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京投轨道交通科技控股有限公司
BII Railway Transportation Technology Holdings Company Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1522)

DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTERESTS IN JOINT VENTURE
THROUGH PUBLIC TENDER

THE EQUITY TRANSFER AGREEMENT

Reference is made to the Announcement in relation to the potential disposal of 49% equity interests in Metro Technology, a joint venture of the Company, by way of Public Tender.

As at the date of this announcement, Metro Technology is indirectly held as to 49% by the Company and held as to 51% by Beijing Subway, an independent third party.

The Board hereby announces that, following the conclusion of the Public Tender, on 21 March 2025, the CBEX notified the Company that the successful transferee was Beijing Subway. Accordingly, CCRTT Investment and Beijing Subway entered into the Equity Transfer Agreement on 27 March 2025.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Equity Transfer Agreement exceed 5% but is less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company that is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Accordingly, the entering into of the Equity Transfer Agreement is subject to the reporting and announcement requirements, but exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Equity Transfer Agreement are as follows:

- Date:** 27 March 2025
- Parties:** (1) CCRTT Investment (as vendor); and
(2) Beijing Subway (as purchaser).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Beijing Subway is an independent third party, which is independent of, and not connected with, the Company and its connected persons within the meaning ascribed to such term in the Listing Rules.

Subject matter

Pursuant to the Equity Transfer Agreement, CCRTT Investment agreed to sell, and Beijing Subway agreed to purchase, 49% of the equity interests in Metro Technology at a consideration of RMB68,332,215 (equivalent to approximately HK\$74,208,785). Upon completion of the Disposal, the Company and its subsidiaries will no longer hold any equity interest in Metro Technology.

Consideration

According to the results of the Public Tender, the final transaction price was RMB68,332,215 (equivalent to approximately HK\$74,208,785) (i.e. the Consideration), which is equal to the Minimum Consideration.

The Minimum Consideration was determined with reference to, among others, (i) the valuation of 49% of the equity interests in Metro Technology; (ii) the business and financial prospects of Metro Technology; and (iii) the reasons for and benefits of the Disposal as stated under the paragraph headed "Reasons for and benefits of the Disposal" in this announcement. Further information on the valuation is set out in the appendix to this announcement.

A deposit (the "**Deposit**") of RMB20,490,000 (equivalent to approximately HK\$22,252,140) has been transferred to a designated bank account of the CBEX by Beijing Subway in accordance with the requirements of CCRTT Investment and the CBEX, and will form part of the Consideration. The remaining part of the Consideration (i.e. RMB47,842,215 (equivalent to approximately HK\$51,956,645)) (the "**Remaining Transfer Price**") will be paid in cash by Beijing Subway to a designated bank account of the CBEX within five business days in the PRC after the Equity Transfer Agreement becomes effective. The Remaining Transfer Price will then be remitted to CCRTT Investment afterwards.

Completion

Pursuant to the Equity Transfer Agreement, CCRTT Investment and Beijing Subway shall fulfill or assist in fulfilling their obligations to declare to the approval authority, and use their best endeavours to handle any reasonable requests and enquiries raised by the approval authority, in order to obtain approval from the approval authority for the Equity Transfer Agreement and the transaction contemplated thereunder.

Within 20 business days in the PRC after obtaining the property transaction certificate (產權交易憑證) issued by the CBEX, CCRTT Investment shall procure Metro Technology to process the registration procedures, and Beijing Subway shall provide necessary assistance and cooperation.

Liability for breach of the Equity Transfer Agreement

Pursuant to the Equity Transfer Agreement, if either CCRTT Investment or Beijing Subway proposes to terminate the Equity Transfer Agreement without reason, it shall pay to the other party a penalty for breach of contract in lump sum at 10% of the Consideration, and shall also be liable to compensate for the losses caused to the other party.

If Beijing Subway fails to pay the Remaining Transfer Price within the agreed time period as stated in the Equity Transfer Agreement, it shall pay liquidated damages to CCRTT Investment for late payment. Liquidated damages shall be calculated at 0.03% of the unpaid portion of the Consideration per day. If the payment is overdue for more than 10 days, CCRTT Investment shall have the right to terminate the Equity Transfer Agreement and request for the deduction of the Deposit paid by Beijing Subway. The Deposit shall first be used to pay the service fees charged by the CBEX, the remaining amount shall be used to compensate CCRTT Investment. If the Deposit is insufficient to make up for the loss incurred to CCRTT Investment, CCRTT Investment may continue to recover any loss from Beijing Subway.

If CCRTT Investment fails to transfer the 49% of equity interests in Metro Technology as agreed in the Equity Transfer Agreement, Beijing Subway shall have the right to terminate the Equity Transfer Agreement and require CCRTT Investment to pay liquidated damages of 10% of the Consideration to Beijing Subway for breach of the Equity Transfer Agreement.

If there is non-disclosure or omission of significant matters relating to, among others, the assets and debts of Metro Technology, which may have a significant adverse impact on Metro Technology or may affect the Consideration, Beijing Subway shall have the right to terminate the Equity Transfer Agreement and require CCRTT Investment to pay liquidated damages of 10% of the Consideration to Beijing Subway for breach of the Equity Transfer Agreement.

If Beijing Subway does not terminate the Equity Transfer Agreement, it has the right to demand compensation from CCRTT Investment on the relevant matters. The compensation amount shall be equivalent to the amount of Metro Technology's loss as a result of the aforementioned non-disclosure or omission of significant matters which is proportionate to CCRTT Investment's equity interest in Metro Technology agreed to be transferred to Beijing Subway (i.e., 49%).

REASONS FOR AND BENEFITS OF THE DISPOSAL

As stipulated in the annual report of the Company for the year ended 31 December 2016, CCRTT Investment made a capital injection of RMB14.7 million. At the material time, the establishment of Metro Technology was for the purposes of expanding the Group's business scope by, among others, improving the maintenance and repair of the automatic ticketing system of subways in Beijing, enhancing relevant equipment operational security and expanding its income stream for the purposes of improving financial performance.

Since the establishment of Metro Technology, the Group has continually reaped positive returns from investment in Metro Technology. However, in recent years, as the growth in the business operations of Metro Technology was not as expected, the Group had continuously strengthened its focus on its main business as the business operations of Metro Technology could not provide sufficient strategic development to the Group. The Disposal will be able to ensure capital gains on its investment. The Board is of the view that the Disposal will not have material adverse impact on the Group. As a result of the above, the Directors consider that the Disposal and the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Further, to ensure the Group's business is not affected by Metro Technology's business operations after the Disposal, Metro Technology has undertaken not to engage in (i) new business operations relating to automatic fare collection and passenger information systems in Beijing; and (ii) business operations relating to automatic fare collection and passenger information systems in China going forward.

As at the date of the announcement, none of the Directors have a material interest in the Disposal or was required to abstain from voting in respect of the Board resolutions to approve the Disposal pursuant to the articles of association of the Company.

THE BOARD'S VIEW ON THE FAIRNESS AND REASONABLENESS OF THE CONSIDERATION

The Board has reviewed the valuation of 49% of the equity interests in Metro Technology, which was conducted by an independent third-party appraiser, focusing on the methodology adopted, its key assumptions and the financial information of Metro Technology. After consideration that (i) the independent third-party appraiser has the necessary professional qualifications and relevant experience to perform the valuations of Metro Technology; (ii) the scope of work carried out by the independent third-party appraiser is appropriate for the relevant assessments; and (iii) the valuation assumptions and methodology adopted by the independent third-party appraiser for the relevant assessments are fair and reasonable, the Board is of the view that the valuation that formed the basis of the Consideration is fair and reasonable.

INFORMATION ON THE PARTIES

Information on the Company and the Group

The Company is an investment holding company. The Group is a high-tech enterprise group specialising in integrating investment and financing, technology research, and intelligent railway transportation construction, operation and maintenance. With the mission of “empowering railway transportation with intelligent technology”, and the strategic direction of “focusing on integrated innovation and becoming a leading rail transit smart systems service provider in the PRC” and building a technological ecosystem, the Group aims to be an international leader in smart rail transit.

Information on Metro Technology

Metro Technology is a company established in the PRC with limited liability. As at the date of this announcement, it is indirectly held as to 49% by the Company and held as to 51% by Beijing Subway, an independent third party. Metro Technology is principally engaged in operation, maintenance and integration of automatic ticketing system and other weak current system equipments in urban rail transit systems.

Financial information of Metro Technology

Set out below is the financial information of Metro Technology:

Item	As at	As at
	31 December 2023 (audited) (RMB'000)	31 December 2024 (unaudited) (RMB'000)
Total assets	398,472	334,301
Net assets	136,140	136,410
	For the	For the
	year ended	year ended
	31 December	31 December
	2023	2024
	(audited)	(unaudited)
	(RMB'000)	(RMB'000)
Revenue	366,645	367,902
Profit before taxation	370	1,133
Profit after taxation	1,538	963

Information on CCRTT Investment

CCRTT Investment is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, it is indirectly held as to 70% by the Company and held as to 30% by Mr. Cao Zhida, brother of Mr. Cao Mingda, a non-executive Director. CCRTT Investment is principally engaged in investment holding business.

Information on Beijing Subway

Beijing Subway is a company established in the PRC with limited liability. As at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, and an independent third party as at the date of this announcement. Beijing Subway is principally engaged in the operation of subways in Beijing.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, Metro Technology will no longer be a joint venture of the Company and the Company will no longer hold any equity interests in Metro Technology.

The anticipated equity premium from the book value of the Disposal was approximately HK\$2.0 million. However, after considering the estimated taxes (approximately HK\$9.6 million) and exchange losses (approximately HK\$7.8 million), the Group expects to recognise a loss of approximately HK\$15.4 million from the book value of Disposal.

From the time of the Group's investment until the Disposal, during the investment cycle of Metro Technology, CCRTT Investment has received a cumulative investment income of approximately HK\$55.9 million. Such investment gain is mainly derived from the Consideration less investment costs and expected taxes, plus the aggregate dividend received from Metro Technology since the start of the Group's investment.

The financial impact of the Disposal expected by the Company is unaudited and may be different upon the completion of the Disposal.

USE OF PROCEEDS

The Company intends to use the proceeds from the Disposal for general working capital and/or repaying its loans and/or future investments.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Equity Transfer Agreement exceed 5% but is less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company that is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Accordingly, the entering into of the Equity Transfer Agreement is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Announcement”	the announcement of the Company dated 13 February 2025 in relation to the potential disposal of 49% equity interests in Metro Technology through Public Tender
“Beijing Subway”	Beijing Subway Operation Co., Ltd.* (北京市地鐵運營有限公司), a company established in the PRC with limited liability, the ultimate beneficial owner being the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, and an independent third party as at the date of this announcement
“BII”	北京市基礎設施投資有限公司 (Beijing Infrastructure Investment Co., Ltd.*), a company established in the PRC with limited liability and interested in approximately 55.20% of the issued share capital of the Company through BII HK as at the date of this announcement, and which is wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, and the ultimate controlling Shareholder as at the date of this announcement
“BII HK”	Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by BII, and held approximately 55.20% of the issued share capital of the Company as at the date of this announcement
“Board”	the board of Directors
“CBEX”	the China Beijing Equity Exchange (北京產權交易所)
“CCRTT Investment”	China City Railway Transportation Technology Investment Co., Ltd. (中國城市軌道交通科技投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement

“Company”	BII Railway Transportation Technology Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	the consideration for the Disposal, which is RMB68,332,215 (equivalent to approximately HK\$74,208,785) and equivalent to the Minimum Consideration
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 49% of the equity interests in Metro Technology by CCRTT Investment to Beijing Subway
“Equity Transfer Agreement”	the equity transfer agreement (in Chinese, 產權轉讓協議) dated 27 March 2025 entered into between CCRTT Investment and Beijing Subway in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Metro Technology”	Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司), a company established in the PRC with limited liability and a joint venture of the Company (held as to 49% by the Company) as at the date of this announcement
“Minimum Consideration”	the minimum consideration for the Disposal determined for the purposes of the Public Tender, which is RMB68,332,215 (equivalent to approximately HK\$74,208,785)
“PRC”	the People’s Republic of China
“Public Tender”	the public tender process conducted through the CBEX in respect of the potential disposal of 49% equity interests in Metro Technology

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
**BII Railway Transportation Technology
Holdings Company Limited**
Liu Yu
*Executive Director
Chief Executive Officer*

Hong Kong, 27 March 2025

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.086.

As at the date of this announcement, the executive Directors are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive Directors are Mr. Ren Yuhang, Ms. Sun Fang, Mr. Cao Mingda and Mr. Fang Zhiwei; and the independent non-executive Directors are Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei.

* *For identification purposes only*

Appendix – Information of the valuation on the Minimum Consideration

As stated in the Announcement, the Minimum Consideration for the Disposal was determined with reference to, among others, the valuation of 49% of the equity interests in Metro Technology. The valuation of 100% of the equity interests in Metro Technology is RMB139,453,500 and prepared based on the asset-based method by Beijing China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司) (the “**Appraiser**”), an independent third-party appraiser, as at the valuation date (being 30 April 2024). Further information on the valuation is set out below:

VALUATION METHOD

1. Introduction to appraisal method

Pursuant to the provisions of the Practice Guidelines for Asset Appraisal – Enterprise Value (Zhong Ping Xie [2018] No. 38) (《資產評估執業準則—企業價值》(中評協[2018]38號)) and the Practice Guidelines for Asset Appraisal – Asset Appraisal Methods (Zhong Ping Xie [2019] No. 35) (《資產評估執業準則—資產評估方法》(中評協[2019]35號)), in the performance of the valuation on Metro Technology, the applicability of the three basic methods, namely the income approach, the market approach and the asset-based approach, shall be analysed to select the appraisal method in accordance with the appraisal purpose, the object to be appraised, the type of value, the conditions applicable to the appraisal method, and the quality and amount of the information on which the appraisal method used is based.

The income approach in the appraisal of Metro Technology represents an appraisal method that determines the value of an appraised object by capitalising or discounting the expected income. Asset appraisal professionals should 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 appraisal information obtained from Metro Technology.

The market approach in the appraisal of Metro Technology represents an appraisal method that determines the value of an appraised object by comparing the appraised object with comparable listed companies or comparable transaction cases. Asset appraisal professionals should consider the applicability of the market approach based on the adequacy and reliability of the comparable operating and financial information obtained, and the amount of comparables that can be collected.

The asset-based approach in the appraisal of Metro Technology represents an appraisal method that determines the value of an appraised object by assessing the value of various assets and liabilities identifiable on and off the balance sheet as at the valuation base date of the appraised entity.

2. Selection of appraisal method

In determining the valuation methods, the Appraiser considered three generally accepted valuation methods, namely the income approach, asset-based approach and market approach. The income approach requires future financial projections based on the premise that there will be no significant changes in the business conditions of Metro Technology as at the valuation date. However, after the completion of the Disposal, it is expected that there will be significant changes in the business conditions of Metro Technology as a result of the changes in the shareholding structure, and therefore it is not possible to adopt the income approach in the appraisal. As it is difficult to find comparable counterparts in the capital market that are identical or similar to Metro Technology or examples of transactions similar to the Disposal, the market approach is not applicable to the appraisal. As the asset-based approach is based on the assets and liabilities of Metro Technology as at the valuation date and the appraisal results can reflect the value of the owners' equity of Metro Technology in a more comprehensive and reasonable manner, the asset-based approach is therefore selected for this appraisal as the final appraisal conclusion.

KEY ASSUMPTIONS

1. General assumptions

(1) Transaction assumptions

Assuming that all the assets to be appraised are already in the process of transaction, the Appraiser carries out the appraisal based on an analogous market such as the transaction conditions of the assets to be appraised.

(2) Open market assumptions

It is assumed that assets traded in the market, or intended to be traded in the market, the parties to the asset transaction are on an equal footing with each other, and that each has the opportunity and time to obtain sufficient market information to make a reasoned judgement as to the function of the asset, its use, and its trading prices.

(3) Going concern assumptions

It is assumed that Metro Technology will fully comply with all relevant laws and regulations and continue to operate in the foreseeable future.

2. Special assumptions

- (1) There will be no significant changes in the relevant existing national laws and regulations, the national macroeconomic situation, and there will be no unforeseeable significant changes in the external economic environment, such as interest rates, exchange rates, tax bases and rates, and policy levies and fees.
- (2) This appraisal assumes that the future operating and management team of Metro Technology will be dutiful and will continue to maintain the current mode of operation and management, and that the scope and manner of operation will be consistent with the current direction.
- (3) This appraisal assumes that the appraised assets will continue to be used in the manner, scale, frequency, environment, etc., as they are currently used, which does not take into account the optimal utilisation of each asset individually.
- (4) It is assumed that there will be no other human force majeure and unforeseen factors that would have a material adverse effect on Metro Technology based on the Metro Technology's existing management practices and management standards.
- (5) The relevant basic information and financial information provided by Metro Technology and CCRTT Investment are true, accurate and complete.
- (6) The scope of appraisal is based solely on the appraisal returns provided by CCRTT Investment and Metro Technology, and does not take into account contingent assets and contingent liabilities that may exist outside the lists provided by CCRTT Investment and Metro Technology.
- (7) It is assumed that Metro Technology will continue to benefit from the 15% enterprise income tax rate for Metro Technology as a high-tech enterprise and the 100% tax incentive policy for additional deduction of research and development expenses.
- (8) This appraisal assumes that Metro Technology will receive net cash flow evenly throughout the year.

THE CARRYING AMOUNT AND APPRAISAL VALUE OF THE MAJOR ASSETS AND LIABILITIES INVOLVED IN THIS APPRAISAL

The carrying amount and appraisal value of Metro Technology's major assets and liabilities are set out below:

Unit: RMB'0,000

Item		Carrying amount A	Appraisal value B	Difference C=B-A	Value-added ratio D=C/A×100
Current assets	1	34,303.69	34,811.58	507.89	1.48
Non-current assets	2	781.90	3,082.65	2,300.75	294.25
Including: Long-term equity investments	3	0.00	0.00	0.00	0.00
Investment properties	4	0.00	0.00	0.00	0.00
Fixed assets	5	468.71	494.64	25.93	5.53
Construction in progress	6	0.00	0.00	0.00	0.00
Intangible assets	7	185.22	2,481.23	2,296.01	1,239.63
Including: Land use rights	8	0.00	0.00	0.00	0.00
Other non-current assets	9	127.97	106.78	-21.19	-16.56
Total assets	10	35,085.59	37,894.23	2,808.64	8.01
Current liabilities	11	23,948.88	23,948.88	0.00	0.00
Non-current liabilities	12	0.00	0.00	0.00	0.00
Total liabilities	13	23,948.88	23,948.88	0.00	0.00
Net assets (owners' equity)	14	11,136.71	13,945.35	2,808.64	25.22

ANALYSIS ON THE REASONS FOR THE DIFFERENCE BETWEEN THE APPRAISED VALUE AND THE CARRYING AMOUNT

The reasons for the value addition of major assets are analysed as follows: The net assets of Metro Technology were valued at RMB139,453,500, reflecting an increase of RMB28,086,400, which represents a value-added ratio of 25.22%, which was primarily driven by an increase in trade receivables of RMB1,082,000, inventories of RMB3,996,900, and intangible assets of RMB22,960,100.

Specifically, the increase in trade receivables was mainly attributable to the increase in certain trade receivables for which bad debt provision had been made, which were verified by the Appraiser to have a higher probability of recovery; the increase in inventories was mainly due to the fact that the carrying amount of some products of Metro Technology was lower than their actual saleable value, thus resulting in an increase in appraisal value; and the increase in intangible assets was mainly due to intangible assets such as patents and software copyrights of Metro Technology, which were expected to contribute to the income of Metro Technology in the future, after careful calculations by the Appraiser.

SCOPE OF WORK

In conducting this appraisal, the Appraiser has performed the following tasks:

- (1) to work with the Company and Beijing Subway's representatives to obtain the necessary information and documentation for the valuation;
- (2) to collect relevant data of Metro Technology, including legal documents and financial statements;
- (3) to discuss with the Company and Metro Technology to understand the history, business models, operations and business development plans of Metro Technology in relation to the valuation;
- (4) to conduct relevant industry research and collect relevant data from reliable sources for analysis;
- (5) to examine the available data on Metro Technology and consider the basis and assumptions of the valuation conclusions; and
- (6) to select an appropriate valuation method to analyse relevant data and estimate the value of Metro Technology's total equity interests as at the valuation date, as well as to prepare a valuation report.

RESTRICTIONS AND GROUNDS THEREFOR

- (1) This valuation report is made on the basis of the information provided by the relevant parties of Metro Technology in connection with the asset appraisal. It is the responsibility of Metro Technology and relevant parties to provide the necessary information and to ensure the truthfulness, legality and completeness of the information provided. The Appraiser is responsible for analysing, estimating and expressing a professional opinion on the value of the appraised subject for a specific purpose as of the valuation date. The Appraiser conducts the necessary verification and disclosure of the information and its sources and does not provide any guarantee as to the truthfulness, legality, or completeness of the aforementioned information. Confirmation of or expression of an opinion on such information and their corresponding sources is beyond the scope of practice of asset valuation specialists.
- (2) During the investigation of the equipment in the course of the appraisal, due to limitations in testing methods and the fact that some of the equipment was in operation, the judgment was mainly dependent on the visual observation of the Appraiser and the recent test data provided by Metro Technology, as well as inquiries with the relevant operating personnel.

- (3) The valuation report shall only be used for the valuation purposes and usages specified therein. The asset valuation institution and its asset valuation professionals shall not be liable if CCRTT Investment or other users of the valuation report fail to use the valuation report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the valuation report.
- (4) The valuation report shall only be used by the users of the valuation report specified in the valuation report. Except for CCRTT Investment and other asset valuation users stipulated in the asset valuation entrustment contract, no other institution or individual can become the user of the valuation report.
- (5) The users of the valuation report shall correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the appraised subject, and the valuation conclusion shall not be considered as a guarantee for the realisable price of the appraised subject. Any excerpts, quotations, or disclosures of all or part of the contents of the valuation report in public media must be reviewed by the valuation institution, unless otherwise stipulated by laws, regulations, or agreements with the relevant parties.
- (6) The valuation conclusion revealed in the valuation report is only valid for the economic behaviour corresponding to the acquisition, and the valid period for using the valuation conclusion in the valuation report is one year, that is, it is valid for one year from the valuation date. Beyond one year, the assets shall be reassessed.

NATURE AND SOURCE OF INFORMATION RELIED UPON

The information on which the Appraiser relies includes the following:

- (1) financial and operational information of Metro Technology; and
- (2) public market data collected by the Appraiser, including the loan prime rates (LPR) published by the National Interbank Funding Center, foreign exchange rates as at the valuation date, national macroeconomic and industry statistics and analysis information.

QUALIFICATIONS OF THE APPRAISER

The Appraisers participating in this appraisal are all full practicing members of the China Appraisal Society and are all qualified to practice as asset appraisers in Mainland China. As at the date of this announcement, the Appraiser does not have any relationship or interest with the Group. To the best of the Directors' knowledge and information, the Appraiser is an independent third party.