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

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

THE PROPOSED ESTABLISHMENT OF ABS SPECIAL PLAN AND DISPOSAL OF UP TO 58.43% EFFECTIVE EQUITY INTEREST IN THE PROJECT COMPANY

OVERVIEW OF THE TRANSACTIONS

The Company is pleased to announce that an ABS Special Plan, namely PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan (人保資產-越秀交通基礎設施投資資產支持專項計劃) is proposed to be launched on the Shanghai Stock Exchange for the purpose of, amongst other things, acquiring the limited partnership interest in the Partnership Enterprise which will acquire the Target Equity Interest in the Project Company, namely Hubei Ashennan Expressway Development Co. Ltd., presently a 90% indirectly owned subsidiary of the Company. The Company appoints PICC Asset Management Company Limited as the Plan Manager of the ABS Special Plan. The target fundraising size of the ABS Special Plan is approximately RMB3,450 million with an expected fixed coupon rate between 2.2% and 2.5% per annum for a term of 16 years, subject to an Open Exit Mechanism in the 8th year from the establishment of the ABS Special Plan.

The Proposed Establishment of the ABS Special Plan and the transactions contemplated thereunder will be implemented through a three-step structure involving the Partnership Enterprise, the ABS Special Plan and the Project Company as follows:

(a) **Setting up of the Partnership Enterprise:** A Partnership Agreement is proposed to be entered into by Yuexiu Hubei (as General Partner), Kangfu International Leasing (as Class A Limited Partner) and YCTI (as Class B Limited Partner) for the establishment of the Partnership Enterprise. The total subscribed capital contribution of the Partnership Enterprise will be RMB5,314 million, of which (i) the Group will subscribe for capital contribution of RMB1,864 million, representing an aggregate of approximately 35.08% interests (i.e. Yuexiu Hubei, as General Partner, will subscribe for RMB1,598 million, and YCTI, as Class B Limited Partner, will subscribe for RMB266 million), and (ii) the Original Owner, as Class A Limited Partner, will subscribe for capital contribution of RMB3,450 million, representing approximately 64.92% interests. The proposed capital contribution amount and interest percentage of each partner may be adjusted according to the actual fundraising size of the ABS Special Plan.

(b) **Acquisition of Class A Limited Partnership Interests by the Plan Manager (on behalf of the ABS Special Plan):** The Original Owner (as transferor), PICC Asset Management Company Limited (on behalf of the ABS Special Plan) (as transferee) and the Partnership Enterprise propose to enter into the Limited Partnership Interest Transfer Agreement to transfer the Class A Limited Partnership Interests to the Plan Manager (on behalf of the ABS Special Plan) at nil consideration as those limited partnership interests have not yet been paid up. Completion of the Limited Partnership Interest Transfer shall take place on the date of establishment of the ABS Special Plan. The Plan Manager (on behalf of the ABS Special Plan), as the new Class A Limited Partner, Yuexiu Hubei as General Partner and YCTI as Class B Limited Partner will make capital contribution of an aggregate of RMB5,314 million to the Partnership Enterprise in accordance with the Partnership Agreement.

(c) **Disposal of 90% equity interest in the Project Company by the Group to the Partnership Enterprise:** Meanwhile, Wuhan Andi Technology (as transferor), a subsidiary of the Company, the Partnership Enterprise (as transferee) and the Project Company will enter into the Equity Transfer Agreement, pursuant to which Wuhan Andi Technology conditionally agrees to sell, and the Partnership Enterprise conditionally agrees to acquire, the 90% equity interest in the Project Company, at a consideration of approximately RMB1,590 million in cash.

Upon receipt of the total capital contributions of RMB5,314 million, the Partnership Enterprise will apply approximately RMB1,590 million to settle the consideration for the Equity Transfer and provide the remaining amount of approximately RMB3,724 million as a shareholder loan to the Project Company for the repayment of its existing debts (including the internal loan provided by the Group to the Project Company of approximately RMB2,042 million and external loans provided by banks of approximately RMB1,619 million) and the supplement to its working capital. The Equity Transfer is conditional upon the successful establishment of the ABS Special Plan and the establishment of the ABS Special Plan is subject to the review of the SSE.

Upon completion of the establishment of the ABS Special Plan and the Equity Transfer, assuming the target fundraising size of the ABS Special Plan of RMB3,450 million is reached, the Group's effective equity interest in the Project Company will decrease by up to 58.43% from 90% to approximately 31.57%.

The Partnership Enterprise will become a non-wholly owned subsidiary of the Company by virtue of the contractual arrangements in the Partnership Agreement, and the Project Company will, with 90% of its equity interest held by the Partnership Enterprise, remain as a non-wholly owned subsidiary of the Company. The financial results of the Partnership Enterprise and the Project Company will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Proposed Establishment of the ABS Special Plan and the related arrangements will optimise the Group's capital structure and secure long-term funding on competitive terms, contributing to the Group's long-term sustainable development. In particular:

(1) Optimise Capital Structure and Lower Total Liabilities to Total Assets Ratio: upon completion of the Proposed Establishment of the ABS Special Plan, the Group can raise RMB3,450 million to secure long-term development capital for the Group and further enhance its financial robustness. The Group's consolidated total liabilities to total assets ratio (calculated as total liabilities divided by total assets) is expected to decrease from approximately 61.5% to approximately 55.3% (assuming all transactions are completed on 30 June 2026).

(2) Reduce Financial Expenses and Enhance Liquidity: the ABS Special Plan enables the Group to raise a larger amount of funds at a lower cost, with a longer financing tenor that is aligned with the remaining concession period of the Underlying Asset Portfolio. The Group is benefited from the lower funding cost afforded by the ABS Special Plan to replace the Project Company's existing higher-cost, shorter-term external bank borrowings. The proceeds will be used to repay such existing borrowings, thereby optimising the Group's debt maturity profile, reducing financial expenses and enhancing its liquidity.

(3) Revitalise Existing Asset by Secondary Securitisation While Maintaining Consolidated Control: the Daguangnan Expressway, being the Underlying Asset Portfolio underlying the ABS Special Plan and with an appraised value of approximately RMB5,663.70 million as at 30 June 2026, will be revitalised through the securitisation of the Underlying Asset Portfolio under the ABS Special Plan. The Group can realise the value of the Underlying Asset Portfolio by disposing of the Target Equity Interest in the Project Company to the Partnership Enterprise at reasonable price, which is conducive to unlocking the value of the Group's assets and enhancing overall returns for the Shareholders.

By holding the majority of the voting power in the Partnership Enterprise, which will in turn hold the majority of the equity interests in the Project Company, the Group will continue to exercise actual control over the Project Company. The Project Company, which operates the Underlying Asset Portfolio, will remain consolidated in the financial statements of the Group, enabling the Group to retain long-term operational income and potential returns of the assets.

(4) Unlock Net Cash Inflow and Support Strategy of "Business Expansion and Innovation": through the transactions in connection with the ABS Special Plan, the Group expects to recognise a net cash inflow of approximately RMB1,820 million. The net cash inflow will enhance the Group's liquidity position and provide greater flexibility for its future capital deployment. The Group will apply the proceeds towards suitable future project investments and replenishment of the Group's general working capital. This will enable the Group to better align its resources with its business development needs, strengthen its ability to respond to future funding needs and support the implementation of its "business expansion and innovation" strategy.

(5) Expand Capital Operation Channels and Support the Continuing High Quality Development of the Group: by leveraging mature capital market instruments in the PRC, the Group can effectively revitalise existing infrastructure assets and further expand capital operation channels. This will provide strategic support for the Group's future continued expansion and high-quality development.

LISTING RULES IMPLICATIONS

The Proposed Establishment of the Partnership Enterprise

Pursuant to the Partnership Agreement, the Group (through YCTI and Yuexiu Hubei) and the Original Owner will establish the Partnership Enterprise, to which the Group proposes to subscribe for a total capital contribution of RMB1,864 million (representing approximately 35.08% of the partnership interests). As the highest applicable percentage ratio in respect of the Proposed Establishment of the Partnership Enterprise exceeds 25% but is less than 75%, the Proposed Establishment of the Partnership Enterprise constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Equity Transfer

Upon completion of the establishment of the ABS Special Plan and the Equity Transfer, assuming the target fundraising size of the ABS Special Plan of RMB3,450 million is reached, the Group's effective equity interest in the Project Company will decrease from 90% to approximately 31.57%. The Partnership Enterprise will nevertheless become a non-wholly owned subsidiary of the Company under the contractual arrangement in the Partnership Agreement and the Project Company will remain as a non-wholly owned subsidiary of the Company with 90% of its equity interest held by the Partnership Enterprise. The Equity Transfer will in substance constitute a disposal by the Group of up to 58.43% effective equity interest in the Project Company. As the highest applicable percentage ratio in respect of the Equity Transfer – when calculated using the consideration of up to RMB3,449 million (representing the maximum subscription proceeds to be raised from the issuance of the Senior ABS) – exceeds 25% but is less than 75%, the Equity Transfer constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM AND CIRCULAR

A circular containing, among other things, further details of the Proposed Establishment of the ABS Special Plan, the Proposed Establishment of the Partnership Enterprise and the Equity Transfer, and other information required by the Listing Rules, together with the notice of the SGM, is expected to be despatched to Shareholders on or before 4 December 2026, to allow sufficient time for the preparation of the relevant information to be included in the circular.

Shareholders and potential investors of the Company should note that the establishment of the ABS Special Plan is subject to the fulfilment of a number of conditions before it can proceed, and therefore the establishment of the ABS Special Plan and the related transactions contemplated thereunder may or may not proceed. In addition, Shareholders and potential investors should note that the ABS to be issued under the ABS Special Plan are offered solely by way of non-public offering on the SSE in the PRC. The ABS will not be offered, sold or marketed to the public in Hong Kong, and this announcement does not constitute an offer, invitation or solicitation to the public in Hong Kong to subscribe for or acquire any ABS. Shareholders and potential investors are advised to exercise caution when dealing in or considering dealing in the Shares or other securities (if any) of the Company.

I. INTRODUCTION

The Board is pleased to announce that the ABS Special Plan, namely PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan (人保資產-越秀交通基礎設施投資資產支持專項計劃) with a target fundraising size of not exceeding RMB3,450 million, is proposed to be launched on the SSE with a view to securitising the Underlying Asset Portfolio held by the Group, and raising funds for the operation and development of the Group's business. A SGM will be convened to seek Shareholders' approval for the major transactions in relation to the Proposed Establishment of the ABS Special Plan.

II. PRINCIPAL TERMS AND OFFERING PLAN OF THE ABS UNDER THE ABS SPECIAL PLAN

OVERVIEW OF THE ABS

The ABS to be issued under the ABS Special Plan comprise two tranches, namely the Senior ABS and the Subordinated ABS. The principal terms of the ABS Special Plan and the common features and general arrangements applicable to both tranches of the ABS are set out below:

1. **Target Fundraising Size:** The target fundraising size of the ABS Special Plan shall not exceed RMB3,450 million, comprising the Senior ABS of not exceeding RMB3,449 million and the Subordinated ABS of RMB1 million.

2. **Nominal Value and Offer Price**: Each unit of the ABS has a nominal value of RMB100 and will be issued at 100% of its nominal value (at par).

3. **Investment Scope of the ABS Special Plan and Use of Proceeds**: The Plan Manager (on behalf of the ABS Special Plan) shall apply the subscription proceeds from the issuance of the ABS to acquire the Class A Limited Partnership Interests from the Original Owner and, upon becoming the Class A Limited Partner of the Partnership Enterprise, make capital contribution to the Partnership Enterprise which shall in turn acquire the Target Equity Interest and provide the Target Debt to the Project Company.

4. **Listing and Trading**: The Plan Manager will apply for listing, quotation and transfer of the ABS on the Comprehensive Electronic Platform for Fixed Income Securities (固定收益證券綜合電子平台) of the SSE.

5. **Registration and Custody**: The Plan Manager will engage the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to handle the centralised registration, custody, clearing and transfer services of the ABS.

6. **Bankruptcy Remoteness and Asset Segregation:** The assets and proceeds of the ABS Special Plan shall be deposited with the custodian bank under closed-loop supervision and shall be independent of the proprietary assets of the Original Owner, the Plan Manager, the custodian bank and other service providers.

7. Offering Period for the Establishment of the ABS Special Plan:

The offering period for the establishment of the ABS Special Plan commences on (and includes) the date on which the Plan Manager begins offering the ABS Special Plan and expires on the earlier of (i) the closing date announced by the Plan Manager; or (ii) the date on which the target fundraising size of the ABS Special Plan is reached.

If the target fundraising size for any tranche of the ABS is not satisfied upon the expiry of the offering period, the establishment of the ABS Special Plan shall fail.

8. Cash Flow and Distribution Mechanism of the ABS Special Plan

(1) **Underlying Asset Cash Flow Generation and Repayment**: The toll road operating income generated by the Target Project will be collected in the operating bank account of the Project Company. The Project Company will transfer from its operating bank account to its supervisory bank account the funds required to repay the principal and interest of the Target Debt then payable according to the repayment schedule on an annual basis and investment returns payable to the Partnership Enterprise (if any), while the remaining funds will remain in its operating bank account. The Project Company will then apply the funds in its supervisory bank account to repay the principal and interest of the Target Debt then payable (and make distributions, if any) to the Partnership Enterprise annually. Upon the occurrence of an operational support event or performance support event, at the Project Company level, YCTI (supported by the liquidity support from the Company) will provide operational support funds or performance support funds to the Project Company pursuant to the Operation Support Agreement to support the normal operation of the Project Company and ensure timely repayment of the Target Debt.

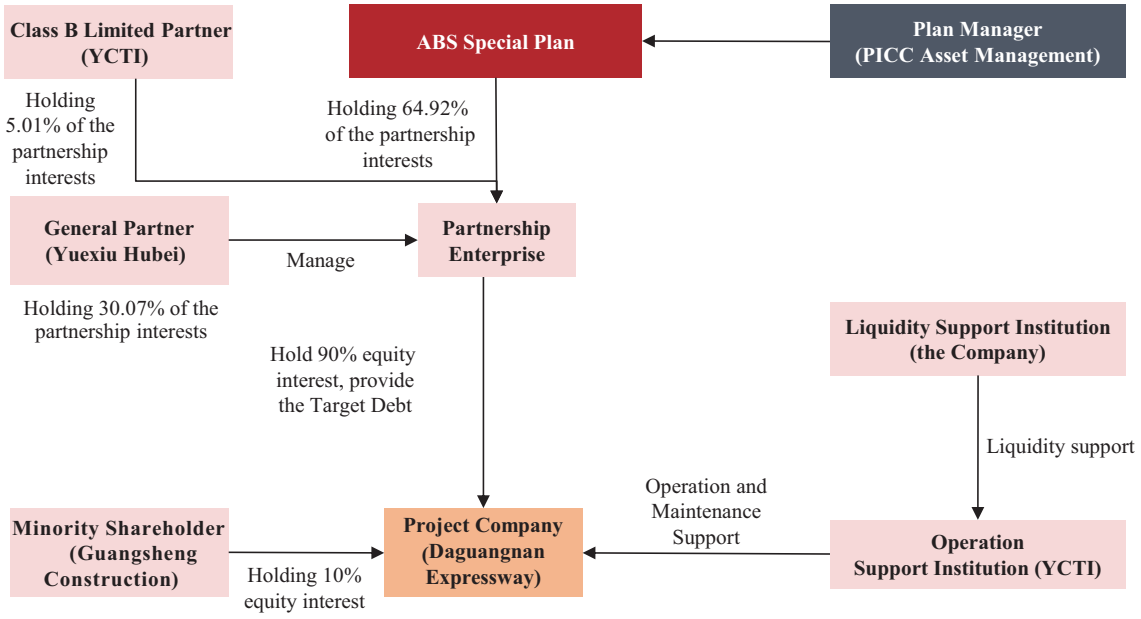
(2) **Distributions by the Partnership Enterprise**: Upon receiving the repayment of the principal and interest of the Target Debt then payable (and other investment returns, if any), the Partnership Enterprise will, in accordance with the Partnership Agreement, make distributions to its partners from its distributable cash after reserving any required expenses. In respect of both operating income distributions and disposal distributions, the Class A Limited Partner and the Class B Limited Partner rank *pari passu* with each other in proportion to their respective paid-in capital contributions, and in priority to the General Partner (which is entitled to receive its return of capital only after the limited partners have received their corresponding priority distributions).

(3) **Distributions under the ABS Special Plan**:

Distributions under the ABS Special Plan comprise ordinary distributions, disposal distributions and liquidation distributions. With the principal and interest of the Target Debt serving as its primary cash flow source, the Partnership Enterprise will make operating income distributions and disposal distributions (if any), through which the ABS Special Plan will derive returns attributable to its capacity as the Class A Limited Partner. On each relevant distribution payment date, the Plan Manager will apply the distributable funds in the ABS Special Plan account in the following order of priority: (i) in payment of taxes and expenses of the ABS Special Plan; (ii) in payment of expected returns on the Senior ABS; (iii) in payment of the unpaid principal of the Senior ABS on a pass-through amortisation basis and *pari passu* among the holders of the Senior ABS until the unpaid principal of the Senior ABS has been repaid in full; (iv) (applicable only to disposal distributions, liquidation distributions, and ordinary distributions after the ABS Special Plan enters the disposal period) in payment of the unpaid principal of the Subordinated ABS; and (v) in payment of any remaining balance to YCTI (as the operation support institution) as operational support fees.

Structure of the ABS Special Plan

The Proposed Establishment of the ABS Special Plan and the transactions contemplated thereunder will be implemented involving the Partnership Enterprise, the ABS Special Plan and the Project Company. The transaction structure is illustrated below:



Principal Terms of the Senior ABS

The principal terms of the Senior ABS are tentatively set out as follows (the final fundraising size, term and other arrangements will be determined based on due diligence, valuation and regulatory requirements):

Securities Name	PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan Senior Asset-Backed Securities (人保資產-越秀交通基礎設施投資資產支持專項計劃優先級資產支持證券)
Target Fundraising Size	Not exceeding RMB3,449 million, representing approximately 99.97% of the total fundraising size.
Investors / Subscribers	Qualified professional institutional investors in the PRC, who are independent third parties of the Company.[1]
Credit Rating	Expected to be AAAsf as evaluated by China Chengxin International Credit Rating Co., Ltd.
Expected Rate of Return / Coupon Rate	Fixed coupon rate, expected to be approximately 2.2% to 2.5% per annum, to be finally determined following bookbuilding and determination of the offer price.
Expected Term and Maturity	16 years, with coupon rate adjustment rights, open exit and priority acquisition rights at the end of the 8th year. The expected maturity date is the 16th ordinary distribution payment date from the establishment date of the ABS Special Plan.
Repayment and Distribution Arrangement	Interest is payable annually. Principal is repaid on a pass-through amortisation basis (i.e. repaid periodically out of the available distributable cash flow after deducting taxes, expenses and interest accrued on the Senior ABS, without a fixed principal repayment schedule), ranking senior to the Subordinated ABS in accordance with the ordinary and disposal distribution waterfalls.

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[1] *Qualified professional investors include: (i) financial institutions established with the approval of the relevant financial regulatory authorities, including securities companies, futures companies, fund management companies and their subsidiaries, commercial banks, insurance companies, trust companies and finance companies, etc.; subsidiaries of securities companies, subsidiaries of futures companies and private fund managers which have completed filing or registration with the relevant industry associations; (ii) wealth management products issued by the above institutions to investors, including but not limited to asset management products of securities companies, products of fund management companies and their subsidiaries, asset management products of futures companies, bank wealth management products, insurance products, trust products and private funds filed with the relevant industry associations; and (iii) pension funds such as social security funds and enterprise annuities, social welfare funds such as charitable funds, qualified foreign institutional investors (QFII) and Renminbi qualified foreign institutional investors (RQFII).*

Exit, Continuation or Disposal Mechanism

The Senior ABS is structured with a term of 16 years. In connection with the 8th ordinary distribution payment date (the "**Open Exit Exercise Date**") following the establishment of the ABS Special Plan:

(1) Priority Acquisition Right (Early Termination): Prior to the Open Exit Exercise Date, the Plan Manager shall issue a priority acquisition right exercise enquiry letter to YCTI or its designated entity. YCTI or its designated entity may, at its option, elect to exercise its priority right to acquire all Class A Limited Partnership Interests, the Target Equity Interest and the Target Debt, or the Target Project within a prescribed period. If such right is exercised, the exercise price paid by YCTI or its designated entity will be applied to repay the outstanding principal and expected returns of the Senior ABS in full, thereby achieving the exit of the Senior ABS holders and the early termination of the ABS Special Plan;

(2) Open Exit and Extension: If YCTI or its designated entity does not exercise the priority acquisition right as mentioned in paragraph (1) above, the Plan Manager (in consultation with the Partnership Enterprise) can adjust the coupon rate of the Senior ABS for the remaining period, and holders of the Senior ABS can apply to exit during the open exit registration period prior to the Open Exit Exercise Date, whereupon the Plan Manager will seek new investors to acquire the exiting Senior ABS through secondary re-sale. If no Senior ABS holder applies to exit, or if all Senior ABS registered for exit are successfully re-sold to new investors within the prescribed period, the ABS Special Plan will continue to operate for the remaining period of the ABS Special Plan; and

(3) Entry into the Disposal Period: If the Senior ABS registered for exit are not fully re-sold within the prescribed period, the ABS Special Plan will enter the disposal period, during which YCTI or its designated entity may, at its option, elect to exercise its priority acquisition right. If the priority acquisition right is not exercised, the Plan Manager will initiate a market-oriented disposal of the underlying assets of the ABS Special Plan, comprising the Class A Limited Partnership Interests, the Target Equity Interest, the Target Debt and the Target Project through measures including acceleration and repayment of the Target Debt, in-kind distribution by the Partnership Enterprise, or third-party transfer/auction in order to repay the outstanding principal and expected returns of the Senior ABS.

Principal Terms of the Subordinated ABS

The principal terms of the Subordinated ABS are tentatively set out as follows (the final fundraising size, term and other arrangements will be determined based on due diligence, valuation and regulatory requirements):

Securities Name	PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan Subordinated Asset-Backed Securities (人保資產-越秀交通基礎設施投資資產支持專項計劃次級資產支持證券)
Target Fundraising Size	RMB1 million, representing approximately 0.03% of the total fundraising size.
Holder / Subscriber	The Company or its designated entity.
Credit Rating	Unrated.
Expected Return / Coupon Rate	No fixed coupon rate or expected rate of return is set.
Term and Maturity	The expected term commences on the establishment date of the ABS Special Plan and ends on the date, as unanimously agreed in writing by all holders of the Subordinated ABS after the principal and expected returns of all Senior ABS have been paid in full.

Distribution and Subordination	The Subordinated ABS is subordinated to the Senior ABS. Please refer to the order of distribution set out in the section headed "II. Principal Terms and Offering Plan of the ABS under the ABS Special Plan — Overview of the ABS — 8. Cash Flow and Distribution Mechanism of the ABS Special Plan" above.
No Open Exit Right	The Subordinated ABS shall not participate in the open exit mechanism applicable to the Senior ABS.

Other Related Agreements for the ABS Special Plan

For the establishment of the ABS Special Plan, the following agreements will also be entered into by the relevant parties. As the specific terms of each agreement are subject to the review of the SSE, the summaries below are subject to changes:

(i) The ABS Standard Terms

As the plan manager of the ABS Special Plan, the Plan Manager will formulate the ABS Standard Terms, which set out the rights and obligations between the Plan Manager and the holders of the ABS, including the arrangements for the application of funds and distribution of income under the ABS Special Plan.

(ii) Loan Agreement

The Loan Agreement will be entered into by the Partnership Enterprise (as lender) and the Project Company (as borrower), pursuant to which the Partnership Enterprise will provide a shareholder's loan with a principal amount of RMB3,724 million (i.e. the Target Debt) to the Project Company. The principal terms of the Loan Agreement are set out below:

Interest Rate	The initial interest rate range is tentatively set at 3.0-3.5% per annum, subject to adjustment by the lender only with the unanimous consent of all partners at a partners' meeting of the Partnership Enterprise. In particular, upon the occurrence of an accelerated maturity event of the loan, the lender shall have the right to increase the interest rate of the loan to a rate not exceeding four times the one-year loan prime rate (LPR) applicable on the commencement date of the loan term under the Loan Agreement, and the adjusted interest rate of the loan shall apply retrospectively from the effective date of the Loan Agreement.

Maturity and Term	16 years, subject to early maturity or extension in accordance with the Loan Agreement. The loan shall be accelerated and become due and payable in advance when the ABS Special Plan enters into the liquidation process or period for market-oriented disposal.
Use of Proceeds	The loan shall be used for repaying the existing debts of the Project Company and supplementing its working capital. Any surplus remaining after repaying such existing debts and supplementing working capital can be on-lent to entities within the consolidated accounting scope of YCTI (non-real estate enterprise) or used for eligible investments, subject to compliance with applicable laws and regulations.
Principal and Interest Repayment Arrangement	Principal and interest shall be settled annually on each regular interest settlement date and regular principal repayment date. The principal repayment schedule is subject to adjustment by the lender upon approval by partners holding at least two-thirds of the voting rights at a partners' meeting of the Partnership Enterprise.

(iii) Pledge Agreement

The Pledge Agreement will be entered into by the Partnership Enterprise (as pledgee and creditor) and the Project Company (as pledgor and debtor), pursuant to which, the Project Company will pledge the Target Project's operating income and all accounts receivables arising from the operation of the Target Project, including but not limited to toll revenue, other income generated from the operation, management and disposal, and other lawful business activities of the Target Project in favour of the Partnership Enterprise, to provide pledge security for all obligations of the Project Company under the Loan Agreement.

(iv) Operation Support Agreement

In order to ensure the normal operation of the Project Company, the Plan Manager (on behalf of the ABS Special Plan), the Partnership Enterprise, Yuexiu Hubei, the Project Company and YCTI (as operation support institution) will enter into the Operation Support Agreement. The principal terms of the Operation Support Agreement are set out below:

Scope of Operational Support Services	YCTI is appointed to oversee, supervise and monitor the business operations of the Project Company and the Target Project, including but not limited to the budget management.

Operational Support Fund Mechanism	When the Project Company encounters operational difficulties or funding shortfalls due to, among others, operating cost fluctuations of the Target Project, YCTI undertakes to provide sufficient operational support funds to the Project Company to maintain its normal operation.
Performance Support Fund Mechanism	Upon the occurrence of a performance support event, including (i) the insufficient balance of funds in the Project Company's supervisory bank account to enable the Project Company to perform all of its payment obligations e.g. repayment of principal and interest of the Target Debt, or (ii) the failure of Yuexiu Hubei as the General Partner to perform its payment obligations in connection with a disposal distribution by the Partnership Enterprise in accordance with the terms and conditions of the Partnership Agreement, YCTI undertakes to provide sufficient performance support funds to the Project Company and/or the General Partner to ensure timely and full performance of all payment obligations.
Reimbursement of Support Funds	The Plan Manager is entitled to withhold funds in the Project Company's supervisory bank account to reimburse YCTI for the operational support funds and/or performance support funds that have been paid, provided that the remaining funds available for distribution to the ABS Special Plan are sufficient to meet the requisite distribution requirements.

(v) Priority Acquisition Right Agreement

The Priority Acquisition Right Agreement will be entered into by the Plan Manager (on behalf of the ABS Special Plan), YCTI (as holder of the priority acquisition right), the Partnership Enterprise and the Project Company, pursuant to which, during the exercise period of the priority acquisition right, YCTI or its designated entity shall have the priority right to, at its option, acquire any of (i) the Class A Limited Partnership Interests, (ii) the Target Equity Interest and the Target Debt or (iii) the Target Project in accordance with the provisions of the Priority Acquisition Right Agreement. The relevant exercise price shall be determined in accordance with the nature of the subject to be acquired. Please refer to the section headed "Principal Terms of the Senior ABS" above for details of the procedure for exercising priority acquisition right under the Priority Acquisition Right Agreement.

(vi) Letter of Support and Keepwell Letter

The Company will issue the Letter of Support to YCTI, pursuant to which, the Company will procure YCTI, Yuexiu Hubei and the Project Company to perform their respective contractual obligations in accordance with the relevant agreements. If YCTI fails to perform its contractual obligations under the Operation Support Agreement including the provision of the operational support fund and/or the performance support fund, the Company will provide liquidity support to YCTI in accordance with the terms of the Letter of Support. The Letter of Support does not constitute a guarantee or security under the laws of the PRC.

GZYX, the ultimate controlling shareholder of the Company, will issue the Keepwell Letter to the Plan Manager, pursuant to which, GZYX will procure the Company and YCTI to perform their respective contractual obligations in accordance with the relevant agreements. The Keepwell Letter does not constitute a guarantee or security under the laws of the PRC.

(vii) Supervisory Agreements

The Supervisory Agreements comprise the Project Company Fund Supervisory Agreement, the Operation Support Institution Fund Supervisory Agreement and the Partnership Enterprise Fund Supervisory Agreement, pursuant to which designated supervisory banks or institutions will oversee the specific bank accounts of the Project Company, YCTI (as operation support institution) and the Partnership Enterprise respectively, ensuring the closed-loop management and proper application of funds for, among others, the drawdown and repayment of the Target Debt, the allocation of operational and performance support funds, the making of partners' distributions and other permitted external payments.

(viii) Asset Servicing Agreement

The Plan Manager (on behalf of the ABS Special Plan) will enter into the Asset Servicing Agreement with Kangfu International Leasing (as service provider), pursuant to which, the Plan Manager will appoint Kangfu International Leasing to provide routine administrative services in respect of the Class A Limited Partnership Interests.

(ix) Custody Agreement

The Custody Agreement will be entered into by the Plan Manager and the custodian bank (as custodian), pursuant to which, the Plan Manager appoints the custodian bank to provide custody services for the funds of the ABS Special Plan.

III. PROPOSED ESTABLISHMENT OF THE PARTNERSHIP ENTERPRISE

In preparation for the Proposed Establishment of the ABS Special Plan, it is proposed that the Partnership Agreement will be entered into by Yuexiu Hubei (as General Partner), the Original Owner (as Class A Limited Partner) and YCTI (as Class B Limited Partner) for the establishment of the Partnership Enterprise.

Upon its establishment, the Partnership Enterprise will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements. The basis for the consolidation of the Partnership Enterprise is set out in the section headed "VII. Financial Impact of the Transactions" of this announcement below.

Partnership Agreement

The principal terms of the Partnership Agreement are summarised as follows (as the specific terms of the agreement are subject to the review of the SSE, the summary below is subject to changes):

Parties	(1) Yuexiu Hubei, as General Partner (2) Kangfu International Leasing, as Class A Limited Partner (3) YCTI, as Class B Limited Partner
Subject Matter	The proposed name of the Partnership Enterprise is Hubei Yueguang Expressway Partnership Enterprise (Limited Partnership)* (湖北越廣高速公路合夥企業(有限合夥)). The purpose of the Partnership Enterprise is to hold and operate transportation infrastructure projects that meet the qualification criteria of the Partnership Agreement, i.e. the Target Project.

Capital Contribution

The total subscribed capital contribution of the Partnership Enterprise is RMB5,314 million. The proposed capital contribution amount and corresponding interest percentage to be subscribed by each partner are set out below:

Partners	**Capital Contribution Amount** *(RMB million)*	**Interest Percentage** *(%)*
Yuexiu Hubei	1,598	30.07
Kangfu International Leasing	3,450	64.92
YCTI	266	5.01
Total:	**5,314**	**100**

Note: The total subscribed capital contribution of the Partnership Enterprise is fixed at RMB5,314 million. The proposed capital contribution amount and interest percentage of each partner set out above are determined based on the maximum target fundraising size of the ABS Special Plan (i.e., RMB3,450 million), and may be adjusted according to the actual fundraising size of the ABS Special Plan. The Company currently estimates that the Group's total subscribed capital contribution will remain within RMB2,000 million.

The capital contributions subscribed by each partner shall be paid in cash and fully paid no later than the date specified in the payment notice. The subscribed capital contribution of the Partnership Enterprise is determined with reference to (i) the consideration payable by the Partnership Enterprise to acquire the Target Equity Interest, (ii) the principal amount of the Target Debt to be advanced by the Partnership Enterprise to the Project Company, and (iii) the appraised value of the Underlying Asset Portfolio.

Management and Decision-Making Mechanism

The General Partner shall serve as the executive partner and will not receive any remuneration for managing partnership affairs.

The Partnership Enterprise shall establish a decision committee comprising three members, with one member to be nominated by each partner. The decision committee shall have one chairman, who shall be a member nominated by the executive partner. Major decisions such as considering and approving qualified infrastructure projects, the methods of acquiring and operating infrastructure projects, the disposal of infrastructure projects, and the financial policies of the Partnership Enterprise shall be approved by at least two-thirds of the members of the decision committee.

The partners' meeting of the Partnership Enterprise comprises all of its partners, each holding one vote and giving three votes in total, of which the Group holds two votes through Yuexiu Hubei and YCTI. Pursuant to the Partnership Agreement, fundamental matters require the unanimous consent of all partners. These include, among others, changing the name, business scope or subscription capital of the Partnership Enterprise, admission or withdrawal of partners, amendment to the Partnership Agreement, early dissolution or liquidation of the Partnership Enterprise, transfer of partnership interests by the General Partner or transfer of Class B Limited Partnership Interests to third parties, and approving adjustment of the loan interest rate under the Loan Agreement. Other resolutions of the partners' meetings shall be passed by partners holding at least two-thirds of the voting rights. These include, among others, approving operating income distributions or disposal distributions, and approving early repayment or adjustment of the principal repayment schedule of the Target Debt.

Asset Distribution Arrangements

The distributable assets of the Partnership Enterprise refer to the assets that are no longer required for the operation of infrastructure projects or for other payments and can be distributed to the partners.

The types of distribution of the Partnership Enterprise include the following:

(a) Operating income distribution: distributions from the distributable assets such as income (including interest income received from the Target Debt and income generated from cash management, if any), net profits and tax refunds (if any) of the Partnership Enterprise prior to and at the time when the principal and interest of the Target Debt have been repaid in full;

(b) Disposal distribution: distributions from the repayment of the principal of Target Debt, proceeds from the disposal of the infrastructure project and other assets, idle funds held in the Partnership Enterprise's account and distributions in specie of non-cash assets; and

(c) Liquidation distribution: distribution of all remaining distributable assets upon liquidation of the Partnership Enterprise after the disposal distribution.

Investment Scope

Initial investment in the infrastructure target:

(1) The Target Project held and operated by the Project Company;

(2) Investment method: the Partnership Enterprise will enter into the Equity Transfer Agreement to acquire 90% equity interest in the Project Company (i.e. the Target Equity Interest). Upon completion of the acquisition of the Target Equity Interest, the Partnership Enterprise will provide shareholder loans to the Project Company (i.e. the Target Debt).

Exit Mechanism

During the term of the Partnership Enterprise, a partner may withdraw from the Partnership Enterprise under any of the following circumstances:

(a) with the unanimous consent of all partners;

(b) where circumstances arise that make it difficult for the partner to continue participating in the Partnership Enterprise; or

(c) where any other partner materially breaches its obligations under the Partnership Agreement.

A partner shall automatically withdraw from the Partnership Enterprise upon the occurrence of, among others, any circumstance under which a partner is required by applicable law to withdraw from the Partnership Enterprise, including the dissolution of a partner.

Subject to the unanimous consent of the other partners, a partner may be expelled from the Partnership Enterprise by resolution if such partner, among others, causes losses to the Partnership Enterprise due to wilful misconduct or gross negligence.

Term and Dissolution of the Partnership Enterprise

The term of the Partnership Enterprise is long-term. Prior to the expiry of 96 months from the date of the first paid-in capital contribution by the limited partners, the partners' meeting shall resolve on whether to dissolve the Partnership Enterprise early. The Partnership Enterprise shall be dissolved under the circumstances including but not limited to:

(a) the purpose of the Partnership Enterprise has been achieved or has become impossible to achieve;

(b) the executive partner has given 30 business days' prior notice to all partners, has completed distributions to the limited partners of all principal and income accrued as at the date of such notice, and decided on early termination and liquidation; or

(c) all partners unanimously resolve to dissolve the Partnership Enterprise for any other reason.

IV. THE EQUITY TRANSFER

The Original Owner (as transferor), the Plan Manager (on behalf of the ABS Special Plan) (as transferee) and the Partnership Enterprise propose to enter into the Limited Partnership Interest Transfer Agreement to transfer the Class A Limited Partnership Interests to the Plan Manager (on behalf of the ABS Special Plan) at nil consideration as those limited partnership interests have not yet been paid up.

The Plan Manager (on behalf of the ABS Special Plan), as the new Class A Limited Partner, Yuexiu Hubei as General Partner, and YCTI as Class B Limited Partner will make capital contribution of an aggregate of RMB5,314 million to the Partnership Enterprise in accordance with the Partnership Agreement. Meanwhile, Wuhan Andi Technology (as transferor), a subsidiary of the Company, the Partnership Enterprise (as transferee) and the Project Company will enter into the Equity Transfer Agreement, pursuant to which Wuhan

Andi Technology conditionally agrees to sell, and the Partnership Enterprise conditionally agrees to acquire, the Target Equity Interest, at a consideration of approximately RMB1,590 million in cash. Through the arrangements involving the Group's subscription for interests in the Partnership Enterprise and the Equity Transfer to the Partnership Enterprise, the Group will in effect dispose of up to 58.43% effective equity interest in the Project Company.

Equity Transfer Agreement

The principal terms of the Equity Transfer Agreement are summarised as follows (as the specific terms of the agreement are subject to the review of the SSE, the summary below is subject to changes):

	Equity Transfer Agreement
Parties	(1) Wuhan Andi Technology, a subsidiary of the Company, as transferor; (2) The Partnership Enterprise, as transferee; and (3) The Project Company.
Subject Matter	The Target Equity Interest, being 90% equity interest in the Project Company. The Project Company holds and operates the Target Project.
Consideration and Basis for Consideration	The consideration for the transfer of the Target Equity Interest is RMB1,590 million in cash. The consideration is determined with reference to the appraised value of the entire equity interest in the Project Company (being RMB1,760.27 million) as at the Valuation Benchmark Date as set out in the Project Company Valuation Report prepared by the Valuer. The consideration for the transfer of the Target Equity Interest represents a premium of approximately 0.36% over the appraised value of the corresponding 90% equity interest in the Project Company.
Conditions Precedent to Payment	Subject to the satisfaction in full of all of the following conditions (unless otherwise waived in writing by the transferee), the transferee shall pay the consideration to the transferor: (1) the Equity Transfer Agreement has become effective; (2) the transferor and the transferee have respectively approved the Equity Transfer through necessary internal resolution procedures;

(3) if the relevant agreements or contracts to which the Project Company is a party require the consent or approval of a third party upon any change in the equity structure of the Project Company, all such consents or approvals have been obtained to ensure that the Project Company can continue to maintain all its existing contractual or other rights on the same terms after completion;

(4) the Target Equity Interest or Target Project are free from any third party rights, restrictions or encumbrances that have not been disclosed to the transferee in writing;

(5) the transferor and the Project Company have duly performed all of their obligations in respect of the completion of the Equity Transfer;

(6) the ABS Special Plan has been established;

(7) the Plan Manager (on behalf of the ABS Special Plan) has implemented effective supervision over the supervisory bank account of the Project Company pursuant to the Project Company Fund Supervisory Agreement; and

(8) the transferor is not in breach of any of its representations, warranties or undertakings thereunder.

Registration of the Equity Transfer

The transferor and the Project Company shall cooperate with the transferee to complete the registration of the Equity Transfer with the Administration for Market Regulations within 30 business days after the effective date of the Equity Transfer Agreement (which may be extended with the agreement of the transferee and the Plan Manager (on behalf of the ABS Special Plan) in the event of any delay due to approval procedures of the market supervision authority or force majeure event).

Completion

Completion shall take place on the effective date of the Equity Transfer Agreement.

Execution and Effectiveness

The Equity Transfer Agreement shall be executed upon being affixed with the seal of each party and signed by the legal representative (or appointed representative of the executive partner) or authorised representative, and shall take effect on the date of establishment of the ABS Special Plan.

V. BASIS FOR DETERMINATION OF CONSIDERATION

The consideration of the Equity Transfer under the Equity Transfer Agreement, the target fundraising size of the ABS Special Plan and the subscribed capital contribution of the Partnership Enterprise were determined after arm's length negotiations among the parties with reference to (i) the appraised value of the entire equity interest in the Project Company as at the Valuation Benchmark Date as set out in the Project Company Valuation Report, which valuation is subject to filing with the state-owned assets supervision and administration authority; (ii) the appraised value of the Underlying Asset Portfolio as at the Valuation Benchmark Date as set out in the Underlying Asset Portfolio Valuation Report, which valuation is subject to the review of the SSE; (iii) the principal amount of the Target Debt to be advanced by the Partnership Enterprise to the Project Company, which forms part of the overall funding structure of the ABS Special Plan; and (iv) the factors discussed in the section "VIII. Reasons for and Benefits of the Transactions" of this announcement.

Valuation of the Underlying Asset Portfolio

The target fundraising size of the ABS Special Plan and the subscribed capital contribution of the Partnership Enterprise were determined with reference to the appraised value of the Underlying Asset Portfolio which included the expressway concession rights and related fixed assets, construction in progress, long-term deferred expenditures and intangible assets. The Valuer adopted the discounted cash flow method under the income approach. As of the Valuation Benchmark Date, the appraised value of the Underlying Asset Portfolio was RMB5,663.70 million, representing an appreciation of RMB1,470.34 million over the book value of RMB4,193.36 million, with an appreciation rate of 35.06% (subject to review by the SSE).

A summary of the Underlying Asset Portfolio Valuation Report (including the valuation basis and assumptions) is set out in Appendix I to this announcement.

Valuation of the Target Equity Interest

The consideration for the Equity Transfer under the Equity Transfer Agreement is determined with reference to the appraised value of the entire equity interest in the Project Company set out in the Project Company Valuation Report as at the Valuation Benchmark Date. The Valuer adopted the asset-based approach as the final valuation method, under which the core non-current assets of the Project Company (i.e. the Underlying Asset Portfolio) were appraised as an integrated asset group using the same discounted cash flow method under the income approach and with the same appraised value of RMB5,663.70 million as set out in the Underlying Asset Portfolio Valuation Report.

As at the Valuation Benchmark Date, the appraised value of the shareholders' equity of the Project Company was RMB1,760.27 million, being total appraised assets of RMB5,745.57 million less total liabilities of RMB3,985.29 million, representing an appreciation of

RMB1,470.34 million over the net asset book value of RMB289.94 million, with an appreciation rate of 507.12% (subject to filing with the state-owned assets supervision and administration authority). The high appreciation rate is primarily attributable to (i) the appreciation of the Underlying Asset Portfolio of RMB1,470.34 million reflecting its future cash flow value over its historical amortised book cost; and (ii) the low net asset base of the Project Company (RMB289.94 million), which results from its existing liabilities of RMB3,985.29 million substantially offsetting its total assets, thereby providing a low base against which the appreciation is measured.

A summary of the Project Company Valuation Report is set out in Appendix II to this announcement.

Profit Forecast under Rule 14.61 of the Listing Rules

Given that both the Underlying Asset Portfolio Valuation Report and the Project Company Valuation Report (insofar as it values the Underlying Asset Portfolio) were prepared using the discounted cash flow method under the income approach, both valuations constitute a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**").

The Board has issued a letter confirming that the Directors have made the Profit Forecast after due and careful enquiry. Please refer to Appendix III to this announcement for the said letter from the Board. Pursuant to Rule 14.60A(2) of the Listing Rules, Ernst & Young has reported on the arithmetical accuracy of the discounted cash flow calculations in respect of (i) the valuation of the Underlying Asset Portfolio and (ii) the valuation of the entire equity interest in the Project Company, insofar as that valuation incorporates the valuation of the Underlying Asset Portfolio under the asset-based approach. Please refer to Appendix IV to this announcement for Ernst & Young's report.

VI. USE OF PROCEEDS

The proceeds of approximately RMB3,450 million from the issuance of the ABS under the ABS Special Plan will be used by the Plan Manager (on behalf of the ABS Special Plan) to pay the capital contribution for the Class A Limited Partnership Interests. The Group will make capital contribution for the Class B Limited Partnership Interests and the General Partner's interest, in the aggregate amount of RMB1,864 million using its internal resources.

Upon receipt of the above capital contribution, the Partnership Enterprise will pay RMB1,590 million to acquire the Target Equity Interest from Wuhan Andi Technology, and will advance the balance of RMB3,724 million as the Target Debt to the Project Company. Upon receipt of the Target Debt, the Project Company will apply (i) approximately RMB3,661 million to repay its existing debts, comprising approximately RMB2,042 million to be repaid to the Group and approximately RMB1,619 million to be repaid to banks and other external financial institutions; and (ii) the remaining balance of RMB63 million to supplement its working capital.

The above debt amount of RMB3,661 million represented the outstanding indebtedness of the Project Company as of 30 September 2026. The final amounts will be determined with reference to the actual outstanding balances at the repayment time of the existing debts by the Project Company and may accordingly differ from the figures stated above.

VII. FINANCIAL IMPACT OF THE TRANSACTIONS

As described above, the Group will hold a majority of the voting power on the decision committee and at the partners' meetings of the Partnership Enterprise, enabling it to pass resolutions on major matters, including the approval of qualified infrastructure projects, the methods of acquiring and operating such projects, asset disposals and financial policies. Under these contractual arrangements, the Group will have power over the Partnership Enterprise, exposure to variable returns arising from its involvement with the Partnership Enterprise, and the ability to use such power to affect those returns. Accordingly, the Group will control the Partnership Enterprise, through which it will indirectly hold the majority of the equity interests in the Project Company. Upon completion of the transactions involved, the Partnership Enterprise will become an indirect non-wholly owned subsidiary of the Company and the Project Company will remain an indirect non-wholly owned subsidiary of the Company. The financial results and financial position of the Partnership Enterprise and the Project Company will be consolidated in the Group's financial statements.

Following the establishment of the ABS Special Plan, the Group's finance expenses are expected to decrease. This change arises from the repayment of the Project Company's existing bank borrowings using proceeds from the ABS Special Plan and thereby resulting in a reduction of the Group's consolidated interest-bearing bank borrowings. The establishment of the ABS Special Plan and the overall arrangement are expected to lower the Group's total liabilities to total assets ratio and enhance the Group's overall financial resilience and liquidity.

On a consolidated basis, the net cash inflow impact for the Proposed Establishment of the ABS Special Plan is expected to be an inflow of approximately RMB1,820 million to the Group, which is calculated based on (i) the capital contribution to the Partnership Enterprise funded by the subscription proceeds of the Senior ABS to be received by the Group (cash inflow of RMB3,449 million); (ii) the repayment of the bank borrowings by the Project Company (cash outflow of RMB1,619 million) and (iii) transaction costs, expenses and taxes associated with the transaction.

The Equity Transfer in connection with the establishment of the ABS Special Plan is not expected to give rise to any gain or loss on disposal for the Group in its consolidated financial statements. This is on the basis that the Project Company will remain a subsidiary of the Group upon completion of the transactions involved, and that the Underlying Asset Portfolio of the Project Company will continue to be consolidated in the Group's consolidated financial statements. The actual financial impact of the transactions contemplated under the ABS Special Plan will be subject to completion of the transactions and audit, and therefore may differ from the above.

VIII. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Project Company has been selected as the underlying asset for the ABS Special Plan given its predictable cash flow generation profile and its long remaining concession period. Such asset characteristics render it well suited to securitisation, allowing the Group to unlock in advance the value embedded in its long-term cash flow stream as part of the Group's overall capital and liquidity management.

The Proposed Establishment of the ABS Special Plan and the related arrangements will optimise the Group's capital structure and secure long-term funding on competitive terms, contributing to the Group's long-term sustainable development. In particular:

(1) **Optimise Capital Structure and Lower Total Liabilities to Total Assets Ratio:** upon completion of the Proposed Establishment of the ABS Special Plan, the Group can raise RMB3,450 million to secure long-term development capital for the Group and further enhance its financial robustness. The Group's consolidated total liabilities to total assets ratio (calculated as total liabilities divided by total assets) is expected to decrease from approximately 61.5% to approximately 55.3% (assuming all transactions are completed on 30 June 2026). This is primarily because: (i) net cash proceeds from the transactions will result in an increase in the Group's assets of RMB1,820 million; and (ii) repayments of external bank borrowings will result in a decrease in the Group's liabilities of RMB1,619 million. As a result, the Group's financial leverage will be reduced, strengthening its capital structure and enhancing its financial flexibility to support future business investment and development.

(2) **Reduce Financial Expenses and Enhance Liquidity:** the ABS Special Plan enables the Group to raise a larger amount of funds at a lower cost, with a longer financing tenor that is aligned with the remaining concession period of the Underlying Asset Portfolio. The Group is benefited from the lower funding cost afforded by the ABS Special Plan to replace the Project Company's existing higher-cost, shorter-term external bank borrowings. The proceeds will be used to repay such existing borrowings, thereby optimising the Group's debt maturity profile, reducing financial expenses and enhancing its liquidity.

(3) **Revitalise Existing Asset by Secondary Securitisation While Maintaining Consolidated Control**: the Daguangnan Expressway, being the Underlying Asset Portfolio underlying the ABS Special Plan and with an appraised value of approximately RMB5,663.70 million as at 30 June 2026, will be revitalised through the securitisation of the Underlying Asset Portfolio under the ABS Special Plan. The Group can realise the value of the Underlying Asset Portfolio by disposing of the Target Equity Interest in the Project Company to the Partnership Enterprise at reasonable price, which is conducive to unlocking the value of the Group's assets and enhancing overall returns for the Shareholders.

By holding the majority of the voting power in the Partnership Enterprise, which will in turn hold the majority of the equity interests in the Project Company, the Group will continue to exercise actual control over the Project Company. The Project Company, which operates the Underlying Asset Portfolio, will remain consolidated in the financial statements of the Group, enabling the Group to retain long-term operational income and potential returns of the assets.

(4) **Unlock Net Cash Inflow and Support Strategy of "Business Expansion and Innovation":** through the transactions in connection with the ABS Special Plan, the Group expects to recognise a net cash inflow of approximately RMB1,820 million. The net cash inflow will enhance the Group's liquidity position and provide greater flexibility for its future capital deployment. The Group will apply the proceeds towards suitable future project investments and replenishment of the Group's general working capital. This will enable the Group to better align its resources with its business development needs, strengthen its ability to respond to future funding needs and support the implementation of its "business expansion and innovation" strategy.

(5) **Expand Capital Operation Channels and Support the Continuing High Quality Development of the Group:** by leveraging mature capital market instruments in the PRC, the Group can effectively revitalise existing infrastructure assets and further expand capital operation channels. This will provide strategic support for the Group's future continued expansion and high-quality development.

Having considered the above, the Board (including the independent non-executive Directors) considers that the major transactions in relation to the Proposed Establishment of the ABS Special Plan are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IX. INFORMATION ON THE PARTIES INVOLVED

The Group

The Company is a limited liability company incorporated in Bermuda, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01052). The Group is principally engaged in investment, construction and development, operation and management of expressways and bridges in Guangdong Province and other high-growth provinces in the PRC.

Project Company

The Project Company is a limited liability company established in the PRC in 2004, principally engaged in investment, construction, operation, management and maintenance of the Target Project. As at the date of this announcement, the shareholders of the Project Company are Wuhan Andi Technology (a wholly-owned subsidiary of the Company) and Guangsheng Construction, holding 90% and 10% equity interests, respectively. Guangsheng Construction is a state-owned enterprise ultimately controlled by the People's Government of Guangdong Province (廣東省人民政府).

According to the unaudited financial information of the Project Company for the six months ended 30 June 2026 prepared under the Chinese Accounting Standards for Business Enterprises, the unaudited total assets and net assets of the Project Company as at 30 June 2026 were approximately RMB4,275.23 million and RMB289.94 million, respectively. Set out below is the financial information of the Project Company prepared under the Chinese Accounting Standards for Business Enterprises in relation to the periods specified below:

	For the year ended 31 December 2024 *(audited)* *(RMB'000)*	**For the year ended 31 December 2025** *(audited)* *(RMB'000)*	**For the six months ended 30 June 2026** *(unaudited)* *(RMB'000)*
Revenue	416,234.4	398,442.7	200,192.3
Profit/(loss) before taxation	(71,591.2)	(74,719.5)	(27,822.3)
Profit/(loss) after taxation	(71,591.2)	(74,719.5)	(27,822.3)

Plan Manager

The Plan Manager is PICC Asset Management Company Limited, which is principally engaged in the proprietary fund management and investment, entrusted asset management, public fund management, and related asset management advisory businesses. As at the date of this announcement, the ultimate beneficial owner of the Plan Manager is The People's Insurance Company (Group) of China Limited* (中國人民保險集團股份有限公司), a joint stock limited

company listed on the Stock Exchange (Stock Code: 01339) and the SSE (Stock Code: 601319). To the best of the Directors' knowledge, information and belief having made reasonable enquiry, the Plan Manager and its ultimate beneficial owners are independent third parties of the Company.

Yuexiu Hubei

Yuexiu Hubei is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company which is principally engaged in the investment, operation and management of highways in the PRC.

YCTI

YCTI is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. It is an investment holding company.

Wuhan Andi Technology

Wuhan Andi Technology is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. It is an investment holding company holding the Target Equity Interest as at the date of this announcement.

Kangfu International Leasing

Kangfu International Leasing is a joint stock limited company established in the PRC, principally engaged in financial leasing and leasing businesses. As at the date of this announcement, Kangfu International Leasing has a dispersed shareholding structure. Its largest shareholder is Diantou Ronghe New Energy Development Co., Ltd.* (電投融和新能源發展有限公司) (held as to approximately 35.64% by the State-owned Assets Supervision and Administration Commission of the State Council), holding 20.05% of the total issued shares of Kangfu International Leasing. To the best of the Directors' knowledge, information and belief having made reasonable enquiry, Kangfu International Leasing and its shareholders are independent third parties of the Company.

X. INFORMATION ON THE TARGET PROJECT

Daguangnan Expressway is an important component of the 71118 National Expressway Network and a constituent section of Hubei Province's main highway skeleton. It starts at the south-bank interchange of the E'dong Yangtze River Highway Bridge (Huangshi West Interchange) and ends at Wangjiafan in Tongshan County (通山縣), entering Jiangxi Province through the Taipingshan Tunnel. Daguangnan Expressway links Huangshi (黄石) and Xianning (咸寧) in Eastern Hubei with Wuhan along a single corridor and connects the region with Jiangxi Province, further shortening the spatial distance between cities. It helps accelerate the development of the Wuhan City Circle, establish a new urban transport pattern that is comprehensive, three-dimensional, high-speed and networked, and drive the rapid economic development of Hubei. For reference purposes, a map showing the location of Daguangnan Expressway is depicted below:



Further information on Daguangnan Expressway is set out below:

Toll mileage :	Approximately 109.7 km
Design speed :	100 km per hour
Number of lanes :	Dual four lanes
Concession period :	From May 2012 to July 2042

XI. LISTING RULES IMPLICATIONS

The Proposed Establishment of the Partnership Enterprise

Pursuant to the Partnership Agreement, the Group (through YCTI and Yuexiu Hubei) and the Original Owner will establish the Partnership Enterprise, to which the Group proposes to subscribe for a total capital contribution of RMB1,864 million (representing approximately 35.08% of the partnership interests). As the highest applicable percentage ratio in respect of the Proposed Establishment of the Partnership Enterprise exceeds 25% but is less than 75%, the Proposed Establishment of the Partnership Enterprise constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Equity Transfer

Upon completion of the establishment of the ABS Special Plan and the Equity Transfer, assuming the target fundraising size of the ABS Special Plan of RMB3,450 million is reached, the Group's effective equity interest in the Project Company will decrease from 90% to approximately 31.57%. The Partnership Enterprise will nevertheless become a non-wholly owned subsidiary of the Company under the contractual arrangement in the Partnership Agreement and the Project Company will remain as a non-wholly owned subsidiary of the Company with 90% of its equity interest held by the Partnership Enterprise. The Equity Transfer will in substance constitute a disposal by the Group of up to 58.43% effective equity interest in the Project Company. As the highest applicable percentage ratio in respect of the Equity Transfer – when calculated using the consideration of up to RMB3,449 million (representing the maximum subscription proceeds to be raised from the issuance of the Senior ABS) – exceeds 25% but is less than 75%, the Equity Transfer constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Proposed Establishment of the ABS Special Plan, the Proposed Establishment of the Partnership Enterprise and the Equity Transfer, and other information required by the Listing Rules, together with the notice of the SGM, is expected to be despatched to Shareholders on or before 4 December 2026, to allow sufficient time for the preparation of the relevant information to be included in the circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Establishment of the ABS Special Plan, the Proposed Establishment of the Partnership Enterprise and the Equity Transfer, and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the SGM.

XII.EXPERTS AND CONSENTS

The following are the qualifications of experts who have given opinions or advice contained in this announcement:

Name	Qualifications
Ernst & Young	Certified Public Accountants
Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd.* (深圳市瑞聯資產房地產土地評估有限公司)	Independent professional valuer

As at the date of this announcement, none of the above experts has any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter, report, opinion and/or the references to its name in the form and context in which they appear.

XIII. DEFINITIONS

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

"ABS"	the asset-backed securities issued by the Plan Manager under the ABS Special Plan, comprising the Senior ABS and the Subordinated ABS
"ABS Standard Terms"	the Standard Terms of the ABS Special Plan to be formulated by the Plan Manager to regulate the establishment and operation of the ABS Special Plan

"ABS Special Plan"	PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan (人保資產-越秀交通基礎設施投資資產支持專項計劃) to be established by the Plan Manager pursuant to the ABS Standard Terms, the name of which is subject to the approval of the SSE
"Asset Servicing Agreement"	the Asset Servicing Agreement of the ABS Special Plan to be entered into by the Plan Manager (on behalf of the ABS Special Plan) and Kangfu International Leasing
"Board"	the board of Directors of the Company
"Class A Limited Partner"	holder of the Class A Limited Partnership Interests
"Class A Limited Partnership Interests"	approximately 64.92% of the partnership interest in the Partnership Enterprise, corresponding to a subscribed capital contribution of RMB3,450 million
"Class B Limited Partner"	holder of the Class B Limited Partnership Interests
"Class B Limited Partnership Interests"	approximately 5.01% of the partnership interest in the Partnership Enterprise, corresponding to a subscribed capital contribution of RMB266 million
"Company"	Yuexiu Transport Infrastructure Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01052)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Custody Agreement"	the Custody Agreement of the ABS Special Plan to be entered into by the Plan Manager and the Guangzhou Branch of China Merchants Bank Co., Ltd.* (招商銀行股份有限公司廣州分行) as custodian bank
"Director(s)"	the director(s) of the Company
"Equity Transfer"	the transfer of the Target Equity Interest by Wuhan Andi Technology to the Partnership Enterprise pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the Equity Transfer Agreement in respect of the transfer of the Target Equity Interest to be entered into by Wuhan Andi Technology as transferor, the Partnership Enterprise as transferee and the Project Company

"General Partner" or "Yuexiu Hubei"	Yuexiu (Hubei) Expressway Company Limited* (越秀(湖北)高速公路有限公司), a company established under the laws of the PRC with limited liability, a wholly-owned subsidiary of the Company and the General Partner of the Partnership Enterprise
"Group"	the Company and its subsidiaries
"Guangsheng Construction"	Guangdong Guangsheng Construction Investment Group Co., Ltd.* (廣東省廣晟建設投資集團有限公司), a company established under the laws of the PRC with limited liability, a 10% shareholder of the Project Company as at the date of this announcement
"GZYX"	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC and is the ultimate controlling shareholder of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Keepwell Letter"	the keepwell undertaking proposed to be issued by GZYX to the Plan Manager in respect of the ABS Special Plan
"Letter of Support"	the letter of support proposed to be issued by the Company to YCTI in respect of the ABS Special Plan
"Limited Partnership Interest Transfer"	the transfer of the Class A Limited Partnership Interests by the Original Owner to the Plan Manager (on behalf of the ABS Special Plan) pursuant to the Limited Partnership Interest Transfer Agreement
"Limited Partnership Interest Transfer Agreement"	the Limited Partnership Interest Transfer Agreement in respect of the Limited Partnership Interest Transfer to be entered into by the Original Owner as transferor, the Plan Manager (on behalf of the ABS Special Plan) as transferee and the Partnership Enterprise
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	the loan agreement in respect of the provision of the Target Debt by the Partnership Enterprise to the Project Company to be entered into by the Partnership Enterprise and the Project Company

"NDRC"	National Development and Reform Commission of the PRC
"Operation Support Agreement"	the Operation Support Agreement of the ABS Special Plan to be entered into by the Plan Manager (on behalf of the ABS Special Plan), Yuexiu Hubei, the Partnership Enterprise, YCTI and the Project Company
"Operation Support Institution Fund Supervisory Agreement"	the Fund Supervisory Agreement of Yuexiu (China) Transport Infrastructure Investment Company Limited to be entered into by the Plan Manager, the Partnership Enterprise, YCTI and the supervisory bank of YCTI
"Original Owner" or "Kangfu International Leasing"	China Kangfu International Leasing Co., Ltd.* (中國康富國際租賃股份有限公司), a joint stock limited company established under the laws of the PRC, the original holder of the Class A Limited Partnership Interests prior to the completion of the Limited Partnership Interest Transfer
"Partnership Agreement"	the Partnership Agreement in respect of the establishment of the Partnership Enterprise to be entered into by YCTI, the Original Owner and Yuexiu Hubei
"Partnership Enterprise"	Hubei Yueguang Expressway Partnership Enterprise (Limited Partnership)* (湖北越廣高速公路合夥企業(有限合夥)), a limited partnership enterprise to be established under PRC laws, the name of which shall be subject to approval by and registration with the competent PRC government authority, and which has not been established as at the date of this announcement
"Partnership Enterprise Fund Supervisory Agreement"	the special fund operation account management agreement of the Partnership Enterprise to be entered into by the Plan Manager, the Partnership Enterprise and the special account supervisory institution
"percentage ratio"	has the meaning ascribed to it under the Listing Rules
"Plan Manager"	PICC Asset Management Company Limited, a company established under the laws of the PRC with limited liability, being the Plan Manager of the ABS Special Plan
"Pledge Agreement"	the pledge agreement to be entered into by the Partnership Enterprise and the Project Company in respect of the provision of pledge security for all obligations of the Project Company under the Loan Agreement

"PRC"	the People's Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Priority Acquisition Right Agreement"	the Priority Acquisition Right Agreement of the ABS Special Plan to be entered into by the Plan Manager (on behalf of the ABS Special Plan), YCTI, the Partnership Enterprise and the Project Company
"Project Company Fund Supervisory Agreement"	the Project Company Fund Supervisory Agreement of Hubei Ashennan Expressway Development Co., Ltd. to be entered into by the Plan Manager, the Partnership Enterprise, the Project Company and the supervisory bank of the Project Company
"Proposed Establishment of the ABS Special Plan"	the proposed establishment of the ABS Special Plan, and the proposed listing and trading of the ABS on the SSE
"Proposed Establishment of the Partnership Enterprise"	the proposed establishment of the Partnership Enterprise by YCTI, the Original Owner and Yuexiu Hubei pursuant to the Partnership Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Senior ABS"	the senior tranche of the ABS
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the major transactions in relation to the Proposed Establishment of the ABS Special Plan
"Shareholder(s)"	holder(s) of the Share(s)
"Shares"	ordinary shares of the Company
"SSE"	the Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subordinated ABS"	the subordinated tranche of the ABS
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supervisory Agreements"	collectively, the Project Company Fund Supervisory Agreement, the Operation Support Institution Fund Supervisory Agreement and the Partnership Enterprise Fund Supervisory Agreement

"Project Company"	Hubei Ashennan Expressway Development Co., Ltd.* (湖北阿深南高速公路發展有限公司), a company established under the laws of the PRC with limited liability, and a non-wholly owned subsidiary of the Company as at the date of this announcement
"Project Company Valuation Report"	the valuation report prepared by the Valuer in respect of the entire equity interest in the Project Company
"Target Debt"	the shareholder loan provided by the Partnership Enterprise to the Project Company pursuant to the Loan Agreement, being in an amount of RMB3,724 million
"Target Equity Interest"	the 90% equity interest in the Project Company proposed to be transferred by Wuhan Andi Technology to the Partnership Enterprise pursuant to the Equity Transfer Agreement
"Target Project" or "Underlying Asset Portfolio"	the underlying infrastructure asset portfolio represented by the Daguangnan Expressway held and operated by the Project Company, being the G45 Daguang Expressway Hubei South Section (Huangshi to Tongshan (Wangjiafan)) approved for construction under *NDRC Approval on Hubei Huangshi to Tongshan (Wangjiafan) Highway Project* (NDRC Transport [2005] No. 1400) (《國家發展改革委關於湖北省黃石至通山(王家畈)公路項目核准的批覆》(發改交運[2005]1400號))
"Underlying Asset Portfolio Valuation Report"	the valuation report prepared by the Valuer in respect of the Underlying Asset Portfolio
"Valuation Benchmark Date"	30 June 2026
"Valuer"	Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd.* (深圳市瑞聯資產房地產土地評估有限公司), the independent valuer appointed by the Company in respect of the Target Equity Interest and the Underlying Asset Portfolio
"Wuhan Andi Technology"	Wuhan Andi Technology Industrial Development Co., Ltd.* (武漢安帝科技產業發展有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

"YCTI"	Yuexiu (China) Transport Infrastructure Investment Company Limited* (越秀(中國)交通基建投資有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"%"	per cent

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

Hong Kong, 16 November 2026

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

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

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

SUMMARY OF THE ASSET VALUATION REPORT ON THE VALUATION OF THE ASSET PORTFOLIO CONTAINING THE CONCESSION RIGHTS OF DAGUANGNAN EXPRESSWAY HELD BY HUBEI ASHENNAN EXPRESSWAY DEVELOPMENT CO., LTD. (湖北阿深南高速公路發展有限公司) IN RELATION TO THE PROPOSED ESTABLISHMENT OF PICC ASSET - YUEXIU TRANSPORT INFRASTRUCTURE INVESTMENT ASSET-BACKED SECURITIES SPECIAL PLAN (人保資產-越秀交通基礎設施投資資產支持專項計劃)

Purpose of Valuation: To appraise the market value as at the Valuation Benchmark Date of the asset portfolio containing the concession rights of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. in relation to the Proposed Establishment of PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan, so as to provide a value reference for such economic activity.

Subject of Valuation: The market value of the asset portfolio containing the concession rights of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. in relation to the Proposed Establishment of PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan.

Scope of Valuation: The asset portfolio containing the concession rights of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. in relation to the Proposed Establishment of PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan, including fixed assets, construction in progress, long-term deferred expenditures and intangible assets.

Valuation Benchmark Date: 30 June 2026

Type of Value: Market value

Valuation Approach: Income approach

Valuer: Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd.* (深圳市瑞聯資產房地產土地評估有限公司)

Valuation Conclusion: The valuation results under the income approach are adopted as the conclusion of this valuation, which are set out below:

As at the Valuation Benchmark Date, the book value of the asset portfolio containing the concession rights of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. was RMB4,193,362,000, and the appraised value was RMB5,663,700,000, representing an appreciation of RMB1,470,338,000 and an appreciation rate of 35.06%.

Summary of results of asset valuation (Income Approach)

Amount in RMB'0,000

Item		Book value A	Appraised value B	Appreciation/ Depreciation C=B-A	Appreciation rate (%) D=C/A*100
Fixed assets	1	766.52			
Construction in progress	2	254.92			
Intangible assets	3	407,659.21			
Long-term deferred expenditures	4	10,655.55			
Asset portfolio	**5**	**419,336.20**	**566,370.00**	**147,033.80**	**35.06**

Validity Period of the Valuation Conclusion: In accordance with the requirements of the asset valuation standards, provided that there is no material change in the valuation assumptions and restrictions set out in this report, this valuation report may be used when the interval between the Valuation Benchmark Date and the date on which the economic activity is executed does not exceed one year, i.e. from 30 June 2026 to 29 June 2027.

I. OVERVIEW OF THE INFRASTRUCTURE PROJECT

The overview of the infrastructure project is as follows:

Project name	Daguangnan Expressway
Scope of assets	The project starts at the south-bank interchange of the E'dong Yangtze River Highway Bridge (Huangshi West Interchange) and ends at Wangjiafan in Tongshan County (通山縣), entering Jiangxi Province through the Taipingshan Tunnel.

Construction content and scale	The main line of this project has a designed total length of 107.077 km, with a 2.649-km ramp connecting Huangshi West Road Station and Huangshi Station, bringing the total length to 109.726 km. The project is constructed to the standard of a four-lane expressway. Along the entire route, there are 2 service areas, 1 parking area, 2 maintenance areas, 1 communications and monitoring sub-centre, 6 ramp toll stations and 1 mainline toll station (half-width). The project has a permanent land occupation of 10,561.765 mu (Chinese unit of land area, approximately equal to 666.67 square meters), and the area of demolished buildings totals 269,000 sq.m.
Technical standards and main indicators	The main line of Daguangnan Expressway has a designed total length of 107.077 km, with a 2.649-km ramp connecting Huangshi West Road Station and Huangshi Station, bringing the total length to 109.726 km. The project is constructed to the standard of a fully enclosed, grade-separated, four-lane expressway, with an asphalt concrete pavement. The design speed is 100 km/h, the roadbed width is 26.0 m, and the design vehicle load is Highway Class I. Seismic fortification standard: peak ground acceleration coefficient of 0.05 (simplified seismic fortification). The design flood frequency is 1/300 for extra-large bridges and 1/100 for large, medium and small bridges, culverts and roadbeds. The roadbed connecting line is 7.87 km long and is constructed to the Highway Class I standard.
Commencement and completion	Commencement: July 2008 Completion: May 2012
Total investment in final accounts	The approved budget estimate for total investment was RMB4,963.7 million, of which project capital of RMB1,737.4 million accounted for 35% and domestic bank loans of RMB3,226.6 million for 65% of the total budget estimate.
Commencement of operation	May 2012
Project ownership period	Start of toll collection: 3 May 2012 End of toll collection: 17 July 2042 (including a 79-day compensation extension to the toll collection period)

II. VALUATION APPROACHES

(I) Definitions of Valuation Approaches

The basic approaches to asset valuation are the market approach, the income approach and the cost approach.

1. Market approach

The market approach refers to a valuation approach that estimates the value of an asset through direct comparison or analogy analysis based on the recent transaction prices of identical or similar assets in the market. The basic prerequisites required for the application of the market approach are as follows:

(1) there is an active open market;

(2) there are comparable assets and related transactions in the open market.

2. Income approach

The income approach refers to a valuation approach that determines the value of an asset by estimating the present value of the expected future income of the subject of valuation. The basic prerequisites required for the application of the income approach are as follows:

(1) the future expected income of the subject of valuation can be predicted and measured in monetary terms;

(2) the risks borne by the asset owner in obtaining the expected income can be predicted and measured in monetary terms;

(3) the expected income-generating period of the subject of valuation can be predicted.

3. Cost approach

The cost approach refers to a valuation approach that determines the value of the subject of valuation by appraising the value of all on-balance-sheet and identifiable off-balance-sheet assets and liabilities based on the enterprise's balance sheet as of the Valuation Benchmark Date. The basic prerequisites required for the application of the cost approach are as follows:

(1) the subject of valuation is in, or is assumed to be in, a state of continued use;

(2) information on the current replacement cost or income forecast of the subject of valuation can be collected.

(II) Reasons for Selecting the Valuation Approach

1. Market approach

As no comparable transaction cases concerning the enterprise in terms of business structure, asset scale, operating model, profitability and other factors could be collected, the market approach is not appropriate.

2. Income approach

Pursuant to the relevant provisions of Article 18 of the Measures for the Transfer of Rights and Interests in Toll Roads (《收費公路權益轉讓辦法》) (Order No. 11 of 2008) issued on 20 August 2008 by the Ministry of Transport, the National Development and Reform Commission and the Ministry of Finance of the People's Republic of China, for valuation of the toll collection right in connection with the transfer of rights and interests in toll roads, the income approach shall be adopted, and the income period involved shall be agreed upon by the transferor and the asset valuation institution within the approved toll collection period.

The business asset portfolio within the scope of this valuation has independent profitability and stable historical operating cash flows. The management can provide reliable profit forecast data for future years. The future profitability of the asset portfolio can be reasonably projected based on historical operating data and internal and external conditions, and the risks associated with future income can be reasonably quantified.

3. Cost approach

As the cost approach, when applied to the valuation of the asset portfolio, tends to disregard the comprehensive profitability of various assets and the value of intangible assets not reflected in the books, such as the value of expressway toll collection rights, it was not appropriate to adopt the cost approach.

In summary, the income approach was adopted in this valuation to appraise the asset portfolio containing the concession rights of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. in relation to the Proposed Establishment of PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan.

(III) Introduction to the Income Approach

In view of the purpose and characteristics of this project, the discounted model of free cash flow to the project before interest and taxes under the discounted cash flow method was selected.

III. VALUATION ASSUMPTIONS

The valuation assumptions adopted in this asset valuation report are as follows:

(I) Basic Assumptions

1. Transaction assumption: The transaction assumption assumes that the subject of valuation and the assets and liabilities within the scope of valuation are already in the process of transaction, and that the valuation is conducted by simulating the market based on the transaction conditions. The transaction assumption is a most basic prerequisite for asset valuation.

2. Open market assumption: The open market assumption assumes that, in respect of assets traded or proposed to be traded in the market, both parties to the asset transaction are on an equal footing and both have the opportunity and time to obtain sufficient market information, so as to make a rational judgement on the functions, use and transaction prices of the assets. The open market assumption is based on the premise that the assets can be publicly purchased and sold in the market.

3. Continuous use assumption: The continuous use assumption means that, in performing the asset valuation, the assets under valuation are assumed to continue to be used during their effective useful lives in accordance with their current use and the manner, scale, frequency and environment of such use.

4. Going concern assumption during the toll collection period: The going concern assumption means that the enterprise is assumed, on the basis of its existing assets and resources, not to cease business for any reason during the toll collection period, but to continue to operate lawfully on an ongoing basis.

(II) General Assumptions

1. It is assumed that, after the Valuation Benchmark Date, the enterprise where the asset portfolio is located will, on the basis of its existing management approach and level, maintain its business scope and mode in line with its current direction.

2. It is assumed that the accounting policies adopted by the enterprise where the asset portfolio is located after the Valuation Benchmark Date are consistent in material respects with those adopted in the preparation of this report.

3. It is assumed that there will be no material changes to interest rates, exchange rates, taxation bases and tax rates, policy-based charges and other items in relation to the enterprise where the asset portfolio is located after the Valuation Benchmark Date.

4. It is assumed that, during the future income period, the enterprise where the asset portfolio is located will not undertake material fixed asset investments that would affect its operations; that the assets required for the normal operation of the expressway are estimated based on their conditions as at the Valuation Benchmark Date; and that the asset portfolio obtains net cash flows evenly throughout the year.

5. It is assumed that the products or services of the enterprise where the asset portfolio is located will maintain the current competitive landscape in the market after the Valuation Benchmark Date.

6. It is assumed that the leases signed by the enterprise where the asset portfolio is located are lawful and valid; that the signed leases are actually performed and will not be altered or terminated without cause; and that the operational status of the leased assets will not undergo any material changes.

7. It is assumed that, during the remaining operating period, the toll rates in the forecast period will remain unchanged at current levels.

8. The forecasts of toll revenue and maintenance costs in the profit forecast are made with reference to Daguangnan Expressway Traffic Volume Forecast Advisory Report (《大廣南高速公路交通量預測諮詢報告》) issued by JSTI Group Co., Ltd. (蘇交科集團股份有限公司) in September 2026. It is assumed that the traffic volume and toll revenue forecasts are objective, and that the maintenance cost forecasts are objective.

(III) Specific Assumptions

1. It is assumed that, during the future income period, the enterprise will not undertake material fixed asset investment activities that affect its operations, and that the assets required for the normal operation of the expressway are estimated based on their conditions as at the Valuation Benchmark Date.

2. It is assumed that, during the future income period, the enterprise will maintain turnover of receivables and payables similar to that in historical years, and that there will be no arrears in maintenance project payments that differ materially from those in historical years.

3. It is assumed that the cash inflows and cash outflows of the enterprise during the future income period will occur evenly, and that there will be no concentrated recognition of revenue at any single point in the year.

4. It is assumed that the working capital recovered at the end of the period and the fixed assets recovered at the end of the period of the enterprise where the asset portfolio is located will be received as a single inflow at the end of the period.

5. The land use rights relating to the project will not be transferred during the duration.

The valuation conclusions in this report hold true as at the Valuation Benchmark Date under the above assumptions. Should the above assumptions change materially, the signing asset valuers and this valuation agency shall not be liable for any different valuation conclusions arising from such changes in the assumptions.

IV. NOTES ON SPECIAL MATTERS

The following are matters identified during the appraisal process that may affect the valuation conclusion but are beyond the professional expertise and capability of the valuer to evaluate or estimate:

(I) Notes on the Reference to Conclusions Contained in Reports Issued by Other Institutions

In this asset valuation, reference has been made to Daguangnan Expressway Traffic Volume Forecast Advisory Report issued by JSTI Group Co., Ltd. in September 2026 in forecasting traffic volume, toll revenue and maintenance costs.

(II) Notes on the Limitation of Valuation Procedures

No valuation procedures were restricted in this project.

(III) Notes on Incomplete Valuation Materials

There are no incomplete valuation materials in this project.

(IV) Notes on Other Matters of the Valuation

1. The valuation assumptions used in this income approach valuation represent a reasonable forecast of the future operations of the subject of valuation under current conditions. If various unpredictable and unavoidable factors arise in the future that could affect the fulfillment of these assumptions, the achievement of the profit forecast may be affected. The asset valuation professionals hereby remind the client and other relevant parties that we do not guarantee the realisation of the aforementioned assumptions, nor do we undertake any obligation to realise or assist in realising them.

V. CALCULATION AND ANALYSIS PROCESS OF THE INCOME APPROACH VALUATION

(I) Selection of the Income Model

In view of the purpose and characteristics of this project, the discounted model of free cash flow to the project before interest and taxes under the discounted cash flow method was adopted. The discounted model of free cash flow to the project before interest and taxes is as follows:

$$P=\sum_{i=1}^{n}\frac{NCF_i}{(1+r)^i}$$

Where: P is the value of the asset portfolio; i is the forecast year; r is the discount rate; NCF_i is the free cash flow to the project before interest and taxes in year i; and n is the number of years in the forecast period.

1. Calculation of the future free cash flow to the project before interest and taxes

   Future free cash flow to the project before interest and taxes = EBITDA - capital expenditure - additional working capital + working capital recovered at the end of the period + fixed assets recovered at the end of the period

   = operating revenue - operating costs - taxes and surcharges - selling expenses - administrative expenses + depreciation and amortisation - capital expenditure - change in working capital + working capital recovered at the end of the period + fixed assets recovered at the end of the period

2. Calculation of the discount rate

   Based on the income approach valuation model, and in accordance with the principle of consistency between the income amount and the discount rate, the discount rate is set as the weighted average cost of capital before income tax (WACCBT). The formula is as follows:

$$WACC=R_e\frac{E}{D+E}+R_d\frac{D}{D+E}(1-T)$$

   WACCBT = WACC/(1-T)

   Where: R_e is the cost of equity capital, $R_e=R_f+\beta\times ERP+R_s$ (R_f is the risk-free rate of return, β is the enterprise systematic risk coefficient, ERP is the equity risk premium, and R_s is the enterprise-specific risk premium); R_d is the cost of debt capital; E is the equity value; D is the value of interest-bearing debt; E/(D＋E) is the proportion of equity in total capital; D/(D＋E) is the proportion of debt in total capital; and T is the enterprise income tax rate.

3. Income period and forecast period

Pursuant to the Approval of the Provincial People's Government on the Concession Agreement for the Hubei Huangshi to Tongshan (Wangjiafan) Highway Project (《省人民政府關於湖北省黃石至通山(王家畈)公路項目特許權協議的批覆》), the toll collection period for the project is 30 years, commencing from the date on which the completed project is opened to traffic and toll collection begins. Pursuant to the toll collection approval for this project, toll collection on Daguangnan Expressway commenced on 3 May 2012 and is scheduled to end on 29 April 2042. Pursuant to the Notice of the Provincial Department of Transportation on Extending the Term of Toll Roads (E Jiao Fa [2021] No. 213) (《省交通運輸廳關於延長收費公路期限的通知》(鄂交發[2021]213號)), for toll road projects that were approved by the provincial government to set up toll stations and were exempt from vehicle tolls during the COVID-19 prevention and control period, the originally approved toll collection period shall be extended by 79 days. Taking into account the 79-day compensation for the COVID-19 pandemic, the forecast period in this report is extended to 17 July 2042.

Accordingly, a limited income period assumption is adopted, with the forecast period running from 1 July 2026 to 17 July 2042.

(II) Explanation of the Income Forecast

The income forecast for future years was prepared by JSTI Group Co., Ltd. based on the medium- and long-term plans of the property-right holder. The valuer analysed the forecast data provided by JSTI Group Co., Ltd. and discussed the assumptions, premises and forecasting process with the property-right holder, and substantially adopted the forecast made by JSTI Group Co., Ltd.

1. Forecast of income from principal businesses

(1) Historical annual operating revenue

Income from principal businesses represents toll revenue. Due to the opening of new expressways in surrounding areas and the weak economy, revenue showed a downward trend from 2023 to 2025. However, traffic volume saw an increase in 2026 as a result of the opening of new toll stations. Historical annual operating revenue is as follows:

Historical annual income from principal businesses

Amount in RMB'0,000

Item	2023	2024	2025	January to June 2026
Toll revenue	45,717.17	40,392.61	38,616.49	19,386.32
Income from other businesses	1,128.29	1,230.83	1,227.77	632.92

During this valuation, the valuer reviewed Daguangnan Expressway Traffic Volume Forecast Advisory Report issued by JSTI Group Co., Ltd. in September 2026. Based on an analysis of the reasonableness of revenue from Daguangnan Expressway, the forecast of toll revenue of Daguangnan Expressway by the above institution was adopted and referred to in this valuation. The key forecast parameters and reasonableness analysis in the report are excerpted as follows:

(2) Traffic volume forecast results by JSTI Group Co., Ltd.

Traffic volume forecast results for Daguangnan Expressway (vehicles/day)

Year	Passenger vehicle Class 1	Passenger vehicle Class 2	Passenger vehicle Class 3	Passenger vehicle Class 4	Truck Class 1	Truck Class 2	Truck Class 3	Truck Class 4	Truck Class 5	Truck Class 6	Total passenger vehicles	Total trucks	Total	Equivalent total
2026	7118	9	24	39	1075	269	136	463	357	1640	7189	3941	11130	17917
2027	7733	9	26	42	1170	293	148	504	389	1786	7810	4289	12099	19487
2028	8170	10	28	44	1238	309	156	533	411	1889	8252	4536	12788	20602
2029	8555	10	29	46	1307	327	165	563	435	1995	8640	4792	13433	21687
2030	9351	11	32	51	1480	370	187	638	492	2259	9445	5426	14871	24216
2031	10090	12	34	55	1636	409	207	705	544	2497	10191	5997	16188	26515
2032	10650	13	36	58	1721	430	217	741	572	2626	10756	6307	17063	27923
2033	11274	14	38	61	1814	453	229	781	603	2767	11387	6648	18035	29482
2034	11935	15	40	65	1912	478	242	823	635	2917	12054	7007	19061	31127
2035	12634	15	43	69	2015	504	255	868	670	3075	12761	7385	20146	32864
2036	13268	16	45	72	2108	527	266	908	701	3217	13401	7727	21128	34434
2037	13934	17	47	76	2206	551	279	950	733	3365	14073	8084	22158	36079
2038	14633	18	50	79	2308	577	292	994	767	3521	14779	8458	23237	37803
2039	15367	19	52	83	2414	604	305	1040	803	3684	15521	8849	24370	39609
2040	16138	20	55	88	2526	631	319	1088	840	3854	16299	9258	25558	41502
2041	16757	20	57	91	2615	654	331	1126	869	3991	16925	9586	26511	43019
2042	17400	21	59	94	2708	677	342	1166	900	4132	17575	9925	27499	44592

(3) Toll revenue forecast results by JSTI Group Co., Ltd.

Formula for estimating the annual toll revenue of the project:

$$I = \sum_{n} Q_n * C_n * L * D_n$$

I: represents annual toll revenue;

n: represents each vehicle class, ranging from 1 to 10, where 1—4 represent passenger vehicle Classes 1—4 and 5—10 represent truck Classes 1—6;

Q_n: represents the traffic volume of each vehicle class;

C_n: represents the corresponding toll rate for each vehicle class;

L: represents the toll mileage of the project;

D_n: represents the number of toll-collection days per year for each vehicle class.

Based on the forecast traffic volume and vehicle classes for each section, and after applying the toll rates and deducting toll-exempt vehicles, ETC discounts and holiday toll exemptions, the toll revenue for each year is as follows:

Toll Revenue Forecast Results for Daguangnan Expressway

Year	Passenger vehicle Class 1	Passenger vehicle Class 2	Passenger vehicle Class 3	Passenger vehicle Class 4	Truck Class 1	Truck Class 2	Truck Class 3	Truck Class 4	Truck Class 5	Truck Class 6	Passenger vehicles	Trucks	Total (RMB'0,000)
2026	14070	27	100	201	2075	947	785	3857	3422	17771	14398	28856	43254
2027	15419	30	109	218	2258	1031	854	4198	3724	19343	15776	31408	47184
2028	16338	31	116	231	2395	1093	906	4452	3950	20515	16716	33310	50026
2029	17058	33	121	241	2523	1152	954	4690	4161	21612	17453	35093	52545
2030	18647	36	132	264	2857	1304	1080	5310	4712	24471	19079	39735	58813
2031	20119	39	142	285	3158	1442	1194	5869	5207	27047	20585	43917	64502
2032	21297	41	151	301	3330	1520	1259	6189	5491	28521	21790	46311	68101
2033	22480	43	159	318	3500	1598	1323	6506	5772	29980	23001	48679	71680
2034	23798	46	168	337	3689	1684	1395	6857	6084	31600	24349	51309	75658
2035	25193	48	178	356	3888	1775	1470	7228	6413	33307	25776	54081	79857
2036	26534	51	188	375	4079	1862	1543	7583	6728	34942	27148	56737	83885
2037	27784	53	197	393	4256	1943	1609	7912	7020	36458	28427	59198	87625
2038	29178	56	207	413	4453	2033	1684	8278	7344	38144	29853	61936	91789
2039	30642	59	217	434	4659	2127	1762	8660	7684	39908	31351	64800	96150
2040	32272	62	228	457	4888	2231	1848	9086	8061	41868	33019	67982	101001
2041	33414	64	237	473	5047	2304	1908	9381	8323	43230	34187	70194	104381
2042	18558	36	133	266	2835	1294	1072	5269	4675	24280	18994	39425	58419

Notes:

1. The toll revenue figures in the table are tax-inclusive; the 2042 toll revenue covers the period from 1 January to 17 July, consistent with the toll collection period specified in the project approval.

2. The forecast in this table assumes that the toll rates remain unchanged during the forecast period, and the forecast results are net of toll-exempt vehicles, holiday toll exemptions for passenger cars, ETC discounts and other adjustments.

(4) Forecast of income from other businesses

Other income includes rental income and electricity tariff income. Rental income is forecast based on actual rental rates, while electricity tariff income, which represents electricity fees collected and paid as an agent, is forecast based on historical annual levels.

(5) Forecast of operating revenue

Based on the forecast traffic volume, vehicle classification and toll revenue of each section from JSTI Group Co., Ltd., the valuer's estimates of the operating revenue for each year are as follows:

Amount in RMB'0,000

Item	July to December 2026	2027	2028	2029	2030	2031
Income from principal businesses	22,607.97	45,810.00	48,568.88	51,015.00	57,100.06	62,622.96
Toll revenue	22,607.97	45,810.00	48,568.88	51,015.00	57,100.06	62,622.96
Income from other businesses	285.31	581.53	584.86	588.22	591.62	595.05
Lease income	164.91	333.12	336.46	339.82	343.22	346.65
Management fee income	24.76	49.53	49.53	49.53	49.53	49.53
Electricity tariff income	64.23	128.45	128.45	128.45	128.45	128.45
Water tariff income	20.42	40.84	40.84	40.84	40.84	40.84
Others	10.98	29.57	29.57	29.57	29.57	29.57
Total operating revenue	22,893.28	46,391.53	49,153.74	51,603.23	57,691.68	63,218.01
Growth rate	7.70%	8.11%	5.95%	4.98%	11.80%	9.58%

Item	2032	2033	2034	2035	2036	2037
Income from principal businesses	66,117.48	69,592.23	73,454.42	77,531.27	81,441.40	85,073.18
Toll revenue	66,117.48	69,592.23	73,454.42	77,531.27	81,441.40	85,073.18
Income from other businesses	598.52	602.02	605.56	615.02	648.45	652.45
Lease income	350.12	353.62	357.15	366.62	400.05	404.05
Management fee income	49.53	49.53	49.53	49.53	49.53	49.53
Electricity tariff income	128.45	128.45	128.45	128.45	128.45	128.45
Water tariff income	40.84	40.84	40.84	40.84	40.84	40.84
Others	29.57	29.57	29.57	29.57	29.57	29.57
Total operating revenue	66,716.00	70,194.25	74,059.98	78,146.29	82,089.86	85,725.63
Growth rate	5.53%	5.21%	5.51%	5.52%	5.05%	4.43%

Item	2038	2039	2040	2041	2042
Income from principal businesses	89,115.36	93,349.88	98,059.05	101,341.00	56,717.34
Toll revenue	89,115.36	93,349.88	98,059.05	101,341.00	56,717.34
Income from other businesses	656.49	1,242.00	1,545.56	1,558.53	1,029.51
Lease income	408.09	993.60	1,297.16	1,310.13	894.76
Management fee income	49.53	49.53	49.53	49.53	26.87
Electricity tariff income	128.45	128.45	128.45	128.45	69.68
Water tariff income	40.84	40.84	40.84	40.84	22.16
Others	29.57	29.57	29.57	29.57	16.04
Total operating revenue	89,771.85	94,591.88	99,604.61	102,899.53	57,746.85
Growth rate	4.72%	5.37%	5.30%	3.31%	3.45%

2. Forecast of costs for principal businesses

Costs for principal businesses include depreciation and amortisation, road and bridge maintenance costs, labour costs and utility expenses.

Costs for principal businesses in historical years

Amount in RMB'0,000

Item	2023	2024	2025	January to June 2026
Costs for principal businesses	32,368.00	34,029.73	34,587.12	17,071.43
Amortisation of intangible assets — concession rights	26,766.65	26,551.62	26,657.01	13,317.73
Depreciation of fixed assets	92.48	109.20	102.75	57.30
Amortisation of long-term deferred expenditures	723.42	1,161.78	1,525.74	1,152.78
Maintenance costs	1,691.66	3,280.41	3,282.72	1,090.27
Labour costs	1,758.29	1,705.48	1,750.99	822.96
Other expenses	1,335.50	1,221.24	1,267.91	630.39
Costs for other businesses	383.89	423.52	435.19	169.19
Others	206.36	209.97	229.17	98.20
Electricity tariff	133.07	163.34	156.66	54.75
Water tariff	44.46	50.21	49.37	16.24
Total operating costs	32,751.89	34,453.26	35,022.31	17,240.62

1) Depreciation and amortisation

Depreciation and amortisation included in costs for principal businesses are determined with reference to the assets falling within the scope of costs for principal businesses and depreciation and amortisation policies. Depreciation and amortisation generally comprise depreciation and amortisation of existing assets, as well as that of newly added assets.

Existing assets included in costs for principal businesses comprise highway road assets and transport vehicles, with the amounts of depreciation for future years calculated based on the original book value of fixed assets and accounting depreciation policies of the enterprise. Expenditure on the renewal of fixed assets refers to the enterprise's investment in renewing highway road assets and transport vehicles, with the amounts of depreciation for future years calculated based on the value of the renewed assets, timing of investment and accounting depreciation policies of the enterprise.

2) Maintenance costs

Future maintenance costs are forecast on the basis of the expense levels in historical years of the enterprise to which the asset portfolio belongs, with reference to Daguangnan Expressway Traffic Volume Forecast Advisory Report issued by JSTI Group Co., Ltd. in September 2026.

3) Labour costs

Labour costs are forecast based on historical actual levels, with due consideration given to the average wage of urban unit employees in the water, environment and public facility management industry in Hubei Province, as well as the average rate of CPI growth in recent years.

4) Electricity tariff

The utility expenses incurred during the enterprise's operation are forecast based on historical actual levels, with due consideration given to the average rate of CPI growth in recent years.

5) Other costs

Other costs mainly comprise entertainment expenses, office expenses, vehicle operating expenses and insurance premiums. The historical levels of items such as entertainment expenses, office expenses and vehicle operating expenses are relatively stable, therefore they are forecast based on historical actual levels with a reasonable incremental rate applied.

The forecast of costs for principal businesses is set out in the table below:

Amount in RMB'0,000

Item	July to December 2026	2027	2028	2029	2030	2031
Costs for principal businesses	**17,484.66**	**35,138.25**	**35,024.56**	**35,691.46**	**35,680.30**	**35,511.02**
Amortisation of intangible assets — concession rights	13,134.71	26,104.47	25,870.00	25,658.16	25,274.92	25,237.13
Depreciation of fixed assets	233.18	1,194.96	1,494.20	2,582.21	3,085.36	3,264.92
Amortisation of long-term deferred expenditures	1,178.07	2,174.92	1,857.75	1,508.03	1,230.75	770.64
Maintenance costs	1,544.73	2,701.00	2,769.00	2,837.00	2,909.00	2,982.00
Labour costs	869.51	1,782.50	1,827.06	1,872.74	1,919.56	1,967.55
Other expenses	524.46	1,180.40	1,206.55	1,233.32	1,260.73	1,288.79
Costs for other businesses	**192.13**	**370.88**	**376.40**	**382.05**	**387.84**	**393.78**
Others	116.97	220.55	226.06	231.71	237.50	243.44

Item	July to December 2026	2027	2028	2029	2030	2031
Electricity tariff	54.75	109.49	109.49	109.49	109.49	109.49
Water tariff	20.42	40.84	40.84	40.84	40.84	40.84
Total operating costs	**17,676.79**	**35,509.13**	**35,400.96**	**36,073.51**	**36,068.14**	**35,904.79**

Item	2032	2033	2034	2035	2036	2037
Costs for principal businesses	**35,521.64**	**35,740.43**	**35,969.39**	**35,970.50**	**36,235.60**	**36,148.23**
Amortisation of intangible assets — concession rights	25,237.13	25,237.13	25,237.13	25,237.13	25,237.13	25,237.13
Depreciation of fixed assets	3,124.63	3,297.48	3,918.49	3,755.80	3,853.04	3,593.70
Amortisation of long-term deferred expenditures	770.64	659.74	106.92	106.92	106.92	106.92
Maintenance costs	3,055.00	3,132.00	3,211.00	3,291.00	3,373.00	3,457.00
Labour costs	2,016.74	2,067.15	2,118.83	2,171.80	2,226.10	2,281.75
Other expenses	1,317.51	1,346.92	1,377.03	1,407.85	1,439.42	1,471.73
Costs for other businesses	**399.86**	**406.10**	**412.50**	**419.05**	**425.77**	**432.65**
Others	249.53	255.76	262.16	268.71	275.43	282.32
Electricity tariff	109.49	109.49	109.49	109.49	109.49	109.49
Water tariff	40.84	40.84	40.84	40.84	40.84	40.84
Total operating costs	**35,921.51**	**36,146.53**	**36,381.89**	**36,389.55**	**36,661.37**	**36,580.88**

Item	2038	2039	2040	2041	2042
Costs for principal businesses	**36,272.62**	**35,140.47**	**37,884.45**	**39,810.14**	**27,536.92**
Amortisation of intangible assets — concession rights	25,237.13	25,237.13	25,237.13	25,237.13	14,008.53
Depreciation of fixed assets	3,577.83	2,327.09	4,893.75	6,628.50	6,479.33
Amortisation of long-term deferred expenditures	70.04	7.30	—	—	—
Maintenance costs	3,544.00	3,633.00	3,723.00	3,817.00	2,122.00
Labour costs	2,338.79	2,397.26	2,457.20	2,518.63	4,034.54
Other expenses	1,504.81	1,538.69	1,573.38	1,608.89	892.51
Costs for other businesses	**439.71**	**446.95**	**454.36**	**461.96**	**254.82**
Others	289.37	296.61	304.02	311.62	173.27
Electricity tariff	109.49	109.49	109.49	109.49	59.40
Water tariff	40.84	40.84	40.84	40.84	22.16
Total operating costs	**36,712.33**	**35,587.42**	**38,338.81**	**40,272.10**	**27,791.74**

3. Forecast of taxes and surcharges

The enterprise's taxes mainly include value-added tax, urban construction tax and education surcharge, stamp duty, real estate tax, land use tax and vehicle and vessel taxes. In respect of value-added tax, the applicable tax rate for toll revenue is 3%. In respect of urban construction tax and education surcharge, the urban construction tax is levied at 7% of the value-added tax payable, and the education surcharge and local education surcharge are levied at 3% and 2% of the value-added tax payable respectively. In respect of stamp

duty, it is forecast at 0.0003 of the taxable amounts. In respect of real estate tax, it is levied on both ad valorem and rental bases. The ad valorem portion is forecast based on the asset scope of the asset portfolio at the benchmark date and remains unchanged in future years, while the rental-based portion is calculated at 12% of the tax-exclusive rental income. In respect of land use tax and vehicle and vessel taxes, they are levied on a verification collection basis, forecast based on the asset scope of the asset portfolio at the benchmark date and remain unchanged in future years.

4. Forecast of selling expenses

No selling expenses were incurred in historical years, thus no forecast is made for future years.

5. Forecast of administrative expenses

1) Depreciation and amortisation

Depreciation and amortisation included in administrative expenses are determined with reference to the assets falling within the scope of administrative expenses and depreciation and amortisation policies. Depreciation and amortisation generally comprise depreciation and amortisation of existing assets, as well as that of newly added assets.

Existing assets included in administrative expenses comprise office and electronic equipment, with the amounts of depreciation for future years calculated based on the original book value of fixed assets and accounting depreciation policies of the enterprise. Expenditure on the renewal of fixed assets refers to the enterprise's investment in renewing office and electronic equipment, with the amounts of depreciation for future years calculated based on the value of the renewed assets, timing of investment and accounting depreciation policies of the enterprise.

2) Employee remuneration

For items such as employee remuneration, vehicle operating expenses and entrusted management fees included in administrative expenses, employee remuneration is forecast based on historical actual levels, with due consideration given to the average wage of urban unit employees in the water, environment and public facility management industry in Hubei Province, as well as the average rate of CPI growth in recent years.

3) Management service fees

Management service fees correspond to the expenses incurred by Yuexiu (Hubei) Expressway Company Limited in providing operating and management services for this project, mainly including personnel funds, administrative expenses and electromechanical expenses. Management service fees are forecast based on historical actual levels with a reasonable incremental rate applied.

4) Other expenses

Items such as vehicle operating expenses and consultant fee included in other expenses are forecast based on historical actual levels with a reasonable growth rate applied.

The forecast of administrative expenses is set out in the table below:

Amount in RMB'0,000

Item	July to December 2026	2027	2028	2029	2030	2031
Employee remuneration	120.78	247.59	253.78	260.13	266.63	273.29
Property management fees	—	—	—	—	—	—
Utility expenses	—	—	—	—	—	—
Vehicle operating expenses	4.49	5.57	5.71	5.85	6.00	6.14
Repair expenses	—	—	—	—	—	—
Travel expenses	0.27	0.54	0.58	0.60	0.68	0.74
Depreciation charge	—	—	—	—	—	—
Entertainment expenses	0.79	1.60	1.69	1.78	1.99	2.18
Office expenses	0.84	1.70	1.80	1.89	2.12	2.32
Management service fees	461.83	886.70	886.70	886.70	886.70	886.70
Consultant fee	—	5.33	5.46	5.60	5.74	5.88
Others	17.04	34.52	36.60	38.45	43.03	47.20
Amortisation of intangible assets	—	—	—	—	—	—
Total administrative expenses	606.03	1,183.55	1,192.32	1,200.99	1,212.88	1,224.46
Ratio of administrative expenses to revenue	2.65%	2.55%	2.43%	2.33%	2.10%	1.94%

Item	2032	2033	2034	2035	2036	2037
Employee remuneration	280.13	287.13	294.31	301.67	309.21	316.94
Property management fees	—	—	—	—	—	—
Utility expenses	—	—	—	—	—	—
Vehicle operating expenses	6.30	6.46	6.62	6.78	6.95	7.13
Repair expenses	—	—	—	—	—	—
Travel expenses	0.78	0.82	0.87	0.92	0.96	1.01
Depreciation charge	—	—	—	—	—	—
Entertainment expenses	2.30	2.43	2.56	2.70	2.84	2.96
Office expenses	2.45	2.58	2.72	2.87	3.02	3.15
Management service fees	886.70	886.70	886.70	886.70	886.70	886.70
Consultant fee	6.03	6.18	6.34	6.49	6.66	6.82
Others	49.83	52.45	55.36	58.43	61.38	64.12

Item	2032	2033	2034	2035	2036	2037
Amortisation of intangible assets	—	—	—	—	—	—
Total administrative expenses	1,234.52	1,244.74	1,255.47	1,266.56	1,277.71	1,288.82
Ratio of administrative expenses to revenue	1.85%	1.77%	1.70%	1.62%	1.56%	1.50%

Item	2038	2039	2040	2041	2042
Employee remuneration	324.86	332.98	341.31	349.84	560.40
Property management fees	—	—	—	—	—
Utility expenses	—	—	—	—	—
Vehicle operating expenses	7.30	7.49	7.67	7.87	4.37
Repair expenses	—	—	—	—	—
Travel expenses	1.06	1.11	1.16	1.20	0.67
Depreciation charge	—	—	—	—	—
Entertainment expenses	3.11	3.25	3.42	3.53	1.98
Office expenses	3.30	3.46	3.63	3.76	2.10
Management service fees	886.70	886.70	886.70	886.70	481.00
Consultant fee	6.99	7.17	7.35	7.53	7.72
Others	67.16	70.35	73.90	76.38	42.74
Amortisation of intangible assets	—	—	—	—	—
Total administrative expenses	1,300.48	1,312.51	1,325.14	1,336.80	1,100.99
Ratio of administrative expenses to revenue	1.45%	1.39%	1.33%	1.30%	1.91%

6. Forecast of research and development expenses

Projects incurring research and development expenses in historical years have been completed, and the enterprise has no new research and development projects planned for the time being, thus no forecast is made for future years.

7. Forecast of finance costs

The cash flows of the asset portfolio are independent of financing costs, thus no forecast of finance costs is considered.

8. Forecast of other income

Other income refers to refunds of real estate tax and land use tax. In accordance with the Announcement of Hubei Provincial Tax Service, State Taxation Administration on Matters With Respect to Tax Relief and Exemptions for Real Estate Tax and Urban Land Use Tax in Cases of Financial Hardship (《國家税務總局湖北省税務局關於房產税城鎮土地使用税困難減免税有關事項的公告》) (Announcement No. 6 in 2022 of Hubei Provincial Tax Service, State Taxation Administration), entities that incur an operating loss for the current year are eligible to apply for a full refund of both real estate tax and land use tax for the following year.

9. Forecast of non-operating revenue and expenses

Given that the occurrence of non-operating revenue and expenses is non-recurring by nature, no forecast is made for future years.

10. Forecast of depreciation and amortisation

Depreciation and amortisation are determined with reference to the assets falling within the scope of the asset portfolio and depreciation and amortisation policies. Depreciation and amortisation generally comprise depreciation and amortisation of existing assets, as well as that of newly added assets. For detailed forecasts, please refer to the forecasting process for depreciation and amortisation in the respective items mentioned above.

11. Analysis and forecast of capital expenditures

Capital expenditures fall into two categories: renewal capital expenditures, incurred when long-term assets reach the end of their economic useful lives, to maintain the enterprise's existing operating capacity; and incremental capital expenditures on newly added assets, to expand operating capacity.

Capital expenditures = Renewal capital expenditures on existing assets + Incremental capital expenditures on newly added assets

For renewal capital expenditures, the timing of such expenditures is forecast in detail based on the scale of existing assets at the Valuation Benchmark Date, the economic useful life and the used life of each individual asset, and the forecast is finalised with reference to the amount of the corresponding renewal capital expenditure. Renewal capital expenditures within the scope of this valuation mainly cover the renewal investments in highway ancillary facilities, transport vehicles and office and electronic equipment. Incremental capital expenditures on newly added assets mainly refer to capital expenditures on maintenance works.

12. Analysis and forecast of increase in working capital

The increase in working capital represents the operating capital that the asset portfolio to be increased, without changing the current conditions of its principal businesses, so as to maintain normal business operations, which are additional funds required to maintain the asset portfolio's ability to operate on a going concern basis, such as the basic capital required for maintaining normal business operations, including cash reserves, receivables from customers, as well as payables. The increase in working capital refers to the cash occupied by acquiring commercial credit of others due to changes in the asset portfolio's operating activities, as well as the cash reserves required to maintain normal business operations. In addition, in economic activities, providing commercial credit can correspondingly reduce the immediate payment of cash.

Based on the survey and analysis on the operations of the subject of valuation, various turnover ratios are forecast in line with historical ratios. Based on the various turnover ratios mentioned above, the working capital for each year during the forecast period and the amount of increase therein can be estimated.

13. Analysis and forecast of the working capital recovered at the end of the period

The working capital recovered at the end of the period is forecast based on the amount of working capital occupied in the last year of the forecast period.

14. Analysis and forecast of the fixed assets recovered at the end of the period

Pursuant to the Concession Agreement for the Hubei Huangshi to Tongshan (Wangjiafan) Highway Project, "upon expiry of the concession period, the project shall be transferred intact and free of charge as agreed in Section 1 of Chapter 11 of this agreement". Thus, no forecast is made for the fixed assets recovered at the end of the period in this valuation.

15. Minimum monetary funds on hand at the beginning of the period

The cash required to be maintained for normal operations (minimum cash on hand) is determined based on the total annual cash costs as at the Valuation Benchmark Date and the frequency of turnover.

16. Analysis and forecast of the future pre-tax cash flows of the project

The future pre-tax cash flows of the project are calculated based on the foregoing forecast items and a formula. The formula is as follows:

Future free cash flow to the project before interest and taxes = operating revenue - operating costs - taxes and surcharges - selling expenses - administrative expenses + other income + non-operating revenue - non-operating expenses + depreciation and amortisation - capital expenditure - increase in working capital + working capital recovered at the end of the period + fixed assets recovered at the end of the period.

17. Determination of discount rate

Based on the income approach valuation model, and in accordance with the principle of consistency between the income amount and the discount rate, the discount rate is set as the weighted average cost of capital before income tax (WACCBT).

(1) Selection of comparable companies

We preliminarily adopted the following basic criteria as the selection criteria for identifying comparable companies:

Comparable companies must have at least three years of listing history;

Comparable companies are engaged in or principally engaged in the expressway sector, or they are subject to the same economic factors, and have engaged principally in such industry for no less than three years;

Comparable companies have been profitable over the last three years and are in relatively sound operating condition.

Based on the foregoing three principles, we utilised the iFinD (同花顺) data system for screening and ultimately selected the following three listed companies as comparable companies:

Stock code	**Stock name**	**Listing date**	**National economic industry classification**
000755.SZ	SWGC	1997-06-27	highway management and maintenance
600269.SH	Ganyue Expressway	2000-05-18	highway management and maintenance
600368.SH	Wuzhou Communications	2000-12-21	highway management and maintenance

(2) Determination of the cost of equity capital

The cost of equity capital is determined using the capital asset pricing model ("CAPM"). The calculation formula is:

$Re = Rf + \beta \times ERP + Rs$

Where: Re is the cost of equity capital; Rf is the risk-free rate of return; β is the enterprise systematic risk coefficient; ERP is the equity risk premium; and Rs is the enterprise-specific risk premium.

a. Determination of risk-free rate of return (Rf)

Yield of treasury bonds is generally considered risk-free as the risk of non-payment of the debt upon maturity is remote and negligible. The risk-free rate of return used in this valuation is derived from the yields of treasury bonds provided by China Central Depository & Clearing Co., Ltd. (CCDC), which can

be accessed through the website of the China Appraisal Society, and represents the yield of treasury bonds with a specific term as at the Valuation Benchmark Date. As the forecast period for this valuation is 16.04 years, the average annual yield to maturity of 1.73% of treasury bonds with a remaining term of 10 years as at the Valuation Benchmark Date is selected as the risk-free rate of return.

b. Determination of the β coefficient

The β coefficient measures the risk premium of an enterprise relative to the overall return of the capital market, and also serves as an indicator measuring the extent to which an individual stock is affected by changes in the broader economic environment, including stock market price fluctuations. As the enterprise is currently a non-listed company, it is generally difficult to directly calculate the coefficient index value. Therefore, in this valuation, the β coefficient is selected with reference to the average of the β coefficients of comparable companies that are in the same industry as the enterprise as at the Valuation Benchmark Date.

① *Calculation of βU of the comparable companies*

$$\beta U = \beta L/[1 + (1 - T) \times D/E]$$

Where: D is the debt value; E is the equity value; and T is the applicable income tax rate.

Taking into comprehensive consideration the comparability between the comparable companies and the enterprise in terms of business type, enterprise size, profitability, growth, industry competitiveness, enterprise development stage and other aspects, three comparable companies were ultimately selected, and the calculation was based on the data from their 2026 interim reports. The βL of the comparable companies was calculated using the BETA calculator published by iFinD, and then the βU of the comparable companies can be obtained by the above formula, with the average of 0.3026 thereof taken as the βU of the enterprise. The detailed calculation process and the selection criteria for the β coefficient are as follows:

Selection criteria for β coefficient

Selection of the underlying index	CSI 300
Calculation period	Week
Time frame	30 June 2023 to 30 June 2026
Calculation method of yield	Common yield
Exclusion of financial leverage	Without exclusion

Calculation process of βL of the enterprise

Stock code	Name of comparable companies	Interest-bearing liabilities (D)	Debt ratio	Equity fair market value (E)	Equity value ratio	Raw BETA	Raw BETA excluding financial leverage	Income tax rate (T)
000755.SZ	SWGC	546,293.38	46.75%	622,139.52	53.25%	0.4797	0.2892	25%
600269.SH	Ganyue Expressway	955,132.03	50.68%	929,491.99	49.32%	0.6048	0.3416	25%
600368.SH	Wuzhou Communications	444,804.27	45.20%	539,234.04	54.80%	0.4484	0.2770	25%

② *Calculation of βL of the enterprise*

The βL of the enterprise is calculated based on the following formula:

$$\beta L = \beta U \times [1 + (1 - T) \times D/E]$$

Taking into comprehensive consideration the enterprise's development stage, financing arrangements for future years and the stability of its capital structure, this valuation adopts the industry average capital structure as the target capital structure, and the applicable enterprise income tax rate for the enterprise is 25%.

$$\beta L = \beta U \times [1 + (1 - T) \times D/E]$$

$$= 0.3026 \times [1 + (1 - 25\%) \times 47.55\%/52.45\%]$$

$$= 0.5083$$

c. Determination of the equity risk premium (ERP)

The equity risk premium refers to the expected excess return, i.e., the risk compensation in excess of the risk-free interest rate, demanded by an investor for an equity investment with the same average risk as the overall market. The equity risk premium can usually be measured using historical risk premium data of the market. Specifically, the expected market rate of return (Rm) is measured based on the long-term average yield of the China A share market index. In this valuation, the CSI 300 index is selected as the underlying index, and the expected market rate of return (Rm) is based on the annual averages of the CSI 300 index from the transaction date calculated by using the geometric mean method, then less the annual average risk-free rate of return (Rf) of the corresponding years, the equity risk premium can be obtained (Rm - Rf). Based on the above calculation, the current equity risk premium in China is 6.81%.

d. Determination of the enterprise-specific risk premium (Rs)

The capital asset pricing model is generally considered to be a model for estimating the rate of return on investment of a portfolio. It cannot directly estimate the return on investment for an individual company. The investment risk of an individual company is generally considered to be higher than that of a portfolio, therefore, the excess rate of return arising from such enterprise's all specific risks associated with a portfolio shall be taken into account when considering the rate of return on investment of an individual company or stock.

The enterprise-specific risk premium primarily refers to the risk premium or discount associated with risks arising from certain non-systematic factors specific to a company. This report takes into account the risk premiums associated with the following factors:

Scale risk premium: Numerous studies worldwide indicate that the average risk premium required for small enterprises is notably higher than that for large enterprises. A risk premium of 0.50% has been adopted for this valuation.

Individual risk premium:

Individual risk refers to the specific risks of an enterprise relative to its industry peers, mainly including: A. the operating stage of the enterprise; B. historical operating conditions; C. the development stage of its principal businesses; D. the distribution of the enterprise's business and regions; E. internal management and control mechanisms of the enterprise; F. its reliance on major customers and suppliers; and G. financial risks. In this valuation, the foregoing individual risk factors are classified into five levels, namely low, relatively low, medium, relatively high and high, and each level is analysed using "medium" as the benchmark, with the details as follows:

No.	Risk factor	Description	Standard		Weight	Description of the enterprise's risk	Score %	Adjustment coefficient
1	Enterprise size	The sales volume, long-term asset scale and number of employees of the enterprise	Large-sized	0-1	10%	Large-sized	1	0.10%
			Medium-sized	2-3				
			Small-sized	4-5				
2	Operating stage	The operating stage of the enterprise	Stable stage	0-1	10%	Stable stage	1	0.10%
			Developing stage	2-3				
			Degenerating & start-up stage	4-5				
3	Core competitiveness	Whether the enterprise possesses core resources such as core technology and concession rights; whether its products possess a dominant position in the market and strong bargaining potential	Strong core competitiveness	0-1	10%	Strong core competitiveness	1	0.10%
			Moderate core competitiveness	2-3				
			Weak core competitiveness	4-5				

No.	Risk factor	Description	Standard		Weight	Description of the enterprise's risk	Score %	Adjustment coefficient
4	Reliance on major customers	Whether there is diversification in corporate revenue and whether there is reliance on minority customers	Not reliant	0-1	10%	Not reliant	1	0.10%
			Relatively reliant	2-3				
			Completely reliant	4-5				
5	Reliance on upstream suppliers	Whether there is diversification in upstream procurement and whether there is reliance on suppliers	Not reliant	0-1	10%	Not reliant	1	0.10%
			Relatively reliant	2-3				
			Completely reliant	4-5				
6	Experience and qualifications of management personnel and key technical personnel	The work experience, educational background and honours of management personnel at all levels of the enterprise	Extensive	0-1	10%	Extensive	1	0.10%
			Moderate	2-3				
			Limited	4-5				
7	Historical operating conditions	The revenue, costs and profitability of the enterprise in historical years	Profitable and above the industry average	0-1	10%	In line with the industry average	2	0.20%
			In line with the industry average	2-3				
			Loss-making	4-5				
8	Financial risks of the enterprise	The enterprise's debt level, solvency, etc.	Low indebtedness and high solvency	0-1	10%	Moderate indebtedness and average solvency	2	0.20%
			Moderate indebtedness and average solvency	2-3				
			High indebtedness and poor solvency	4-5				
9	Distribution of the enterprise's business, products and regions	Market analysis of the main products or services	Overseas and nationwide	0-1	10%	Certain regions in China	2	0.20%
			Certain regions in China	2-3				
			Within the province, with a relatively concentrated market covering relatively limited regions	4-5				
10	Internal management and control mechanisms of the enterprise	The human resource management system, remuneration system, financial management system and quality management system of the enterprise	Sound	0-1	10%	Sound	1	0.10%
			Average	2-3				
			Deficient	4-5				
Total								1.30%

The enterprise-specific risk premium adopted in this valuation is determined at 1.8% after taking comprehensive consideration the scale risk premium and the individual risk premium of the enterprise.

e. Calculation of the cost of equity capital

Based on the above formula, the cost of equity capital is calculated as follows:

$Re = Rf + \beta \times ERP + Rs$

$= 1.73\% + 0.5083 \times 6.81\% + 1.8\%$

$= 6.99\%$

(3) Determination of the cost of debt capital (Rd)

The cost of debt capital is in effect the expected rate of return on investment of the creditors of the enterprise.

Different enterprises exhibit varying solvency due to differences in operating conditions, capital structure and other factors, and the expected rates of return on investment for their creditors therefore differ. Accordingly, an enterprise's cost of debt capital is closely correlated with its financial risk, i.e., its capital structure.

Given that the cost of debt capital should adopt a compound interest form expressed as the yield to maturity, and when using the full investment cash flow model and selecting the industry's optimal capital structure to estimate the discount rate, the cost of debt capital (Rd) should select the best Rd available in that industry.

As the cost of debt capital of the industry in which the enterprise operates is generally close to the interest rate of medium- and long-term loans with a term of more than 5 years, the 5-year and above loan prime rate (LPR) of 3.50% published by the People's Bank of China for the month of the Valuation Benchmark Date is adopted as the cost of debt capital.

(4) Determination of the discount rate of the asset portfolio

$WACCBT = Re \times [E/(D+E)]/(1 - T) + Rd \times D/(D+E)$

$= 6.99\% \times 52.45\% \div (1 - 25\%) + 3.50\% \times 47.55\%$

$= 6.55\%$

18. Surplus assets and liabilities

Based on the analysis, there are no surplus assets or liabilities.

VI. VALUATION RESULTS UNDER THE INCOME APPROACH

Based on the above calculations, as at the Valuation Benchmark Date, the book value of the assets under the asset portfolio containing the concession right of Daguangnan Expressway held by Hubei Ashennan Expressway Development Co., Ltd. was RMB4,193,362,000, and the appraised value was RMB5,663,700,000, representing an appreciation of RMB1,470,338,000 and an appreciation rate of 35.06%.

SUMMARY OF THE ASSET VALUATION REPORT ON THE VALUATION OF THE ENTIRE EQUITY INTEREST IN HUBEI ASHENNAN EXPRESSWAY DEVELOPMENT CO., LTD. (湖北阿深南高速公路發展有限公司) IN RELATION TO THE PROPOSED EQUITY TRANSFER FOR THE ESTABLISHMENT OF PICC ASSET - YUEXIU TRANSPORT INFRASTRUCTURE INVESTMENT ASSET-BACKED SECURITIES SPECIAL PLAN (人保資產-越秀交通基礎設施投資資產支持專項計劃)

Purpose of Valuation: To appraise the value of the entire equity interest in Hubei Ashennan Expressway Development Co., Ltd. in relation to the proposed equity transfer for the establishment of PICC Asset - Yuexiu Transport Infrastructure Investment Asset-Backed Securities Special Plan, so as to provide a value reference for such economic activity.

Subject of Valuation: The value of the entire equity interest in Hubei Ashennan Expressway Development Co., Ltd.

Scope of Valuation: All assets and liabilities declared by Hubei Ashennan Expressway Development Co., Ltd., with specific details set out in the valuation sheets.

Valuation Benchmark Date: 30 June 2026

Type of Value: Market value

Valuation Approach: Asset-based approach and income approach

Valuer: Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd.* (深圳市瑞聯資產房地產土地評估有限公司)

Valuation Conclusion: The valuation results under the asset-based approach are adopted as the valuation conclusion of this asset valuation report, which are set out as follows:

As at the Valuation Benchmark Date, the book value of total assets of Hubei Ashennan Expressway Development Co., Ltd. was RMB4,275,227,200, and the appraised value was RMB5,745,565,200, representing a valuation appreciation of RMB1,470,338,000 and an appreciation rate of 34.39%; the book value of liabilities was RMB3,985,290,600, and the appraised value was RMB3,985,290,600, with no valuation appreciation or depreciation; the book value of net assets (owners' equity) was RMB289,936,600, and the appraised value was RMB1,760,274,600, representing a valuation appreciation of RMB1,470,338,000 and an appreciation rate of 507.12%. Details are set out in the table below:

Summary of results of asset valuation (asset-based approach)

Amount in RMB'0,000

Item		Book value A	Appraised value B	Appreciation/ depreciation C=B-A	Appreciation rate % D=C/A×100
Current assets	1	8,186.52	8,186.52	—	—
Non-current assets	2	419,336.20	566,370.00	147,033.80	35.06
Of which: Fixed assets	3	766.52	—	-766.52	-100.00
Construction in progress	4	254.92	—	-254.92	-100.00
Intangible assets	5	407,659.21	566,370.00	158,710.79	38.93
Long-term deferred expenditures	6	10,655.55	—	-10,655.55	-100.00
Total assets	**7**	**427,522.72**	**574,556.52**	**147,033.80**	**34.39**
Current liabilities	8	26,094.06	26,094.06	—	—
Non-current liabilities	9	372,435.00	372,435.00	—	—
Total liabilities	**10**	**398,529.06**	**398,529.06**	**—**	**—**
Net assets (owners' equity)	**11**	**28,993.66**	**176,027.46**	**147,033.80**	**507.12**

This asset valuation report is issued solely for the purpose of providing a value reference for such economic activity described herein. The valuation conclusion is valid for one year from the Valuation Benchmark Date, i.e. from 30 June 2026 to 29 June 2027.

Notes on special matters:

1. This valuation report did not take into consideration either the impact of the possible premium or discount resulting from the possession or lack of right of control or the impact of liquidity on the value of the subject of valuation.

2. The fixed assets, construction in progress and intangible assets falling within the scope of this valuation mainly comprise main expressway sections, protective facilities, maintenance premises, toll stations and other buildings and structures for infrastructure maintenance. Such assets are characterised by their wide geographical distribution, large individual scale, complex structures and dispersed construction areas. Although on-site visits and inspections were carried out for the relevant assets in this valuation to verify their actual existence and general condition, due to the inherent characteristics of such assets and the objective constraints of the on-site inspections, it was not possible to conduct an accurate inventory and verification of key aspects and specific parameters of the assets, such as the actual quantities of works, construction quality and details of concealed works for various buildings and structures. In response to the aforementioned issue of being unable to accurately inventory the quantities of works for the fixed assets,

construction in progress and intangible assets, key information such as construction scale, scope of works and construction standards has been confirmed in this valuation by reviewing construction documents provided by the appraised entity, including construction drawings, project budgets, construction contracts, completion acceptance reports and construction progress reports. In addition, project payment vouchers, progress payment records, settlement statements and other documents have been examined, alongside the progress of the works, to verify the consistency between the amounts recorded in the accounts, the construction progress and the actual payments made, thereby serving as a supplementary alternative evidence for asset verification.

I. VALUATION APPROACH

(I) Basic Methods of Asset Valuation

Asset Appraisal Practice Standards — Enterprise Value provides that in conducting valuation work on enterprise value, the valuer shall consider the applicability of the three basic methods, namely the income approach, the market approach and the asset-based approach according to the purpose of valuation, the subject of valuation, the type of value and the collection of information, and select appropriate valuation methods.

The asset-based approach in valuation of enterprise value refers to the valuation method to determine the value of the subject of valuation by reasonably assessing the value of all on-balance-sheet and identifiable off-balance-sheet assets and liabilities based on the appraised entity's balance sheet as of the Valuation Benchmark Date. The adoption of the asset-based approach in appraising enterprise value may lead to situations where not every asset and liability can be fully identified and appraised individually.

The market approach in valuation of enterprise value refers to the valuation method to determine the value of the subject of valuation by comparing the subject of valuation with comparable listed companies or comparable transaction cases. Asset valuation professionals shall consider the applicability of the market approach based on the adequacy and reliability of the operating and financial information of comparable enterprises obtained, and the number of comparable enterprises that can be collected.

The income approach in valuation of enterprise value refers to the valuation method to determine the value of the subject of valuation by capitalising or discounting the expected income. Asset valuation professionals shall properly consider the applicability of the income approach, taking into account the nature, the size of the assets, the history of operations, the predictability of future revenue, and the adequacy of the valuation information obtained in respect of the appraised entity.

(II) Selection of Valuation Approach

Where multiple valuation methods are suitable for valuation of enterprise value, asset valuation professionals shall adopt two or more valuation methods for their valuation.

Given that the assets and liabilities structure of the appraised entity is clear, and the value of various assets and liabilities of the enterprise can also be assessed and recognised separately, the conditions for adopting the asset-based approach are satisfied in this valuation.

The business asset portfolio within the scope of this valuation has independent profitability and stable historical operating cash flows. The management can provide reliable profit forecast data for future years. The future profitability of the asset portfolio can be reasonably projected based on historical operating data and internal and external conditions of the assets, and the risks associated with future income can be reasonably quantified.

Due to the lack of transaction cases comparable to the enterprise in terms of business structure, asset scale, operating model, profitability and other factors, it is not appropriate to adopt the market approach.

In general, the income approach and the asset-based approach were adopted for this valuation. After the analysis, the valuation conclusion is determined by using the asset-based approach.

(III) Introduction to the Asset-based Approach

1. Expressway asset portfolio

The core assets of the appraised entity comprise the expressway asset portfolio, which includes fixed assets, intangible assets, long-term deferred expenditures and construction in progress. The scope of the asset portfolio is as follows:

Amount in RMB

Item	**Book value**
Fixed assets	7,665,232.47
Construction in progress	2,549,208.63
Intangible assets	4,076,592,143.18
Long-term deferred expenditures	106,555,464.29
Total asset portfolio	**4,193,362,048.57**

Although the aforementioned assets are classified under different accounting items, they are highly interrelated, jointly operated and inseparable in economic attributes, collectively forming an asset portfolio capable of generating stable cash flows independently.

Therefore, in this asset-based approach valuation, rather than applying the traditional replacement cost method on an item-by-item basis to this asset portfolio, the aforementioned assets are treated as an asset portfolio and valued as a whole using the income approach.

Valuation approach

In view of the purpose and characteristics of this project, the discounted model of free cash flow to the project before interest and taxes under the discounted cash flow method was selected. The discounted model of free cash flow to the project before interest and taxes is as follows:

$$P=\sum_{i=1}^{n}\frac{NCF_i}{(1+r)^i}$$

Where: P is the value of the asset portfolio; i is the forecast year; r is the discount rate; NCF_i is the free cash flow to the project before interest and taxes in year i; and n is the number of years in the forecast period.

(1) Calculation of the future free cash flow to the project before interest and taxes

Future free cash flow to the project before interest and taxes = EBITDA - capital expenditure - additional working capital + working capital recovered at the end of the period + fixed assets recovered at the end of the period

= operating revenue - operating costs - taxes and surcharges - selling expenses - administrative expenses + depreciation and amortisation - capital expenditure - change in working capital + working capital recovered at the end of the period + fixed assets recovered at the end of the period

(2) Calculation of the discount rate

Based on the income approach valuation model, and in accordance with the principle of consistency between the income amount and the discount rate, the discount rate is set as the weighted average cost of capital before income tax (WACCBT). The formula is as follows:

$$WACC=R_e\frac{E}{D+E}+R_d\frac{D}{D+E}(1-T)$$

WACCBT=WACC/(1-T)

Where: R_e is the cost of equity capital, $R_e=R_f+\beta\times ERP+R_s$ (R_f is the risk-free rate of return, β is the enterprise systematic risk coefficient, ERP is the equity risk premium,

and R_s is the enterprise-specific risk premium); R_d is the cost of debt capital; E is the equity value; D is the value of interest-bearing debt; E/(D＋E) is the proportion of equity in total capital; D/(D＋E) is the proportion of debt in total capital; and T is the enterprise income tax rate.

(3) Income period and forecast period

Pursuant to the Approval of the Provincial People's Government on the Concession Agreement for the Hubei Huangshi to Tongshan (Wangjiafan) Highway Project (《省人民政府關於湖北省黃石至通山(王家畈)公路項目特許權協議的批覆》), the toll collection period for the project is 30 years, commencing from the date on which the completed project is opened to traffic and toll collection begins. Pursuant to the toll collection approval for this project, toll collection on Daguangnan Expressway commenced on 3 May 2012 and is scheduled to end on 29 April 2042. Pursuant to the Notice of the Provincial Department of Transportation on Extending the Term of Toll Roads (E Jiao Fa [2021] No. 213) (《省交通運輸廳關於延長收費公路期限的通知》(鄂交發[2021]213號)), for toll road projects that were approved by the provincial government to set up toll stations and were exempt from vehicle tolls during the COVID-19 prevention and control period, the originally approved toll collection period shall be extended by 79 days. Taking into account the 79-day compensation for the COVID-19 pandemic, the forecast period in this report is extended to 17 July 2042.

Accordingly, a limited income period assumption is adopted, with the forecast period running from 1 July 2026 to 17 July 2042.

2. Current assets other than the expressway asset portfolio

Current assets other than the expressway asset portfolio consist of cash and cash equivalents, trade receivables, prepayments and other receivables.

(1) Cash and cash equivalents

The appraised value is determined based on the verified value, following verification of bank statements and bank letters.

(2) Receivables

Receivables specifically include trade receivables, prepayments and other receivables, etc. On the basis of verification of the trade receivables, the appraised value is determined by reference to the estimated probable recoverable amount of each item, net of appraised risk of loss. The appraised risk of loss is 0% for full collection of the receivables from related parties based on good reasons. For those amounts that cannot be collected with solid proofs or with extra-long aging, the risk of loss is appraised to be 100%. If it is probable that a portion of the trade receivables is unrecoverable and the unrecoverable amount is hard to determine, the appraised value of receivables is

arrived at after deducting the appraised risk of loss, which is estimated by analysing the amount, period of and reason for overdue, recovery status, the funding, creditworthiness and operation and management of the debtors based on historic information and current investigation and by reference to the accounting treatment for provision for bad debts. The item "provision for bad debts" in the statement is calculated as zero.

3. Current liabilities and non-current liabilities

Current liabilities consist of: trade payables, receipts in advance, contract liabilities, employee benefits payable, taxation payable and other payables.

Non-current liabilities consist of: long-term borrowings and long-term payables.

For the above liabilities, the valuer verified the book value according to the breakdown of each item provided by the enterprise. The appraised value was determined based on the actual liabilities which should be borne by the enterprise.

II. VALUATION ASSUMPTIONS

The assumptions adopted in the analysis and estimation of this asset valuation report are as follows:

(I) Basic Assumptions

1. Transaction assumption: The transaction assumption assumes that the subject of valuation and the assets and liabilities within the scope of valuation are already in the process of transaction, and that the valuation is conducted by simulating the market based on the transaction conditions. The transaction assumption is a most basic prerequisite for asset valuation.

2. Open market assumption: The open market assumption assumes that, in respect of assets traded or proposed to be traded in the market, both parties to the asset transaction are on an equal footing and both have the opportunity and time to obtain sufficient market information, so as to make a rational judgement on the functions, use and transaction prices of the assets. The open market assumption is based on the premise that the assets can be publicly purchased and sold in the market.

3. Continuous use assumption: The continuous use assumption means that, in performing the asset valuation, the assets under valuation are assumed to continue to be used during their effective useful lives in accordance with their current use and the manner, scale, frequency and environment of such use.

4. Going concern assumption during the toll collection period: The going concern assumption means that the enterprise is assumed, on the basis of its existing assets and resources, not to cease business for any reason during the toll collection period, but to continue to operate lawfully on an ongoing basis.

(II) General Assumptions

1. It is assumed that, after the Valuation Benchmark Date, the appraised entity will, on the basis of its existing management approach and level, maintain its business scope and mode in line with its current direction.

2. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date are consistent in material respects with those adopted in the preparation of this report.

3. It is assumed that there will be no material changes to interest rates, exchange rates, taxation bases and tax rates, policy-based charges and other items in relation to the appraised entity after the Valuation Benchmark Date.

4. It is assumed that, during the future income period, the enterprise will not undertake material fixed asset investments that would affect its operations; that the assets required for the normal operation of the expressway are estimated based on their conditions as at the Valuation Benchmark Date; and that the appraised entity obtains net cash flows evenly throughout the year.

5. It is assumed that the products or services of the appraised entity will maintain the current competitive landscape in the market after the Valuation Benchmark Date.

6. It is assumed that the leases signed by the appraised entity are lawful and valid; that the signed leases are actually performed and will not be altered or terminated without cause; and that the operational status of the leased assets will not undergo any material changes.

7. It is assumed that, during the remaining operating period, the toll rates in the forecast period will remain unchanged at current levels.

8. The forecasts of toll revenue and maintenance costs in the profit forecast are made with reference to Daguangnan Expressway Traffic Volume Forecast Advisory Report (《大廣南高速公路交通量預測諮詢報告》) issued by JSTI Group Co., Ltd. (蘇交科集團股份有限公司) in September 2026. It is assumed that the traffic volume and toll revenue forecasts are objective, and that the maintenance cost forecasts are objective.

(III) Specific Assumptions

1. It is assumed that, during the future income period, the enterprise will not undertake material fixed asset investment activities that affect its operations, and that the assets required for the normal operation of the expressway are estimated based on their conditions as at the Valuation Benchmark Date.

2. It is assumed that, during the future income period, the enterprise will maintain turnover of receivables and payables similar to that in historical years, and that there will be no arrears in maintenance project payments that differ materially from those in historical years.

3. It is assumed that the cash inflows and cash outflows of the enterprise during the future income period will occur evenly, and that there will be no concentrated recognition of revenue at any single point in the year.

4. It is assumed that the working capital recovered at the end of the period and the fixed assets recovered at the end of the period of the enterprise where the asset portfolio is located will be received as a single inflow at the end of the period.

5. The land use rights relating to the project will not be transferred during the term of the fund.

The valuation conclusions in this report hold true as at the Valuation Benchmark Date under the above assumptions. Should the above assumptions change materially, the signing asset valuers and this valuation agency shall not be liable for any different valuation conclusions arising from such changes in the assumptions.

III. VALUATION CONCLUSION

(I) Valuation Conclusion

The asset-based approach and the income approach have different valuation perspectives and paths. The asset-based approach is considered from the re-acquisition of assets, reflecting the replacement value of the existing assets of the enterprise. The income approach is considered from the perspective of the future profitability of the enterprise, reflecting the comprehensive profitability of various assets of the enterprise.

The appraised entity is an expressway operating enterprise and constitutes a capital-intensive project. Its core assets comprise the expressway concession right and road-related structures. Given the completeness of data regarding asset investments, the asset-based approach is able to objectively reflect the current value of the existing assets as at the Valuation Benchmark Date. The valuation result under the income approach is subject to long-term forecasting factors such as future tax burdens, leading to relatively high uncertainty in the predictive assumptions. In general, having regard to the purpose of the valuation, the characteristics of the assets of the

appraised entity, the reliability of the data and the applicable conditions of the two methods, we are of the view that the asset-based approach is more consistent with the purpose of this valuation and is able to more objectively and more fully reflect the current value of the appraised entity as an expressway operator. Accordingly, the valuation result under the asset-based approach has been adopted as the final conclusion of this valuation.

That is, the valuation conclusion is that the appraised value of the entire equity interest in Hubei Ashennan Expressway Development Co., Ltd. as at the Valuation Benchmark Date is **RMB1,760,274,600 (in words: SAY RENMINBI ONE BILLION SEVEN HUNDRED AND SIXTY MILLION TWO HUNDRED AND SEVENTY-FOUR THOUSAND SIX HUNDRED ONLY)**.

(II) Validity Period of the Valuation Conclusion

The valuation conclusion disclosed in this asset valuation report is valid for one year from the Valuation Benchmark Date of 30 June 2026 to 29 June 2027. The valuation conclusion set out in this asset valuation report shall be invalid if used beyond one year, unless otherwise stipulated by national laws and regulations.

IV. NOTES ON SPECIAL MATTERS

The following are matters identified during the appraisal process that may affect the valuation conclusion but are beyond the professional expertise and capability of the valuer to evaluate or estimate:

(I) Notes on the Reference to Conclusions Contained in Reports Issued by Other Institutions

In this valuation, reference has been made to Daguangnan Expressway Traffic Volume Forecast Advisory Report issued by JSTI Group Co., Ltd. in September 2026. Based on an analysis of the reasonableness of the revenue of Daguangnan Expressway, the forecasts of the said institution in respect of the traffic volume, toll revenue and maintenance costs of Daguangnan Expressway were adopted and cited.

(II) Notes on the Limitation of Valuation Procedures

No valuation procedures were restricted in this project.

(III) Notes on Incomplete Valuation Materials

There are no incomplete valuation materials in this project.

(IV) Other Matters Requiring Explanation

1. The fixed assets, construction in progress and intangible assets falling within the scope of this valuation mainly comprise main expressway sections, protective facilities, maintenance premises, toll stations and other buildings and structures for infrastructure maintenance. Such assets are characterised by their wide geographical distribution, large individual scale, complex structures and dispersed construction areas. Although on-site visits and inspections were carried out for the relevant assets in this valuation to verify their actual existence and general condition, due to the inherent characteristics of the assets and the objective constraints of the on-site inspections, it was not possible to conduct an accurate inventory and verification of key aspects and specific parameters of the assets, such as the actual quantities of works, construction quality and details of concealed works for various buildings and structures. In response to the aforementioned issue of being unable to accurately inventory the quantities of works for the fixed assets, construction in progress and intangible assets, key information such as construction scale, scope of works and construction standards of the assets has been confirmed in this valuation by reviewing construction documents provided by the appraised entity, including construction drawings, project budgets, construction contracts, completion acceptance reports and construction progress reports. In addition, project payment vouchers, progress payment records, settlement statements and other documents have been examined, alongside the progress of the works, to verify the consistency between the amounts recorded in the accounts, the construction progress and the actual payments made, thereby serving as a supplementary alternative evidence for asset verification.

V. TECHNICAL DESCRIPTION OF VALUATION OF THE EXPRESSWAY ASSET PORTFOLIO

The core assets of the appraised entity comprise the expressway asset portfolio, which includes fixed assets, intangible assets, long-term deferred expenditures and construction in progress. The scope of the asset portfolio is as follows:

Amount in RMB

Item	**Book value**
Fixed assets	7,665,232.47
Construction in progress	2,549,208.63
Intangible assets	4,076,592,143.18
Long-term deferred expenditures	106,555,464.29
Total asset portfolio	**4,193,362,048.57**

Although the aforementioned assets are classified under different accounting items, they are highly interrelated, jointly operated and inseparable in economic attributes, collectively forming an asset portfolio capable of generating stable cash flows independently. Therefore, in this asset-based approach valuation, rather than applying the traditional replacement cost method on an item-by-item basis to this asset portfolio, the aforementioned assets are treated as an asset portfolio and valued as a whole using the income approach.

(I) Principal Details of the Asset Portfolio

1. Fixed assets

The fixed assets of Hubei Ashennan Expressway Development Co., Ltd. mainly comprise buildings, machinery and equipment, electronic equipment and vehicles, which are principally located at the stations along the expressway and within the company.

There are 2 items of buildings in total, with an original book value of RMB1,143,307.45 and a net book value of RMB961,314.23, mainly being the Daguangnan Huangshixi Badminton Hall and the newly constructed carport at the Huangshixi toll station of Hubei Ashennan, which are supporting facilities for operations. They are well maintained and in normal operating condition.

There are 4 items of machinery and equipment in total, with an original book value of RMB572,007.00 and a net book value of RMB29,229.35, mainly being 200 KW diesel generator sets, vehicle-mounted video monitoring equipment for road administration and other equipment, which are in good working condition.

There are 374 items of electronic equipment in total, with an original book value of RMB13,820,869.88 and a net book value of RMB6,154,753.24, mainly being computers, air-conditioners and other equipment, which are in good working condition.

There are 16 items of vehicles in total, with an original book value of RMB2,614,295.97 and a net book value of RMB519,935.65, being Dongfeng Honda CR-V multi-purpose vehicles, Nissan Ruiqi 6 pickup trucks and other vehicles, all of which are in normal operating condition as of the Valuation Benchmark Date.

2. Construction in progress

There are 8 items of construction in progress in total, with a net book value of RMB2,549,208.63, mainly being the maintenance and renovation of ancillary facilities of various expressway sections, including the new traffic guidance system project and the high-slope risk monitoring system for Daguangnan Expressway. Of these, 5 projects have been terminated with no further construction works planned, while the remaining 3 projects are under normal construction. As of the date of the on-site survey, the construction in progress is close to completion.

3. Long-term deferred expenditures

The long-term deferred expenditures mainly comprise the special maintenance and renovation of the main pavement and ancillary facilities of various expressway sections, with net book value of RMB106,555,464.29, including the special pavement maintenance project in 2024 and the special subgrade maintenance project in 2025 for Daguangnan Expressway. Currently, the construction of the projects is progressing as planned and all of them are in normal operating condition.

4. Intangible assets

The intangible assets are the assets of Daguangnan Expressway, with a net book value of RMB4,076,592,143.18, comprising main expressway sections, protective facilities, maintenance premises, toll stations and other buildings and structures for infrastructure maintenance. The principal details of Daguangnan Expressway are as follows:

Project name	Daguangnan Expressway
Scope of assets	The project starts at the south-bank interchange of the E'dong Yangtze River Highway Bridge (Huangshi West Interchange) and ends at Wangjiafan in Tongshan County (通山縣), entering Jiangxi Province through the Taipingshan Tunnel.
Construction content and scale	The main line of this project has a designed total length of 107.077 km, with a 2.649-km ramp connecting Huangshi West Road Station and Huangshi Station, bringing the total length to 109.726 km. The project is constructed to the standard of a four-lane expressway. Along the entire route, there are 2 service areas, 1 parking area, 2 maintenance areas, 1 communications and monitoring sub-centre, 6 ramp toll stations and 1 mainline toll station (half-width). The project has a permanent land occupation of 10,561.765 mu (Chinese unit of land area, approximately equal to 666.67 square meters), and the area of demolished buildings totals 269,000 sq.m.

Technical standards and main indicators	The main line of Daguangnan Expressway has a designed total length of 107.077 km, with a 2.649-km ramp connecting Huangshi West Road Station and Huangshi Station, bringing the total length to 109.726 km. The project is constructed to the standard of a fully enclosed, grade-separated, four-lane expressway, with an asphalt concrete pavement. The design speed is 100 km/h, the roadbed width is 26.0 m, and the design vehicle load is Highway Class I. Seismic fortification standard: peak ground acceleration coefficient of 0.05 (simplified seismic fortification). The design flood frequency is 1/300 for extra-large bridges and 1/100 for large, medium and small bridges, culverts and roadbeds. The roadbed connecting line is 7.87 km long and is constructed to the Highway Class I standard.
Commencement and completion	Commencement: July 2008; completion: May 2012
Total investment in final accounts	The approved budget estimate for total investment was RMB4,963.7 million, of which project capital of RMB1,737.4 million accounted for 35% and domestic bank loans of RMB3,226.6 million for 65% of the total budget estimate.
Commencement of operation	May 2012
Project ownership period	Start of toll collection: 3 May 2012 End of toll collection: 17 July 2042 (including a 79-day compensation extension to the toll collection period)

VI. VALUATION RESULTS UNDER THE ASSET-BASED APPROACH

As at the Valuation Benchmark Date, the book value of total assets of Hubei Ashennan Expressway Development Co., Ltd. was RMB4,275,227,200, and the appraised value was RMB5,745,565,200, representing a valuation appreciation of RMB1,470,338,000 and an appreciation rate of 34.39%; the book value of liabilities was RMB3,985,290,600, and the appraised value was RMB3,985,290,600, with no valuation appreciation or depreciation; the book value of net assets (owners' equity) was RMB289,936,600, and the appraised value was RMB1,760,274,600, representing a valuation appreciation of RMB1,470,338,000 and an appreciation rate of 507.12%.

The appraised entity is an expressway operating enterprise and constitutes a capital-intensive project. Its core assets comprise the expressway concession right and road-related structures. Given the completeness of data regarding asset investments, the asset-based approach is able to objectively reflect the current value of the existing assets as at the Valuation Benchmark Date. The valuation result under the income approach is subject to long-term forecasting factors such as future tax burdens, leading to relatively high uncertainty in the predictive assumptions. In summary, having regard to the purpose of the valuation, the characteristics of the assets of the appraised entity, the reliability of the data and the applicable conditions of the two methods, we are of the view that the asset-based approach is more consistent with the purpose of this valuation and is able to more objectively and more fully reflect the current value of the appraised entity as an expressway operator. Accordingly, the valuation result under the asset-based approach has been adopted as the final conclusion of this valuation.

That is, the valuation conclusion is that the appraised value of the entire equity interest in Hubei Ashennan Expressway Development Co., Ltd. as at the Valuation Benchmark Date is RMB1,760,274,600 (in words: SAY RENMINBI ONE BILLION SEVEN HUNDRED AND SIXTY MILLION TWO HUNDRED AND SEVENTY-FOUR THOUSAND SIX HUNDRED ONLY).

Analysis of the reasons for valuation appreciation or depreciation:

The expressway industry to which the appraised entity belongs is characterised by regional monopoly and exclusivity. The expressway concession right brings stable cash inflows to the enterprise, and such excess earnings are not fully reflected in the book value of net assets. Toll revenue carries favourable growth prospects, and the overall profitability of the enterprise exceeds the level of the book value of net assets. These combined reasons have resulted in the appreciation of the valuation result.

16 November 2026

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

Dear Sirs,

The Proposed Establishment of ABS Special Plan and Disposal of up to 58.43% Effective Equity Interest in the Project Company

We refer to the two valuation reports both dated 30 September 2026 issued by Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd.* (深圳市瑞聯資產房地產土地評估有限公司) (the "**Valuer**") in relation to the valuations of (i) the underlying asset portfolio containing the concession rights of Daguangnan Expressway, being the G45 Daguang Expressway Hubei South Section (Huangshi to Tongshan (Wangjiafan)) approved for construction under *NDRC Approval on Hubei Huangshi to Tongshan (Wangjiafan) Highway Project* (NDRC Transport [2005] No. 1400) (《國家發展改革委關於湖北省黃石至通山(王家畈)公路項目核准的批覆》(發改交運[2005]1400號)) (the "**Underlying Asset Portfolio**") held by Hubei Ashennan Expressway Development Co., Ltd.* (湖北阿深南高速公路發展有限公司) (the "**Project Company**") and (ii) the entire equity interest in the Project Company as at 30 June 2026 (collectively, the "**Valuations**"). As the valuation of the Underlying Asset Portfolio (which also forms part of the valuation of entire equity interest in the Project Company under the asset-based approach) is prepared based on the discounted cash flow method under the income approach, the Valuations are regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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

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

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

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



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REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF THE UNDERLYING ASSET PORTFOLIO AND CERTAIN UNDERLYING ASSET PORTFOLIO ADOPTED IN THE VALUATION OF ENTIRE EQUITY INTEREST IN HUBEI ASHENNAN EXPRESSWAY DEVELOPMENT CO., LTD.

To the Directors of Yuexiu Transport Infrastructure Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") of the asset portfolio on which two valuation reports both dated 30 September 2026 prepared by Shenzhen Ruilian Assets Real Estate and Land Appraisal Co., Ltd. in relation to the valuations of i) the asset portfolio containing the concession rights of Daguangnan Expressway (the "**Underlying Asset Portfolio**") held by Hubei Ashennan Expressway Development Co., Ltd. (the "**Project Company**") and ii) the valuation of entire equity interest in the Project Company as at 30 June 2026 (collectively, the "**Valuations**") are based. The valuations are set out in Appendix I "Summary of the Underlying Asset Portfolio Valuation Report" and Appendix II "Summary of the Project Company Valuation Report" of the announcement of Yuexiu Transport Infrastructure Limited (the "**Company**") dated 16 November 2026 (the "**Announcement**") in connection with the proposed establishment of the ABS special plan. The valuations based on the Forecast are regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions determined by the Directors and as set out in the section headed Appendix I and Appendix II of the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality management

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

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

Reporting accountants' responsibilities

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

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

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

Opinion

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

Ernst & Young
Certified Public Accountants
Hong Kong

16 November 2026