent with the medium- and long-term strategic planning of the higher-level supervisory authorities, which will help the Group grasp development opportunities in the new energy industry and promote industrial transformation and upgrading. The Fund will focus on investing in high-quality assets such as photovoltaic power stations and energy storage, utilise the Fund’s financial leverage and market-based resource integration advantages, build a “microgrid energy” industrial ecosystem, and promote the microgrid scenario layout of Energy Development Company and improvement of the Company’s new energy industry chain. Sichuan Province and Chengdu have introduced systematic support policies for the photovoltaic and energy storage industries. The Fund can serve as a financial tool carrier for policy implementation, leveraging the synergistic effect of “capital + industry” to accelerate the reinforcement of key links in the industrial chain and enhance the long-term competitiveness of state-owned capital in the new power system and green and low-carbon transformation. On this basis, Energy Development Company can further amplify capital leverage, adopt a light-asset operating model of “small capital leveraging large projects” to efficiently drive large-scale expansion, enabling Energy Development Company to rapidly seize scarce grid connection point resources and high-quality industrial users within a limited market window at a capital investment far lower than full self-construction, thereby quickly growing its business scale to the forefront of the industry. As advised by the Directors, the underlying asset portfolio to be acquired by the Fund includes various high-quality underlying projects already in reserve, which focus on the new energy industry, thereby providing the Company with access to potential development opportunities in the new energy industry.

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Having considered the above, in particular, (i) the Fund will promote the microgrid scenario layout of Energy Development Company and improvement of the Company's new energy industry chain; (ii) the Fund will help Energy Development Company further amplify capital leverage to efficiently drive large-scale expansion, thereby quickly growing its business scale to the forefront of the industry; and (iii) the underlying asset portfolio to be acquired by the Fund includes various high-quality underlying projects already in reserve, which focus on the new energy industry, thereby providing the Company with access to potential development opportunities in the new energy industry, we consider that the Group's participation in the Fund as limited partner under the Partnership Agreement enables potential synergies in business development of the Group in respect of its new energy business.

To further understand the photovoltaic and energy storage industries in the PRC, we summarised relevant government-issued policies as below:

On 22 December 2025, an article titled "Accelerate the Development of New Energy System*" (《加快建設新型能源體系》) was published on the official website of the National Energy Administration of the PRC, which stated that the PRC government will continue to increase the share of new energy in total energy supply, promote the coordinated development of multiple energy sources including wind, solar, hydro, and nuclear power, accelerate the construction of clean energy bases such as wind and photovoltaic power bases in the northwest, hydropower bases in the southwest, offshore wind power bases, and coastal nuclear power bases, actively develop distributed photovoltaic power and decentralized wind power, and promote the integrated development of building-integrated photovoltaics.

On 25 December 2025, an article titled "Accelerate the Development of Modern Infrastructure System*" (《加快構建現代化基礎設施體系》) was published on the official website of the National Development and Reform Commission of the PRC, which stated that the PRC government should make reasonable use of the space of transport facilities to build photovoltaic, energy storage, and charging facilities, and optimize and enhance the flood control, water supply, and power generation functions of shipping and water conservancy hubs.

On 26 December 2025, the National Development and Reform Commission of the PRC and the National Energy Administration of the PRC jointly published "Guiding Opinions on Promoting the High-Quality Development of Power Grids*" (《關於促進電網高質量發展的指導意見》), which stated that the PRC government will strengthen the unified planning and construction of power grids at all levels, optimize the coordinated development framework of the main grid, distribution networks, and microgrids, refine the power dispatching and management system, and facilitate the transformation of the grid control model from one primarily reliant on the backbone grid to one featuring coordinated development among the main grid, distribution networks, and microgrids.

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Given the above, we are of the view that the photovoltaic and energy storage industries in the PRC enjoys strong government support with positive prospects.

As advised by the Directors, the subscription of limited partner interests in the Fund also allows the Group to leverage the expertise and experience of Chengdu Communications Investment Zhuoyue Fund. Details of the expertise and experience of Chengdu Communications Investment Zhuoyue Fund are set out under the section headed “Reasons for and benefits of the Transaction” of the Board Letter. Upon our request, the Company provided profiles of the Fund Manager’s core team members. Based on the information provided by the Company, the aforesaid core members have (a) working experience in fund management and/or equity/debt investment; and (b) extensive investment experience in various sectors. Given that core members of the Fund Manager’s investment team have relevant working experience and extensive investment experience as aforesaid, we concur with the Directors that the formation of the Fund also allows the Company to leverage the expertise and experience of the Fund Manager.

Having considered the above, including (i) the Fund Manager’s expertise and experience; (ii) the Group’s participation in the Fund as limited partner under the Partnership Agreement enables potential synergies in business development of the Group in respect of its new energy business; and (iii) the Fund may generate investment returns and identify potential new energy project for the Group (the industry of which enjoys strong government support with positive prospects), we consider that although the Transaction is not conducted in the ordinary and usual course of business the Group, it is in the interest of the Company and the Shareholders as a whole.

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B. PRINCIPAL TERMS OF THE TRANSACTION

Summarised below are the principal terms for the Transaction, details of which are set out under the section headed “II. Discloseable and Connected Transaction – Subscription of Limited Partner Interests in a Fund” of the Board Letter.

Name of the Fund

Chengdu Zhuoyue Microgrid M&A Equity Investment Fund Partnership (Limited Partnership) (subject to registration with the enterprise registration authority)

Parties

- (1) Chengdu Communications Investment Zhuoyue Fund (as general partner, executive partner 1 and the Fund Manager);
- (2) Lok Capital (as general partner and executive partner 2)
- (3) Chengdu Communications Investment Capital (as a junior limited partner)
- (4) Energy Development Company (as a junior limited partner)
- (5) PCG Power (as a junior limited partner)
- (6) Xiamen International Trust (as a senior limited partner)
- (7) Jiaozi Kechan M&A Fund (as a senior limited partner); and
- (8) Chengdu Mengjiang (as a senior limited partner).

The Fund comprises two general partners, three senior limited partners and three junior limited partners. Chengdu Communications Investment Zhuoyue Fund serves as the Fund Manager and executive partner 1, responsible for the overall investment management and operational affairs of the Fund. Lok Capital serves as executive partner 2, responsible for assisting in project sourcing, investment plan design, post-investment management and appointing one member of the investment decision committee. The general partners bear unlimited liability for the debts of the Fund.

Scope of operation

General operations: to be engaged in, among other things, equity investment, investment management and asset management activities in the form of private fund (subject to registration with the enterprise registration authority).

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Scope of investment

The Fund will be filed with the Asset Management Association of China as a private equity fund, and its investments will take the form of equity investments in target companies. The Fund shall invest in high-quality targets in the photovoltaic and energy storage industries. Specifically, the Fund targets the acquisition of mature, operating commercial and industrial (“C&I”) distributed solar photovoltaic (PV) power stations, predominantly operating under a “self-consumption with surplus grid feed-in” model, i.e., solar generation is primarily consumed by the underlying C&I operations, with surplus power exported to the grid. The target asset portfolio is approximately 560 MW across approximately 200 solar stations, averaging approximately 3 MW per station. Target assets are distributed nationwide: approximately 10% in the Sichuan-Chongqing region, over 60% in Eastern and Southern China (regions with favorable solar irradiation), and the balance in Central and Northern China. The underlying C&I offtakers are primarily cold-chain warehousing and logistics enterprises and large-scale manufacturers located at major domestic transportation hubs.

Chengdu Communications Investment Zhuoyue Fund may, for cash management purposes, determine to invest, with the cash assets of the Fund, in bank deposits, treasury bonds, central bank bills, money market funds and other cash management instruments recognised by the China Securities Regulatory Commission prior to completion of filing of the Fund as a private fund or during periods when capital of the Fund remains idle. Save and except for the investment scope specified above, the Fund shall not engage in any other investment activities without the unanimous consent of all partners.

Investment objective

The investment objective of the Fund is to engage in project investments in accordance with the provisions of the Partnership Agreement, and to achieve capital appreciation through the acquisition, holding and disposal of interests in investee enterprises.

Term of the Fund

The term of the Fund, as a limited partnership, shall be 20 years. The establishment date of the Fund (the “**Fund Establishment Date**”) shall be the date on which the Fund finalises its industrial and commercial registration and each of the partners contributes the first instalment of their subscribed capital commitment, the raised capital is transferred to the custody account of the Fund, and the custodian issues a notice certifying the receipt of the proceeds, being 8 May 2026.

The term of the Fund as a private fund (the “**Fund Term**”) shall be until the date falling upon the eighth anniversary since the Fund Establishment Date, which may be extended by up to two times, each extension not exceeding one year, subject to the operating requirements of the Fund and unanimous consent of all partners.

The term of investment of the Fund shall span over a period from the Fund Establishment Date until the fifth anniversary of the Fund (the “**Term of Investment**”). The term of exit of the Fund shall span over a period from the end of the Term of Investment until the eighth anniversary of the Fund (the “**Term of Exit**”).

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Size and capital commitment of the Fund

Upon completion of the transaction, the total capital commitment of the Fund shall be RMB1,000 million, with the amount subscribed for by each partner as follows:

Fund partners	Category	Subscribed amount (RMB'000)	As a percentage of total capital commitment (%)
Chengdu Communications Investment Zhuoyue Fund	General partner and the Fund Manager	1,000	0.10
Lok Capital	General partner	1,000	0.10
Chengdu Communications Investment Capital	Junior limited partner	149,000	14.90
Energy Development Company	Junior limited partner	150,000	15.00
PCG Power	Junior limited partner	199,000	19.90
Xiamen International Trust	Senior limited partner	200,000	20.00
Jiaozi Kechan M&A Fund	Senior limited partner	200,000	20.00
Chengdu Mengjiang	Senior limited partner	100,000	10.00
Total		1,000,000	100.00

Energy Development Company shall fund its share of the subscribed amount with self-owned funds.

Method of capital contribution and payment

Capital contributions shall be paid in cash in four tranches: the first tranche shall be paid upon the signing and effectiveness of the Partnership Agreement, with all partners making initial capital contributions of RMB10 million in aggregate in accordance with the payment notice issued by the Fund Manager to enable the partnership to complete the filing procedures as a fund product; The second tranche of capital contributions shall be paid by all partners based on their respective capital commitment percentages to cumulatively complete 30% of the total capital contributions, and the Fund Manager shall issue the second payment notice only after the proposed investment plan for the relevant tranche has been submitted to the investment decision committee for consideration; the third and fourth tranches of capital contributions shall be paid by all partners based on 45% and 25% of their respective capital commitment amounts. The timing and proportion of contributions by the general partners shall be the same as those of the limited partners.

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For each capital call made by the Fund Manager, Chengdu Communications Investment Capital and Energy Development Company shall be obliged to make payment only after PCG Power has made payment on time; and the new senior limited partners (Jiaozi Kechan M&A Fund, Chengdu Mengjiang and Xiamen International Trust) shall make their contributions only after the contribution amounts of the other partners have been determined and actually paid into the designated account for fundraising and settlement.

Management fee

Management fee of the Fund and compensation for executing partnership affairs of the Fund shall be payable at 1% per annum of the paid-in capital of all the partners during the Term of Investment and the Term of Exit, of which the management fee shall be calculated at 0.5% per annum of the paid-in capital of all the partners, and the remaining amount constitutes compensation for executing partnership affairs. No management fee or compensation for executing partnership affairs shall be paid during the period of extension or liquidation of the Fund.

The management fee of the Fund was determined after arm's length negotiation among the parties, with reference to the fee levels of comparable photovoltaic M&A funds in the market. In particular, the parties referenced five comparable photovoltaic and new energy acquisition funds managed by established market participants, with fund sizes ranging from approximately RMB300 million to approximately RMB1.3 billion, and management fee rates ranging from 1% to 1.5% per annum. The comparable funds invest primarily in distributed solar PV and new energy assets, which is consistent with the Fund's investment scope, and their fund sizes are broadly comparable to the Fund's total capital commitment of RMB1 billion. Three of the comparable funds are managed by Lok Capital (a general partner of the Fund), adopting pari passu or senior/subordinated structures with limited partners including listed companies, insurance institutions and local state-owned capital, which are similar in nature to the investor base of the Fund. The remaining two comparable funds are managed by other reputable market participants in the new energy sector. As the management fee information of private funds is not publicly available, the above represents the exhaustive set of comparable photovoltaic M&A fund fee information accessible to the parties. The Fund's aggregate management fee and compensation for executing partnership affairs of 1% per annum is at the lower end of the comparable range of 1% to 1.5% per annum, and is competitive compared with similar industrial funds.

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Investment and decision-making

The Fund shall have an investment decision committee to make decisions on matters such as the project investment approach, investment requirements, investment protection and other investment terms and changes thereto, investment exit plans and changes thereto, the exercise of voting rights by the Fund as a shareholder or through its appointed directors, and other significant post-investment matters that the Fund Manager considers should be submitted to the investment decision committee for consideration. The investment decision committee shall comprise three members, each of which will be appointed by each of Chengdu Communications Investment Zhuoyue Fund, Energy Development Company and Lok Capital. The chairman of the committee shall be the member appointed by Chengdu Communications Investment Zhuoyue Fund. The nominee shall be selected based on the following criteria: (i) the member appointed by Chengdu Communications Investment Zhuoyue Fund shall possess fund management and industry experience, and be responsible for safeguarding the Fund's compliance and investment return requirements; (ii) the member appointed by Energy Development Company shall possess new energy industry and project management experience, and be responsible for assessing operational safety and the Fund's investment return targets; and (iii) the member appointed by Lok Capital shall possess new energy asset management experience, with sufficient expertise in asset investment, operation and maintenance (O&M) management, return analysis and exit execution. Decisions of the investment decision committee shall be made on a one-vote-per-member basis and require the unanimous consent of all members. Where a related party transaction is contemplated between the Fund and any member of the investment decision committee, the entity appointing the member or its related party(ies), such member shall abstain from voting in this respect.

In addition, the Fund shall have three observers, recommended by Jiaozi Kechan M&A Fund, Chengdu Mengjiang and Xiamen International Trust respectively. Observers shall have the same rights to information and supervision as members of the investment decision committee or the relevant governing bodies of the Fund. Any proposal relating to the Fund's investments and exits that the Fund Manager is required to submit to the investment decision committee or the relevant governing bodies of the Fund shall be submitted to the observers for pre-review at least five working days prior to the vote, together with the relevant project materials. If an observer discovers that an investment or exit violates national laws, regulations or regulatory documents or fails to comply with the Partnership Agreement, the observer shall have the right to submit a review application to the Fund Manager, and the Fund Manager is required to provide a verification or rectification opinion within five working days. If two or more observers do not accept the Fund Manager's verification or rectification opinion, they shall have the right to propose convening an interim partners' meeting to consider the matter. The executive general partner shall have the right to increase the number of observers of the Fund and to recommend observers or designate the appointing entity for observers based on the investment needs of the Fund.

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Profit distribution and loss sharing

During the term of the Fund, if there is distributable income, the Fund Manager shall use its best commercial efforts to make distributions to the partners in a timely manner, and in principle, at least once a year.

When an investment project of the Fund is exited, the Fund Manager shall in principle make an exit distribution within 60 days after the Fund receives the proceeds from the exit.

A final distribution shall be made upon the termination and liquidation of the Fund.

Distributions during the term, exit distributions after project disposals, and final distributions upon expiry of the term shall all follow the order of “return of principal before distribution of profit” as set out below: (1) return to the senior limited partners of all their paid-in capital contributions up to the time of distribution; (2) distribute to the senior limited partners until each senior partner has received a hurdle investment return calculated at a simple interest rate of 5.5% per annum on the cumulative distributions received under paragraph (1) above; (3) return to the partners other than the senior limited partners of all their paid-in capital contributions up to the time of distribution; (4) distribute to the partners other than the senior limited partners until each such partner has received a hurdle investment return calculated at a simple interest rate of 5.5% per annum on the cumulative distributions received under paragraph (3) above; (5) if there is any remaining distributable cash, it shall be distributed as performance income, of which 5% shall be distributed to all senior partners in proportion to their relative paid-in capital contributions as at the time of distribution; 75% shall be distributed to all junior partners in proportion to their relative paid-in capital contributions as at the time of distribution; and 20% shall be distributed to the general partners, with the performance income distributed between the general partners in the ratio of 1:1.

The hurdle investment returns under paragraphs (2) and (4) above shall be calculated on the basis of the daily outstanding balance of each partner’s paid-in capital contributions that have not yet been returned during the term of the contributions, at an annualised rate of 5.5% divided by 365 days, calculated on a daily basis and accumulated over time.

Losses arising from the operations of the Fund and project investments shall be borne by all partners in proportion to their respective capital commitment.

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Transfer of interests by a limited partner

Where a limited partner transfers any of its interests in the Fund, other partners shall agree to waive their right of first refusal to such interests. The general partner shall issue a written response indicating whether it agrees to the transfer within 10 working days of the limited partner's application for transfer of interests. The general partner may refuse such transfer or disposal arrangement only if the transferee does not meet the conditions for a qualified investor in a private fund or violates mandatory regulatory provisions, and shall not impose other obstacles. Failure to respond within the prescribed time shall be deemed consent.

In addition, certain limited partners (including Energy Development Company) have additional exit rights upon occurrence of specified events, including: (i) failure to complete fund filing within 120 days after all partners have made their first capital contributions; (ii) failure to commence investment activities within one year after capital contribution; (iii) prolonged idle funds with no prospect of near-term improvement; (iv) material deviation from the Fund's investment objectives; (v) material regulatory issues affecting the fund manager; or (vi) other material changes rendering continued holding unsuitable. Upon the occurrence of any such event, the relevant limited partners may elect to transfer their interests or cease further contribution obligations, and other partners shall cooperate with such exit.

Our analyses on principal terms of the Transaction

To assess whether the terms of the Transaction are on normal commercial terms and are fair and reasonable, we searched and identified the initial announcements in relation to comparable establishment of fund (directly or through limited partnership) (excluding those explicitly disclosed that the investment scope includes publicly traded liquid securities or a single specific target), which constituted a notifiable transaction and/or connected transaction of such listed issuer and were published on the website of the Stock Exchange by listed issuer who are currently listed on the Stock Exchange during the period from 1 March 2026 to the date of Partnership Agreement (being the period of approximately six months, the "**Selection Period**"). We found 16 announcements (the "**Comparable Funds**") which met the said criteria and they are exhaustive. As the Selection Period represents the most recent period immediately before entering into the Partnership Agreement, and a total of 16 most recent establishment of funds (directly or through limited partnership) by other Hong Kong listed companies can be identified therein, we consider that the Selection Period is adequate to provide fair and representative samples for analysis. Although the investment objectives, investment scope, fund size, governance structure and distribution arrangements of the Fund are different from those of the Comparable Funds, the Comparable Funds can demonstrate the market practices in the establishment of funds (directly or through limited partnership) by other Hong Kong listed companies. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparable Funds.

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Set out below summarised key terms of the Comparable Funds:

Date of announcement	Company name (Stock code)	Initial term of fund (year)	Extension (Yes/No)	Fees of fund (including management fee and relevant execution fee (if applicable))	Proportion of number of investment decision-making committee members appointed/nominated/ determined by general partner(s) and/or fund manager to total number of investment decision-making committee members	Hurdle investment return per annum	Distribution of the remaining profit to partner(s) over the capital contribution and hurdle investment return of all the partners	Primary investment scope
9 March 2026	MetaLight Inc. (2605)	8	Y	During investment period: 2.0% Exit period: 1.5% Extension period or liquidation period: Nil	66.67% 3 members (2 of which shall be appointed by the general partner)	6%	(i) 80% to limited partners; and (ii) 20% to general partners (Note 1)	Artificial intelligence-related sectors within the digital economy
25 March 2026	China Life Insurance Company Limited (2628 & SH601628)	9	Y	During investment period: 1.5% Exit period: 1.5% Extension period or liquidation period: Nil	100.00% 5-7 members (all shall be appointed by the related party of the general partner) (Note 2)	8%	(i) 80% to limited partners; and (ii) 20% to general partner	Next-generation information technology, biomedicine, high-end manufacturing, new materials, new energy, and energy conservation and environmental protection
20 April 2026	Chengdu Expressway Co., Ltd. (1785)	10	Y	During investment period: 1.0% Exit period: 1.0% Extension period or liquidation period: Nil	33.33% 3 members (1 of which shall be appointed by the general partner)	8%	(i) 80% to all partners; and (ii) 20% to general partner	Energy storage assets predominately located in Chengdu, including energy storage construction projects designed for power replenishment+ (補電+), transportation hubs, industrial parks and other scenarios

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Date of announcement	Company name (Stock code)	Initial term of fund (year)	Extension (Yes/No)	Fees of fund (including management fee and relevant execution fee (if applicable))	Proportion of number of investment decision-making committee members appointed/nominated/ determined by general partner(s) and/or fund manager to total number of investment decision-making committee members	Hurdle investment return per annum	Distribution of the remaining profit to partner(s) over the capital contribution and hurdle investment return of all the partners	Primary investment scope
30 April 2026	Shandong Weigao Group Medical Polymer Company Limited (1066)	8	Y	During the two year of the investment period: (i) 2.2% on commitments up to KRW50 billion; (ii) 1.7% on commitments from KRW50 billion up to KRW100 billion; (iii) 1.2% on commitments from KRW100 billion up to KRW150 billion; and (iv) 1.0% on commitments in excess of KRW150 billion. From the third year of the investment period and during the exit period: (i) 2.2% on average invested capital up to KRW50 billion; (ii) 1.7% on average invested capital from KRW50 billion up to KRW100 billion; (iii) 1.2% on average invested capital from KRW100 billion up to KRW150 billion; and (iv) 1.0% on average invested capital in excess of KRW150 billion. During the extended period: Not exceed 1.0% per annum on the fund's average invested capital.	Not disclosed	Not disclosed	Not disclosed	Small and medium-sized enterprises and mid-tier enterprises in Korea and overseas in sectors focusing on open innovation and overseas business expansion involving Korean and overseas enterprises, universities and research institutions.
8 May 2026	Ruihe Data Technology Holdings Limited (3680)	5	Y	During investment period: 2.0% Exit period: Nil Extension period or liquidation period: Nil	Not disclosed	Not disclosed	Not disclosed	Unlisted enterprises in the field of artificial intelligence
11 May 2026	Lee's Pharmaceutical Holdings Limited (950)	8	Y	During investment period: 2.0% Exit period: Nil Extension period or liquidation period: Nil	75% 4 members (3 of which shall be appointed by the general partner)	Not disclosed	Not disclosed	Life and health, biotechnology and relating upstream and downstream industries

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name (Stock code)	Initial term of fund (year)	Extension (Yes/No)	Fees of fund (including management fee and relevant execution fee (if applicable))	Proportion of number of investment decision-making committee members appointed/nominated/ determined by general partner(s) and/or fund manager to total number of investment decision-making committee members	Hurdle investment return per annum	Distribution of the remaining profit to partner(s) over the capital contribution and hurdle investment return of all the partners	Primary investment scope
22 May 2026	Guoxia Technology Co., Ltd. (2655)	6	Y	During investment period (including the respective extension period): 2.0% Exit period (including the respective extension period): 1.5%	100% 3 members (all of which shall be appointed by the general partner)	6%	(i) 80% to limited partners; and (ii) 20% to general partner	New energy battery industry supply chain sector and other emerging industries, including sub-funds, projects, equity in unlisted companies established or operating in China or with significant connections to China, or private placement of shares and other types of equity interest in listed companies.
28 May 2026	China Communications Construction Company Limited (1800 & SH601800)	8	Y	During investment period: 1.26% Exit period: 0.56% Extension period or liquidation period: Nil	60% 5 members (3 of which shall be appointed by the general partners)	8%	(i) 80% to limited partners; and (ii) 20% to general partners	Intelligent equipment, smart transportation and intelligent construction based on next-generation information technologies including artificial intelligence, building information modeling, cloud computing, satellite internet and low-altitude economy
26 June 2026 & 31 August 2026 (Note 4)	Sunshine Lake Pharma Co., Ltd. (6887)	Not disclosed (Note 5)	Not disclosed	0.5% (Note 5)	Not disclosed	5%	(i) 80% to all partners; and (ii) 20% to general partner	Engaging in equity investments, investments in unlisted companies, investment management, asset management, and other activities related to venture capital.
10 July 2026	China Life Insurance Company Limited (2628 & SH601628)	8	Y	During investment period: 0.2% Exit period: 0.2% Extension period or liquidation period: Nil	100% 3 members (3 of which shall be appointed by the related party of general partner & managing partner) (Note 2)	8%	(i) 80% to limited partners; and (ii) 20% to general partner	Semiconductor industry
18 July 2026	Shanghai Pharmaceuticals Holding Co., Ltd. (2607 & SH601607)	8	Y	During investment period (including the respective extension period): 2% Exit period (including the respective extension period): 1.8%	33.33% 6 members (2 of which shall be appointed by the general partner)	8%	(i) 80% to limited partners; and (ii) 20% to general partners (Note 3)	(i) First-in-Class assets representing the first product targeting undrugged targets or mechanisms; and (ii) Best-in-class assets representing products with leading positions and best-in-class potential targeting validated/drugged targets or mechanisms

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name (Stock code)	Initial term of fund (year)	Extension (Yes/No)	Fees of fund (including management fee and relevant execution fee (if applicable))	Proportion of number of investment decision-making committee members appointed/nominated/determined by general partner(s) and/or fund manager to total number of investment decision-making committee members	Hurdle investment return per annum	Distribution of the remaining profit to partner(s) over the capital contribution and hurdle investment return of all the partners	Primary investment scope
24 July 2026	CIG Shanghai Co., Ltd. (6166 & SH603083)	7	Y	During investment period: 2% Exit period: 1% Extension period or liquidation period: Nil	66.67% 3 members (2 of which shall be appointed by the general partner)	8%	(i) 80% to all partners; and (ii) 20% to general partner	Advanced manufacturing and information technology, including integrated circuits and artificial intelligence (with a focus on enterprises in the optical components, chips, and core integrated circuits sectors) as well as ordinary shares of listed companies within the same industry chain as the Company that are issued and traded on a non-public basis (including private placements, block trades, and negotiated transfers)
7 August 2026	Ruihe Data Technology Holdings Limited (3680)	10	Y	During investment period: 1% Exit period: Nil Extension period or liquidation period: Nil	Not disclosed	Not disclosed	Not disclosed	(i) Emerging pillar industries: including but not limited to new energy, new materials aerospace and low-altitude economy and other industries/fields; (ii) future industries: including but not limited to quantum technology, biomanufacturing, hydrogen energy and nuclear fusion energy, brain-computer interface, embodied intelligence, sixth generation mobile communication (6G) and other industries/fields.
14 August 2026	Beijing Zhongke WengeAI Science and Technology Co., Ltd. (1956)	8	Y	During investment period: 2% Exit period: 1.5% Extension period or liquidation period: Nil	60.00% 5 members (3 of which shall be appointed by the general partner)	6%	(i) 80% to limited partners; and (ii) 20% to the general partner	Enterprise-level data infrastructure, industry models, artificial intelligence (AI) agents, AI safety, AI for Science and industrial decision-making systems.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name (Stock code)	Initial term of fund (year)	Extension (Yes/No)	Fees of fund (including management fee and relevant execution fee (if applicable))	Proportion of number of investment decision-making committee members appointed/nominated/ determined by general partner(s) and/or fund manager to total number of investment decision-making committee members	Hurdle investment return per annum	Distribution of the remaining profit to partner(s) over the capital contribution and hurdle investment return of all the partners	Primary investment scope
20 August 2026	Zhongguancun Science-Tech Leasing Co., Ltd. (1601)	6	Y	During investment period: 1.5% Exit period: 1.5% Extension period or liquidation period: Nil	80.00% 5 members (4 of which shall be appointed by the general partners and fund manager)	7%	(i) 80% to limited partners; and (ii) 20% to general partners	High-end and sophisticated industries including new materials, green chemical engineering, AI+, new energy, life and health, modern transportation and logistics industry, methanol-hydrogen (methanol) industrial chain, high-end equipment manufacturing, and other industries
28 August 2026	China Isotope & Radiation Corporation (1763)	8	Y	During investment period: 1.8% Exit period: 1.5% Extension period or liquidation period: Nil	80.00% 5 members (4 of which shall be appointed by the general partner and/ or its related party) (Note 6)	8%	(i) 80% to limited partners; and (ii) 20% to general partner	Application areas of nuclear technology, including the production and preparation of isotope, nuclear medical equipment and innovative pharmaceuticals, industrial irradiation and inspection, security inspection and protection, as well as related applications and key upstream and downstream segments of nuclear technology in the industrial, agricultural, medical, environmental protection and security fields
	Maximum	10	N/A	During investment period: 2.2% Exit period: 2.2% Extension period or liquidation period: 2.0%	100%	8%	N/A	N/A
	Minimum	5	N/A	During investment period: 0.2% Exit period: Nil Extension period or liquidation period: Nil	33.33%	6%	N/A	N/A
	The Fund	8	Y	During investment period: 1% Exit period: 1% Extension period or liquidation period: Nil	66.67% 3 members (2 shall be appointed by general partners)	5.50%	(i) 5% to all senior limited partners; (ii) 75% to all junior limited partners; and (iii) 20% to general partners.	Photovoltaic and energy storage industries

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

- (1) According to the relevant announcement, prior to the final allocation of surplus, a catch-up distribution shall be allocated to the general partner based on the priority return distributed to the limited partners, such that the amount distributed to the general partner equals to 20% of the priority return received by the limited partners.
- (2) According to the relevant announcements, the respective fund manager is the controlling shareholder of the respective general partner.
- (3) According to the relevant announcement, prior to the final allocation of surplus, there will be an allocation to the general partners until their allocated dividends reach 25% of the return threshold of such limited partners.
- (4) The initial announcement was published on 26 June 2026 and certain terms in relation to the establishment of fund were disclosed in the supplemental announcement dated 31 August 2026.
- (5) According to the relevant announcements, (i) the limited partnership fund has a registered term of 12 years; and (ii) during the first five-year period of the term of the fund, the general partner is entitled to 0.5% of the actual paid-in capital contribution of the fund per year as management fees; and during the second five-year period of the term of the fund, the general partner is entitled to 0.5% of the outstanding principal balance of the investments made by the fund that are yet to be exited per year as management fee.
- (6) According to the relevant announcement, four members out of total five members of the investment committee shall be nominated by the parent group of the general partner.

Duration of the Fund

According to the above table, the Fund Term (i.e. 8 years) falls within the range of term of the Comparable Funds (i.e. 5 years to 10 years). In addition, the term of 15 out of total 16 Comparable Funds are extensible, which is in line with that of the Fund.

Furthermore, we noted from an official document titled《私募投資基金登記備案辦法》(Measures for the Registration and Filing of Private Investment Funds*), which was promulgated by Asset Management Association of China in 2023 and for the purpose of governing private fund business, that private funds shall stipulate a definite duration. Unless otherwise provided, the duration of a private equity fund shall not be less than five years. Private fund managers are encouraged to establish private equity funds with a duration of no less than seven years.

Based on the above, we are of the view that the Fund Term is on normal commercial terms and fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Capital commitment

With reference to the Board Letter, the capital commitment of the Fund was determined among the partners after arm's length negotiations with reference to the expected capital requirements and investment targets of the Fund. In particular, the total capital commitment of the Fund of RMB1 billion was determined with reference to the Fund's target asset portfolio of approximately 560 MW of distributed solar PV power stations, which requires a total acquisition cost of approximately RMB2.2 billion. The Fund intends to finance such acquisitions through a combination of equity capital contributed by the partners (being the total capital commitment of RMB1 billion) and acquisition financing of approximately RMB1.2 billion, representing a leverage ratio of approximately 55%, which the Directors consider to be prudent given that leverage ratios of 60% to 70% are typical for comparable acquisition financing in the market. Energy Development Company's capital commitment of RMB150 million (representing 15% of the total capital commitment) was determined after arm's length negotiations among the partners with reference to the overall capital requirements of the Fund and Energy Development Company's investment capacity, and represents a level of investment proportionate to its role as a strategic junior limited partner participating in the Fund's investment decision-making and post-investment asset management.

As advised by the Directors, Energy Development Company and its subsidiaries subscribed structured deposit in a maximum amount of around RMB100 million in 2024 (note: Energy Development Company had not subscribed any structured deposit from 2025 to the Latest Practicable Date). The historical subscription of structured deposits indicated the use of partial monetary funds of Energy Development Company and its subsidiaries. Upon our further request, the Company provided us with consolidated management accounts of Energy Development Company. According to the management accounts, as at 30 June 2026, Energy Development Company and its subsidiaries recorded monetary funds of approximately RMB518 million, which is larger than the amounts of capital commitment by Energy Development Company (i.e. RMB150 million), indicating that Energy Development Company (on a consolidated basis) has sufficient resources to subscribe the Funds.

Based on the above, in particular, (i) the current cash level of Energy Development Company and its subsidiaries indicated that Energy Development Company (on a consolidated basis) has sufficient resources to subscribe the Fund; and (ii) the capital commitment to be subscribed by Energy Development Company (i.e., RMB150 million) is at a similar level to its prior subscription for structured deposits, indicating the cash management and investment activities of Energy Development Company and its subsidiaries, we are of the view that the amounts of capital commitment by Energy Development Company (i.e. RMB150 million) is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Cost of the Fund

Pursuant to the Fund Partnership Agreement, Energy Development Company shall pay a total fee (including the management fee of the Fund and compensation for executing partnership affairs of the Fund) at 1% per annum (of which the management fee shall be calculated at 0.5% per annum) of the paid-in capital of Energy Development Company during the Term of Investment and the Term of Exit. No management fee or compensation for executing partnership affairs of the Fund shall be paid during the period of extension or liquidation of the Fund.

With reference to the Board Letter, the management fee of the Fund was determined after arm's length negotiation among the parties, with reference to the fee levels of comparable photovoltaic M&A funds in the market. In particular, the parties referenced five comparable photovoltaic and new energy acquisition funds managed by established market participants, with fund sizes ranging from approximately RMB300 million to approximately RMB1.3 billion, and management fee rates ranging from 1% to 1.5% per annum. The Fund's aggregate management fee and compensation for executing partnership affairs of 1% per annum is at the lower end of the comparable range of 1% to 1.5% per annum, and is competitive compared with similar industrial funds.

According to the above table, the total fee (including management fee and relevant execution fee (if applicable)) rates of the Comparable Funds ranged from 0.2% to 2.2% per annum for investment period and nil to 2.2% for exit period. Cost of the Fund (i.e. 1% per annum of the paid-in capital for both of the Term of Investment and the Term of Exit) falls within the ranges for both of the investment period and the exit period as represented by the Comparable Funds.

As the cost of the Fund is comparable to cost of Comparable Funds, indicating that such term is on normal commercial terms, we are of the view that the cost of the Fund is fair and reasonable.

Investment decision committee

Despite that Energy Development Company contributed approximately 15.00% capital commitment of the Fund, Energy Development Company is entitled to appoint one of three members of the Investment Decision-making Committee. We would like to point out that the Fund Manager (who is entitled to appoint one of three members as general partner) and Lok Capital (who is entitled to appoint one of three members as general partner), shall bear joint and several liability for the debts of the partnership without limitation; whereas Energy Development Company, as junior limited partner, shall bear limited liability for the debts of the partnership to the extent of its capital contribution subscribed.

Furthermore, we also noted that the proportion of number of investment decision-making committee members appointed/nominated/determined by general partners and/or fund manager of the Fund (i.e. approximately 66.67%) falls within the range of that as represented by the Comparable Funds (i.e. from 33.33% to 100%).

Given the above and that the voting rights of the director nominated by Energy Development Company for decisions of investment decision committee (33.33%) is more than the proportion of capital commitment contributed by Energy Development Company to total capital commitment of the Fund (15.00%), we are of the view that the terms of investment decision-making committee are more favourable to Energy Development Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Profit distribution and loss sharing

The investment return of 5.5% to all limited partners of the Fund is slightly lower than the lower limit of the range (i.e. from 6% to 8%) as represented by the Comparable Funds.

According to the Comparable Funds, the Comparable Funds will return principal to all partners prior to the distribution of any profit, which is different from the profit distribution arrangement of the Fund. We further discussed with both the Company and the Fund Manager. We understood the following:

- Unlike the Comparable Funds, the Fund is classified as “structural fund”, which is a closed-ended fund that divides its units into two or more classes with divergent priority of returns and risk exposure with returns/losses being redistributed internally to create embedded leverage within the fund.

The typical two-tier structure consists of senior tranche partners and junior tranche partners, under which the senior tranche partners receive low-risk units carrying a predetermined fixed rate of return. The senior tranche partners enjoy profit distributions and principal protection on a priority basis.

The junior tranche partners bear residual risks and are entitled to the vast majority of surplus after satisfying payment obligations to senior tranche partners. This creates inherent leverage: gains are magnified during market upturns while losses accelerate in downward markets.

- As advised by the Fund Manager, structural fund is one of the typically private funds in the PRC capital market. According to the profit allocation arrangement terms of two structural funds as provided by Lok Capital (being one of the general partners) (being all of the structural funds as managed by Lok Capital as at the date of Partnership Agreement), we noted that (i) partners of such structural funds consist senior tranche partner, junior tranche partner and general partner; and (ii) principal amounts shall be distributed first to senior tranche partner, and no principal shall be paid to junior tranche partner until senior tranche partner receives principal in full.
- As advised by the Fund Manager, the purpose of such arrangement is to leverage capital to magnify return.

For the same rate of investment return, Energy Development will be entitled to or bear a larger amount of investment return or loss if the capital commitment of the Fund is larger. Despite the aforesaid, Energy Development Company, as a limited partner, shall be liable for the debts of the Fund up to the amount of its capital commitments. Furthermore, the senior tranche partners are considered to have limit influence on the investment and decision-making of the Fund, which is evidenced by that the senior tranche partners could only appoint observers in investment decision committee and the observers do not have voting rights for decisions on matters such as the project investment approach, investment requirements, investment protection and other investment terms and changes thereto, investment exit plans and changes thereto.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- As confirmed by the Fund Manager, investment return for the senior limited partner will only be distributed from distributable income. Pursuant to the Partnership Agreement, the distributable income means cash generated from project investment income, temporary investment proceeds and other sources, after deducting relevant expenses pursuant to relevant terms and conditions of the Partnership Agreement.

Having considered the following factors, including,

In the aspect of the structure of the Fund

- the Fund, as a structural fund, is one of the typically private funds in the PRC capital market. There is similar profit distribution arrangement of the two structured funds as managed by Lok Capital;
- the senior tranche partners are considered to have limit influence on the investment and decision-making of the Fund as they could only appoint observers in investment decision committee and the observers do not have voting rights for decisions on relevant matters;

In the aspect of return of the Fund

- the purpose of introducing senior tranche partner is to leverage capital of the Fund to magnify return. Although both profit and loss being magnified, (a) the junior limited partners may achieve a 14-times more returns than senior limited partners for the performance income; (b) losses arising from the operations of the Fund and project investments shall be borne by all partners in proportion to their respective capital commitment; and (c) Energy Development Company, as a limited partner, shall be liable for the debts of the Fund up to the amount of its capital commitments;
- the distribution arrangements are adopted to two other junior limited partners, one of which being an independent third party to the Company;
- the performance income distribution of 20% to general partners of the Fund is in line with the majority profit distribution arrangement of Comparable Funds (i.e. 12 Comparable Funds explicitly disclosed profit distribution arrangement and all of them adopted the profit distribution arrangement including the distribution of 20% to general partners). In addition, junior limited partners will be entitled to the majority proportion (i.e. $93.75\% = 75\% \div 80\%$) of performance income (i.e. the remaining distributable cash after the distribution of principal amounts and hurdle investment return to all partners) to all limited partners,

we are of the view that the profit distribution arrangement is fair and reasonable and on normal commercial terms.

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In respect of the loss sharing arrangement, as (a) Energy Development Company, as a limited partner, shall be liable for the debts of the Partnership up to the amount of its capital commitments; whereas (b) the general partners bear unlimited liability for the debts of the Fund, we are of the view that the loss sharing arrangement is in the interests of the Company and are fair and reasonable.

Our conclusion on principal terms of the Transaction

Taking into account the above principal terms of the Transaction, in particular, the followings, that:

- (i) the Fund Term, which is comparable to the term of the Comparable Funds and is in compliance with the relevant administrative measures, is on normal commercial terms and fair and reasonable;
- (ii) the amounts of capital commitment by Energy Development Company (i.e. RMB150 million) is fair and reasonable, having considered that Energy Development Company (on a consolidated basis) has sufficient resources to subscribe the Funds;
- (iii) the cost of the Fund, which is comparable to the costs of the Comparable Funds, is fair and reasonable;
- (iv) the terms of investment decision-making committee, with proportion of member numbers appointed/nominated/determined by general partners and/or fund manager of the Fund being comparable with those of the Comparable Funds, are justifiable;
- (v) the distribution arrangement is fair and reasonable and on normal commercial terms, having considered the nature of the Fund, decision-making influence of senior limited partners and junior limited partners, purposes of introducing senior tranche partner, allocation of performance income; and
- (vi) most of the key terms of the Transaction are the same or similar to those available to the independent junior limited partner,

we are of the view that the terms of the Transaction are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) although the Transaction is not conducted in the ordinary and usual course of the business of the Group, the Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

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

* *For identification purpose only*

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 this circular or any statement herein misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, the following persons (other than the Directors and chief executive of the Company) or corporations had interests or short positions in the Shares or underlying Shares of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO:

Domestic Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Chengdu Communications Investment ¹	Interest in controlled corporation	Domestic Shares	Long position	900,000,000	100%	72.46%
	Beneficial owner	Domestic Shares	Long position	300,000,000		
Communications Investment Construction and Management ²	Beneficial owner	Domestic Shares	Long position	900,000,000	75%	54.34%

Notes:

1. Chengdu Communications Investment is owned as to 90% by the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government and 10% by the Department of Finance of Sichuan Province.
2. Communications Investment Construction and Management is wholly owned by Chengdu Communications Investment.

H Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Guangdong Provincial Communication Group Company Limited (廣東省交通集團有 限公司) ¹	Interest in controlled corporation	H Shares	Long position	100,000,000	21.92%	6.04%
Xin Yue Company Limited (新粵有限公司) ¹	Beneficial owner	H Shares	Long position	100,000,000	21.92%	6.04%
Chengdu Jiaozi Financial Holding Group Co., Ltd. (成都交子金融 控股集團有限公司)	Beneficial owner	H Shares	Long position	50,000,000	10.96%	3.02%
Chengdu Rail Transit Group Co., Ltd. (成都軌道交通集團有限 公司) ²	Interest in controlled corporation	H Shares	Long position	49,950,000	10.95%	3.02%
Chengdu Rail Industrial Investment Group Co., Ltd. (成都軌道產業 投資集團有限公司) ²	Beneficial owner	H Shares	Long position	49,950,000	10.95%	3.02%
HWABAO TRUST CO., LTD ³	Investment manager	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Urban Construction Investment Management Group Co., Ltd. (成都城建投資管理 集團有限責任公司)	Beneficial owner	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Environment Investment Group Company Limited (成都 環境投資集團有限公司)	Beneficial owner	H Shares	Long position	45,450,000	9.96%	2.74%

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Chengdu Tianfu New Area Investment Group Co., Ltd. (成都天府新區投資集團有限公司) ⁴	Interest in controlled corporation	H Shares	Long position	42,939,000	9.41%	2.59%
Sichuan Tianfu New Area Capital Investment Co., Ltd. (四川天府新區資本投資有限公司) ⁴	Trust beneficiary	H Shares	Long position	42,939,000	9.41%	2.59%
Chengdu Industry Investment Group Co., Ltd. (成都產業投資集團有限公司) ⁵	Interest in controlled corporation	H Shares	Long position	25,646,000	5.62%	1.55%
Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) ⁵	Beneficial owner	H Shares	Long position	25,646,000	5.62%	1.55%

Notes:

- Guangdong Provincial Communication Group Company Limited holds interests in 100,000,000 H Shares of the Company through its wholly-owned subsidiary, Xin Yue Company Limited.
- Chengdu Rail Industrial Investment Group Co., Ltd. is wholly-owned by Chengdu Rail Transit Group Co., Ltd. Chengdu Rail Industrial Investment Group Co., Ltd. holds interests in 49,950,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd (中誠信託有限責任公司).
- As an investment manager, HWABAO TRUST CO., LTD holds interests in 49,900,000 H Shares of the Company.
- Chengdu Tianfu New Area Investment Group Co., Ltd. holds 100% interests in Sichuan Tianfu New Area Capital Investment Co., Ltd. (formerly known as Chengdu Tianfu Capital Investment Co., Ltd. (成都天府資本投資有限公司)). Sichuan Tianfu New Area Capital Investment Co., Ltd. holds interests in 42,939,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd.
- Chengdu Advanced Manufacturing Industry Investment Co., Ltd. is wholly owned by Chengdu Industry Investment Group Co., Ltd. Chengdu Industry Investment Group Co., Ltd. is interested in 25,646,000 H Shares of the Company through investment in the Chengxin No. 103 Trusted Overseas Wealth Management Project of China Credit Trust (中誠信託誠信海外配置103號受託境外理財項目).

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than Directors or chief executive of the Company) or corporations holding interests or short positions in the Shares or underlying Shares of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no material adverse change in the financial or operating condition of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up.

5. INTERESTS OF DIRECTORS IN COMPETING BUSINESSES

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

6. INTERESTS OF DIRECTORS IN ASSETS OR CONTRACTS

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 are proposed to be acquired or disposed of by or leased to) any member of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up. None of the Directors or any of their respective associates was materially interested in any contract or arrangement which was significant in relation to the business of the Group subsisting as at the Latest Practicable Date.

7. SERVICE CONTRACTS OF DIRECTORS

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

8. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at the Latest Practicable Date, none of the Directors served as directors or employees in companies which had interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

9. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Gram Capital	a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
a.	as at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up;
b.	as at the Latest Practicable Date, the above expert did not have any beneficial interest in the share capital of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for securities in any member of the Group; and
c.	the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name or opinion in the form and context in which it appears.

10. MISCELLANEOUS

- a. the company secretary of the Company is Ms. Kwong Yin Ping, Yvonne. Ms. Kwong received a bachelor's degree in accounting from Hong Kong Polytechnic University in November 1997. She has been a fellow of The Hong Kong Institute of Chartered Secretaries and a fellow of United Kingdom Institute of Chartered Secretaries and Administrators since December 2012;
- b. the registered office of the Company is situated at 9th Floor, Youyi Data Building, No. 28 Jingyuan East Road, Deyuan town (Jingrong town), Pidu District, Chengdu, Sichuan Province, the PRC, and the headquarters of the Company is located at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC; and
- c. the H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

11. DOCUMENTS ON DISPLAY

The following documents (or the copies thereof) will be published on the HKEx news website (<http://www.hkexnews.hk>) and the website of the Company (<http://www.chengdugs.com/>) from the date of this circular up to and including 17 September 2026:

- a. the letter from the Independent Board Committee to the Independent Shareholders, the full text of which is set out on page 34 to page 35 of this circular;
- b. the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the full text of which is set out on pages 36 to 65 of this circular;
- c. the written consent issued by the expert as referred to in the section headed “Qualification and Consent of Expert” in this appendix; and
- d. the Partnership Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Chengdu Expressway Co., Ltd.

成都高速公路股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01785)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Chengdu Expressway Co., Ltd. (the “**Company**”) will be held at meeting room 1 of Chengdu Expressway Co., Ltd., 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the People's Republic of China (the “**PRC**”) at 10:00 a.m. on Friday, 18 September 2026, for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the Partnership Agreement (as amended and supplemented) entered into on 31 August 2026 among Chengdu Energy Development Co., Ltd., a subsidiary of the Company, Chengdu Communications Investment Zhuoyue Fund and other parties;
2. To consider and approve the provision of guarantee in respect of loans to a subsidiary;
3. To consider and approve the appointment of Mr. Wu Xiao as an executive director of the second session of the board of directors of the Company; and
4. To consider and approve the appointment of Ms. Jiang Na as a non-executive director of the second session of the board of directors of the Company.

On behalf of the Board
Chengdu Expressway Co., Ltd.
Ding Dapan
Chairman

Chengdu, the PRC, 3 September 2026

As at the date of this notice, the Board of the Company comprises Mr. Ding Dapan and Mr. Pan Xin as executive directors; Mr. Jiang Xinliang as non-executive director; and Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng as independent non-executive directors.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. CLOSURE OF REGISTER OF MEMBERS FOR THE EGM

For the purpose of holding the EGM, the register of members of the Company (the “**Register of Members**”) will be closed from Thursday, 17 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of shares can be registered.

In order to qualify for attending and voting at the EGM, for holders of H shares, all transfer documents accompanied by the relevant share certificates shall be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, 16 September 2026; while for holders of domestic shares of the Company (the “**Domestic Shares**”), all transfer documents accompanied by the relevant share certificates shall be lodged with the Company’s Board Office in the PRC at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC, before 4:30 p.m. on Wednesday, 16 September 2026.

Shareholders whose names appear on the Register of Members on Thursday, 17 September 2026 shall be eligible to attend and vote at the EGM.

2. APPOINTMENT OF PROXIES

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a member of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorised in writing. If the shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.

In order to be valid, the form of proxy must be deposited, for the holders of H shares, at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, or for the holders of domestic shares, at the Board Office of the Company in the PRC not less than 24 hours before the time fixed for holding the EGM. If the form of proxy is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited with the form of proxy at the same address as mentioned above. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the EGM in person. If corporate shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the form of proxy signed by the shareholders or their attorney when attending the EGM.

3. JOINT SHAREHOLDERS

In the case of joint holders of shares of the Company, only the holder whose name stands first in the Register of Members shall alone be entitled to vote at the EGM either in person or by proxy in respect of such shares.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. REPLY SLIP

Shareholders who intend to attend the EGM should complete the reply slip and return it to the Board Office of the Company in the PRC by hand, by post or by fax on or before Friday, 11 September 2026. The contact details are as follows:

Contact Person: Ms. Liu Yang

Telephone No.: 86 28 86056063

Fax No.: 86 28 86056070

Address: 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC

5. MISCELLANEOUS

The EGM is expected to be held for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.