

26 May 2026

*To: The independent board committee and the independent shareholders
of Beijing Media Corporation Limited*

Dear Sir/Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2026 Supplemental Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 26 May 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Since the original single asset management contract (as supplemented by the 2023 Supplemental Agreement) is expected to expire on 16 June 2026, the Company entered into a supplemental agreement with Capital Securities and the Custodian Bank on 20 May 2026 to extend the term of the Single Asset Management Contract for three years from 17 June 2026 to 16 June 2029, and make certain amendments to the Single Asset Management Contract, mainly including the adjustment of the performance fee calculation benchmark. The Board recommended that, within the Extended Period of the Single Asset Management Contract, the maximum daily balance of the Entrusted Assets managed by Capital Securities shall not exceed RMB100 million.

With reference to the Board Letter, the Transactions constitute major and continuing connected transaction of the Company, and are subject to the reporting, announcement, annual review and the Independent Shareholders’ approval requirements under Chapters 14 & 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Shi Hongying, Mr. Chan Yee Ping, Michael, Ms. Du Guoqing and Mr. Kong Weiping (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the AGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

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

BASIS OF OUR OPINION

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

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make

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

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

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

Information on the Group

With reference to the Board Letter, the Company is a leading media company in the PRC, and is principally engaged in the sales of multi-interface media advertising. Other core businesses of the Group include culture annual pass sales, the youth student travel, the operation of cultural and sports events, new media operation and maintenance business.

Information on Capital Securities

With reference to the Board Letter, Capital Securities is a joint stock limited company incorporated in the PRC with limited liability and a subsidiary of Capital Group, and is primarily engaged in the businesses of securities broking, investment banking and investment management. Further, Capital Securities has obtained the license for securities and futures dealing, investment and management issued by the China Securities Regulatory Commission in the PRC, enhancing the scope of business and products offered to its customers. The ultimate actual controller of Capital Securities is Beijing SASAC.

Information on the Custodian Bank

With reference to the Board Letter, the Custodian Bank is a joint stock limited company incorporated in the PRC with limited liability. It is principally engaged in the provision of banking and related financial services, with principal businesses in the areas of corporate banking, retail banking and treasury operations. Its treasury operations include, interbank money market transactions, foreign exchange trading and government and bond trading and investment. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Custodian Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Reasons for and benefits of the Transactions

As advised by the Directors, to increase the cash revenue of the Group, the Company entered into the original Single Asset Management Contract (as supplemented by the 2023 Supplemental Agreement) with Capital Securities and the Custodian Bank to effectively manage existing idle fund through conducting low-risk investment activities without affecting the ordinary operating liquidity.

Despite of the coexistence of revenue and risks in the wealth management products and no promise of principal guaranteed policy restriction for the products, having considered that, among others, (i) the Scheme under the Single Asset Management Contract is specially customized for the Company (as the sole entrustor) by Capital Securities, which enables the Company to negotiate with Capital Securities on investment and operation details (including exclusive investment scope and ratio, early warning and stop-loss mechanism of the Scheme and post-investment management services, etc.), customize the investment products that are truly suitable for the Company in terms of risks and returns, and have the right to require Capital Securities to report the operation of the Scheme to the Company in a timely manner, and keep abreast of investment product information; (ii) Capital Securities has extensive experience and proven track record in cash management, including the average annual return rate of 2.4% and 2.6% for single asset management products in similar amount of Capital Securities in the past one year and the past three years respectively and the actual rate of return on investments of the Company achieved by the Scheme; (iii) the Entrusted Assets shall be invested in the investment products with relatively low risks, and the early warning and stop-loss mechanism and flexible withdrawal of Entrusted Assets pursuant to the Single Asset Management Contract will protect the Company from any significant investment loss under the Scheme and will not affect the ordinary operating liquidity of the Group; (iv) the comparison between the management fee and performance fee charged by Capital Securities from the Company under the Single Asset Management Contract and the management fee and performance fee (including accrual basis and ratio) charged by independent securities companies in respect of similar asset management and investment services as well as those charged by Capital Securities from the independent third parties; (v) the arrangement of performance fee is commercial charging practices for similar plans and will motivate Capital Securities to obtain more returns for the Company; and (vi) according to the 2026 Supplemental Agreement, extending the term of the Single Asset Management Contract can prevent the Company from having to go through the approval process for short-term renewals every year, thereby

improving fund management efficiency and reducing administrative costs, the Directors are of the view that the 2026 Supplemental Agreement and the transactions contemplated thereunder, despite not entered into in the ordinary and usual course of business of the Group, are fair and reasonable, on normal commercial terms, and in the interest of the Company and its Shareholders as a whole.

With reference to Board Letter, as of 31 March 2026, the annualised return on the Company's investments under the original Single Asset Management Contract was approximately 4.68%. For each of the three years ended 31 December 2025, banks deposit rates available to the Group offered the PRC independent commercial banks ranged from 0.01% to 1.95%, being below the aforesaid returns of the Single Asset Management Contract.

Having considered the above factors and our analyses on the pricing policy of the Single Asset Management Contract below (which is fair and reasonable), we consider that although the transactions contemplated under the Single Asset Management Contract are not conducted in the ordinary and usual course of business of the Group, the transactions contemplated under the Single Asset Management Contract are in the interests of the Company and the Shareholders as a whole.

As the original single asset management contract (as supplemented by the 2023 Supplemental Agreement) will expire on 16 June 2026, the 2026 Supplemental Agreement was entered to extend the term of the original Single Asset Management Contract. Furthermore, performance fee calculation benchmark was adjusted to 2.5% per annum according to the 2026 Supplemental Agreement. Having considered our analyses set out in the sub-section headed "Charges under the Scheme" below, we are of the view that the downward adjustment of performance fee benchmark rate is fair and reasonable.

Having considered that (i) the transactions contemplated under the Single Asset Management Contract are in the interest of the Company and the Shareholders as a whole; (ii) the 2026 Supplemental Agreement is to extend the term of the original single asset management contract (as supplemented by the 2023 Supplemental Agreement, which will expire on 16 June 2026) and the adjustment of performance fee calculation benchmark is to reflect the recent market practice of such fee, we are of the view that although the Transactions are not conducted in the ordinary and usual course of business of the Group, the Transactions are in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transactions

The following table summarizes the principal terms of the Transactions, details of which are set out under the section headed “The Principal Terms of The 2026 Supplemental Agreement”.

Date:	20 May 2026
Parties:	(1) the Company (as entrustor); (2) Capital Securities (as manager); and (3) the Custodian Bank (as custodian).
Term of the contract:	As agreed by the parties, the term of the Single Asset Management Contract will be extended for three years based on the original expiration date, i.e. the Extended Period shall be three years from 17 June 2026. Thereafter, the contract may be terminated early or further extended based on actual operation.

Entrusted Assets:

Within the validity period of the Single Asset Management Contract, the Company shall have the right to add to and withdraw from the Entrusted Assets, and no restriction on the maximum amount of redemption for the withdrawal of the Entrusted Assets will be set.

For the addition to the Entrusted Assets, the Company shall notify Capital Securities by email and telephone by 1:00 p.m. at least one business day in advance, and transfer the additional assets to the escrow account. After the Custodian Bank confirms receipt of the additional Entrusted Assets, Capital Securities and the Company will seal the Confirmation Letter of Additional Entrusted Assets, which serves as the confirmation document for the additional Entrusted Assets.

For the withdrawal of the Entrusted Assets, the Company shall submit the sealed Notice of Withdrawal of Entrusted Assets to Capital Securities by 1:00 p.m. at least one business day before the application date for withdrawal of the Entrusted Assets. After Capital Securities confirms by affixing its seal, Capital Securities will send an asset transfer instruction to the Custodian Bank, notifying it to transfer the corresponding assets from the escrow account to the account designated by the Company within two days following the application date for withdrawal of the Entrusted Assets (i.e. the date on which the Company applies to withdraw Entrusted Assets as stated in the Notice of Withdrawal of Entrusted Assets). The document sealed by the Company and Capital Securities will serve as the confirmation document for the withdrawal of Entrusted Assets. Neither Capital Securities nor the Custodian Bank shall bear any responsibility for asset realization losses arising from the late notification by the Company. In case of special circumstances, the

Company may handle the matter otherwise upon mutual agreement with Capital Securities and the Custodian Bank provided that such handling does not violate relevant requirements of laws and regulations.

Asset Management and Investment Services:

Capital Securities shall provide the Company with asset management and investment services in respect of the Entrusted Assets in accordance with the investment scope and investment ratio set out below:

The Scheme aims to primarily invest in debt investment products such as fixed-income products (including cash) and can participate in bond repurchase business. In particular, the credit rating of fixed-income products such as corporate bonds, enterprise bonds, mid-term bills and other credit debts to be invested in should be issuer rating (without considering China Bond rating) or bond rating with at least one rated AA+ or above; the credit rating of short-term financing bond and ultra-short-term financing bond shall be A-1 or above (in case of no bond rating, the issuer rating shall be AA or above), and the issuers of all such bonds shall be state-owned holding enterprises. The Scheme shall not invest in asset management products other than public securities investment funds, nor shall it directly invest in credit assets of commercial banks or finance local government and its delegates in violation of regulations.

Within six months from the commencement of the operating period of the investment, the ratio of the investment portfolio under the Scheme shall satisfy the following requirements: (1) fixed-income and cash assets shall account for 80% (inclusive) -100% of the total assets of the Scheme, and to avoid unilateral downside risk of fixed income products, the proportion of investment in fixed income assets may be lower than 80% of the total assets of the Scheme, but it shall not be lower than 80% of the total assets of the Scheme for six months in a row; (2) the balances of the funds for reverse bond repurchase and forward bond repurchase shall not exceed 100% and 50%, respectively, of the net assets of the Scheme on the previous day; (3) the total assets of the Scheme shall not exceed 200% of the net assets of the Scheme. If the proportion of the investment in bonds issued by the same issuer and its related parties exceeds 50% of its net assets in the Scheme, the total assets of the Scheme shall not exceed 120% of its net assets. Investment in treasury bonds, central bank notes, policy financial bonds, local government bonds and other investment varieties approved by the CSRC are not subject to the aforementioned regulations; (4) in terms of market value, investment in a single underlying bond (except for interest rate bonds) shall not exceed 25% of the total size of such invested bond, nor 25% of the net assets of the Scheme; (5) investment in the same asset (except for bank demand deposits, treasury bonds, central bank bills, policy financial bonds, local government bonds and other investment products recognized by the CSRC) other than bonds shall not exceed 25% of the net assets of the Scheme, nor 25% of such invested asset; and (6) investment in bonds issued by the same issuer shall not exceed 25% of the net asset value of such bond product.

As advised by the Directors, the Company has adopted measures for monetary fund management to better manage its cash on hand. We obtained and reviewed such policy and noted that the principal terms of the measures are as follows:

	Measures for monetary fund management	Single Asset Management Contract
Legality	Fund management should be of legality, in compliance with the relevant laws, regulations and internal policies, and strictly under the authorized area.	Pursuant to the Single Asset Management Contract, Capital Securities undertook that Capital Securities will manage and operate the Entrusted Assets with
Prudency	Fund management should be planned and solidly managed, with no impact on fund requirements during normal business.	responsibility, honesty, prudence and diligence in accordance with 《中華人民共和國證券投資基金法》 (The Securities Investment Fund Law of the People's Republic of China*).
Security	Investment in the high-risk products and speculation in stocks are forbidden.	Primarily invest in debt investment products such as fixed-income products (including cash) and can
Liquidity	Fund should be invested in products with high liquidity. Investment in the products which have relative long terms or are difficult to sell are forbidden. Fund shall be further added or redeemed at any time.	participate in bond repurchase business. In particular, the credit rating of fixed-income products such as corporate bonds, enterprise bonds, mid-term bills and other credit debts to be invested in should
Efficiency	The utilisation of fund should be low risk and high liquidity; aim for security, sustainability and return which is higher than opportunity cost and to maximise benefit.	be issuer rating (without considering China Bond rating) or bond rating with at least one rated AA + or above; the credit rating of short-term financing bond and ultra-short-term financing bond
Investment products	Wealth management product with risk rating of R2 (stable type) or below, or medium-to-low risk wealth management products with an equivalent risk level, includes cash management products (which refer to wealth management products that invest solely in money market instruments and allow subscription and redemption of product units on each trading day) and fixed income products (which refer to wealth management products where the proportion of investment in creditor's assets such as deposits and bonds is no less than 80%).	shall be A-1 or above (in case of no bond rating, the issuer rating shall be AA or above), and the issuers of all such bonds shall be state-owned holding enterprises. The Scheme shall not invest in asset management products other than public securities investment funds, or directly invest in credit assets of commercial banks or finance local government and its delegates in violation of regulations.

	Measures for monetary fund management	Single Asset Management Contract
Investment period	In principle, the operation term of wealth management business for a single counterparty shall not exceed one year. Open-ended products with instant redemption privileges shall not be subject to the aforesaid term restriction.	The period from 17 June 2026 to 16 June 2029
Cooperated institutions	In deciding the institutions for cooperation, their creditability, asset management experience, risk management measures, management fees, etc. should be considered comprehensively.	Please refer to section headed "Information on Capital Securities" of this letter.

Based on the above, the investment scope of the Single Asset Management Contract is in line with the requirements set out by the Company's measures for monetary fund management.

Asset Custody Services:

The Custodian Bank opens an escrow account in the name of the Scheme for the Entrusted Assets and opens a securities account or other specific account for specific use by the Scheme for Capital Securities. The Company will deposit the Entrusted Assets in the escrow account, and the Custodian Bank shall provide asset custody services to the Company and Capital Securities in respect of the Entrusted Assets, perform the obligation of supervising the investment and arrange payment in accordance with the terms and conditions under the Single Asset Management Contract.

Charges under the Scheme:

The Company shall pay:

A. To Capital Securities

(1) the management fee:

- at 0.2% per annum based on the net asset value of the Entrusted Assets on the previous calendar day, to be accrued on a daily basis and paid on a quarterly basis.

(2) the performance fee:

- to be accrued (i) on the date of application for withdrawal of the Entrusted Assets, (ii) on the income distribution date, or (iii) upon expiry or liquidation of the Scheme (collectively, the "performance fee accrual date(s)");

- calculated based on the realised gains on investments (i.e. various types of gains obtained from the investment operation of Entrusted Assets, including but not limited to investment bonus, dividends, bond interest, the price difference between buying and selling securities, bank deposit interest and other income) of the Scheme during the performance fee accrual period (i.e. from the commencement of the Scheme to the first performance fee accrual date or the period from each performance fee accrual date to the next performance fee accrual date): if the actual annualised return rate^(note) exceeds 2.5% which is the benchmark annualised return rate, then 30% of the excess portion shall be payable by the Company to Capital Securities as performance fee for such performance fee accrual period; if the annualised return rate is lower than or equal to 2.5%, no performance fee for such performance fee accrual period is required to be paid by the Company;
- to be taken by Capital Securities at most once every six months, except when the Company exits the Scheme.

*Note: Actual annualised return rate = (net value per unit of Entrusted Assets at the end of the period – net value per unit of Entrusted Assets at the beginning of the period) / net value per unit of the Entrusted Assets at the beginning of the period * 100% * (365 / days of operations from the beginning (inclusive) to the end of the period (exclusive)). Among them, the net value per unit of Entrusted Assets = (total value of Entrusted Assets – liabilities of Entrusted Assets) / total units of Entrusted Assets. The total value of Entrusted Assets refers to the total value of various types of negotiable securities, principal and interest of bank deposits, securities investment fund shares and other assets under the Scheme.*

With reference to the Board Letter, the management fee and performance fee payable by the Company to Capital Securities under the Single Asset Management Contract was concluded after arm's length negotiation between the parties, taking into account various factors, which was disclosed under the sub-section headed "Basis for Pricing" of the Board Letter.

Upon our request, the Directors provided us documents showing quotations offered by two independent financial institutions in China for asset management and investment services in similar nature and amounts involved.

Details of the quotations offered by the two comparable independent financial institutions are as follows:

	Management fee	Performance fee	Accrual basis
Independent financial institution A	0.2%	Up to 60%	Up to 2.3%
Independent financial institution B	0.5%	20%	2.0%
Capital Securities	0.2%	30%	2.5%

Upon our further enquiry, staff of the Capital Securities advised that the management fee, performance fee and accrual basis offered by Capital Securities under the Single Asset Management Contract falls within the range of the respective fee rates offered by Capital Securities to all of its clients (who are non-connected persons of Capital Securities) for single asset management products for the year ended 31 December 2025.

As stated in the Board Letter, the adjusted performance fee calculation benchmark is calculated based on the recent coupon rates of bonds rated AA and above, and the market interest rate of bond pledge-style repurchase and the recent accrual benchmarks charged by Capital Securities to other independent third-party clients. We noted from the Single Asset Management Contract that the Scheme aims to primarily invest in debt investment products such as fixed-income products (including cash) and can participate in bond repurchase business. Based on Wind Financial Terminal, the coupon rate of corporate bonds, enterprise bonds, mid-term bills moved in a general decreasing trend from 1 January 2023 to 30 April 2026, summaries are as follows:

	Coupon rate			
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025	From 1 January 2026 to 30 April 2026
Corporate Bond with AA grade or above	Range: 2.49% to 7.80%	Range: 1.85% to 6.70%	Range: 1.50% to 4.93%	Range: 1.60% to 3.69%
	Average: 4.00%	Average: 2.67%	Average: 2.39%	Average: 2.25%
Enterprise bonds with AA grade or above; fixed rate	Range: 2.70% to 7.50%	Range: 2.10% to 4.80%	Range: 1.87% to 3.43%	Range: 1.79% to 2.48%
	Average: 4.69%	Average: 2.83%	Average: 2.35%	Average: 2.01%
Mid-term bills with AA grade or above	Range: 2.63% to 7.80%	Range: 1.67% to 6.50%	Range: 1.54% to 4.80%	Range: 1.49% to 4.40%
	Average: 3.59%	Average: 2.66%	Average: 2.31%	Average: 2.11%

Having considered the above, in particular, management fee, performance fee and accrual basis offered by Capital Securities under the Single Asset Management Contract (i) were comparable to or no more favourable than those offered by other two independent financial institutions; (ii) fell within the range of those offered by Capital Securities to all of its clients (who are non-connected persons of Capital Securities); and (iii) the coupon rate of corporate bonds, enterprise bonds, mid-term bills moved in a general decreasing trend from 1 January 2023 to 30 April 2026 according to the above table, we are of the view that the management fee, performance fee and accrual basis offered by Capital Securities under the Single Asset Management Contract to be fair and reasonable.

B. To the Custodian Bank

A custodial fee at 0.02% per annum based on the net asset value of the Entrusted Assets on the previous calendar day, to be accrued on a daily basis and paid on 20 December every accounting year (or the next business day in case such day is not a business day) and the termination date of the Single Asset Management Contract (or the date for early termination).

With reference to the Board Letter, the custodial fee (i.e. 0.02% annual rate) payable by the Company to the Custodian Bank under the Single Asset Management Contract was concluded after arm's length negotiation between the parties, taking into account the following factors:

- (i) fixed-rate custodial fee is one of the common quotation methods for the custodial fees of standardized securities companies' asset management products;
- (ii) the annual rate of custodial fees charged by other custodian Banks under a single asset management product of a similar scale (i.e. RMB100 million to RMB200 million) of Capital Securities ranges from 0.05% to 0.08%; and
- (iii) the annual rate of custodial fee payable by the Company to the Custodian Bank under the Single Asset Management Contract is lower than the annual rate of custodial fee charged by the Custodian Bank for products of similar scale.

In addition to the above information, we also searched for custodial fees of 券商資管 (Asset Management by Securities Firms) with asset management products being fixed-income products from Wind Financial Terminal. As the available funds for investment is RMB100 million, we set the scale of the comparable products with size ranging from RMB91 million to RMB110 million (i.e. 10% difference from the scale of the maximum daily balance of the Entrusted Assets to be managed by Capital Securities under the Single Asset Management Contract) as at the Latest Practicable Date (the "Comparable Products"). Based on the information which we obtained from Wind Financial Terminal, there were 90 Comparable Products with available information which met our selection criteria and were exhaustive as far as we were aware of. According to our findings, the custodial fees of the Comparable Products

ranged from 0.005% to 0.08%, with average of approximately 0.03%. The custodial fee under the Single Asset Management Contract of 0.02% fell within the aforesaid range and was below the aforesaid average.

Having considered that (i) the annual rate of custodial fees charged by other custodian Banks under a single asset management product of a similar scale (i.e. RMB91 million to RMB110 million) of Capital Securities ranges from 0.005% to 0.08%; and (ii) the custodial fee under the Single Asset Management Contract of 0.02% fell within the aforesaid range of the Comparable Products and was below the aforesaid average, we are of the view that the custodial fee under the Single Asset Management Contract to be fair and reasonable.

We also noted that the Company's Finance Department will assign a responsible person for daily verification of the daily net value, accrual management fee and performance fee of the Entrusted Assets. We consider the effective implementation of the aforesaid procedures will ensure the fair pricing pursuant to the Single Asset Management Contract.

For our due diligence purpose, we conducted following works:

- (i) the Company provided us with daily net asset value of the Entrusted Assets, together with management fee and custodial fee. We noted that the implied management fee is 0.2% on the net asset value of the Entrusted Assets on the previous calendar day on an annualised basis; and
- (ii) we random selected one working day in each month during the period from June 2024 to April 2026 and required the Company to provide daily report of the Entrusted Assets for such date. We obtained the daily reports as per our request and noted that the daily net value of the Entrusted Assets was reported by Capital Securities to the Company's Finance Department.

Based on the aforesaid, we do not doubt the effectiveness of the implementation of the internal control procedures.

Information disclosure and reporting:

Capital Securities shall disclose the net value of Entrusted Assets share under the Scheme to the Company at least once every trading day; circulate quarterly and annual reports on management and custody to the Company, explaining the investment performance, investment portfolio, returns distribution, value changes, changes of investment managers, and substantial related transactions of the Entrusted Assets during the reporting period.

If an event occurs that materially affects the continuous operation of the Scheme, the interests of clients, and the net asset value during the existence of the Scheme, Capital Securities shall disclose it to the Company within five business days from the date of the occurrence of the relevant event.

Additionally, Capital Securities shall provide the Company with a statement on a quarterly basis, including the number and net value of the Entrusted Assets share held by the Company under the Scheme, details of contributions and withdrawals, as well as income distributions and other relevant information.

Termination of the contract:

The Scheme will be terminated in the case of the occurrence of the following. The Single Asset Management Contract will be terminated once the Scheme is terminated:

- (1) the Scheme expires and is not renewed;
- (2) it is terminated by the Company, Capital Securities and the Custodian Bank upon negotiation;
- (3) Capital Securities is disqualified from asset management business in accordance with the law, or dissolved, cancelled, declared bankrupt in accordance with the law without new manager succeeding within six months;
- (4) the Custodian Bank is disqualified from fund custody in accordance with the law, or dissolved, cancelled, declared bankrupt in accordance with the law without new custodian succeeding within six months;
- (5) failure to complete the filing or non-filing in the Asset Management Association;
or
- (6) other terminations required by laws, administrative regulations, the Single Asset Management Contract and the CSRC.

Proposed Annual Cap

The Board recommended that, during the Extended Period of the Single Asset Management Contract, the maximum daily balance of the Entrusted Assets managed by Capital Securities is RMB100 million (the “Proposed Annual Cap”).

When determining the above Proposed Annual Cap, the Directors considered the certain factors, details of which are set out under the section headed “The Proposed Annual Cap” of the Board Letter.

Based on the daily net asset value of the Entrusted Assets, the Proposed Annual Cap of RMB100 million is close to the daily net asset value of the Entrusted Assets of approximately RMB96.8 million as at 31 March 2026.

The Proposed Annual Cap of RMB100 million represent a decrease of RMB100 million as compared to existing maximum daily balance of the same.

To further assess the fairness and reasonableness of the decrease, we listed out the Group's bank balances and cash; and financial assets held for trading (collectively, the "Fund & Financial Assets") as at 31 December 2025 (being the latest public available information immediately prior to the date of the 2026 Supplemental Agreement) and 31 December 2021 (being the latest public available financial information immediately prior to the date of the original Single Asset Management Contract) respectively, as follows:

	As at 31 December 2025 <i>(in RMB'000)</i>	As at 31 December 2021 <i>(in RMB'000)</i>	Change <i>(in RMB'000)</i>
Bank balances and cash	37,089	264,322	(227,233)
Financial assets held for trading	<u>124,783</u>	<u>—</u>	<u>124,783</u>
Fund & Financial Assets	<u>161,872</u>	<u>264,322</u>	<u>(102,450)</u>

The decrease in the maximum daily balance of Entrusted Assets to be managed by Capital Securities of RMB100 million was close to the Group's decrease in Fund & Financial Assets as at 31 December 2025 when compared to as at 31 December 2021 of approximately RMB102.45 million.

As advised by the Directors, it is difficult to forecast (i) the total idle cash level of the Group; and (ii) the actual return from the single asset management plan for whole Extended Period. Nevertheless, should there be any substantial increase in total idle cash of the Group or net asset value of Entrusted Assets, the Group may opt to (i) invest idle cash by other means or deposit such idle cash in commercial banks; (ii) redeem partial of the Entrusted Assets; and/or (iii) re-comply with the applicable provisions of the Listing Rules governing continuing connected transaction to revise the Proposed Annual Cap.

Based on the above factors and that (i) the Proposed Annual Cap (RMB100 million) is close to the daily net asset value of the Entrusted Assets of approximately RMB96.8 million as at 31 March 2026; and (ii) the decrease in the Proposed Annual Cap was close to the Group's decrease in Fund & Financial Assets as at 31 December 2025 when compared to as at 31 December 2021, we are of the view that the Proposed Annual Cap of RMB100 million for the Extended Period is fair and reasonable.

Shareholders should note that as the Proposed Annual Cap of the Transactions are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to the new expiry date of the Single Asset Management Contract at the AGM, and they do not represent forecasts of revenue/cost to be recorded/incurred from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/cost to be recorded/incurred from the Transactions will correspond with the Proposed Annual Cap.

We also noted that the Company's Finance Department and the Office of the Board will keep examining, monitoring, collecting and assessing the details of the continuing connected transactions under the Single Asset Management Contract, including but not limited to the execution, the actual transaction amounts and payment arrangements of the Single Asset Management Contract to ensure the scope in the Single Asset Management Contract and the Proposed Annual Cap is not exceeded. We consider the effective implementation of the aforesaid internal control procedure will ensure the Proposed Annual Cap is not exceeded.

In light of the above, we consider that the terms of the Transactions (including the Proposed Annual Cap) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by the Proposed Annual Cap for the term of Single Asset Management Contract; (ii) the Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

In the event that the maximum amounts of the Transactions are anticipated to exceed the Proposed Annual Cap, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions (please also refer to section headed "Internal Control Measures" of the Board Letter for details) and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

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

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

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