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The Board of Directors
China City Railway Transportation Technology Holdings Company Limited
Scotia Centre
4th Floor
P. O. Box 2804
George Town
Grand Cayman KY1-1112
Cayman Islands

Dear Sirs,

Preliminary In accordance with your instructions to value the properties in which China City Railway Transportation Technology Holdings Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in The People's Republic of China ("The PRC") and Hong Kong. We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 March 2012 (the "date of valuation").

Basis of Valuation Our valuations of the property interests represent the "market value" which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuations have been prepared in accordance with [●]; the RICS Valuation – Professional Standards (March 2012) published by The Royal Institution of Chartered Surveyors and effective from 30 March 2012; and The HKIS Valuation Standards on Properties (2005, First Edition) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

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Valuation Assumptions

Our valuations have been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

As the properties in Groups I and II are held under long term land use rights or leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the properties for the whole of the unexpired term of the land use rights or leasehold interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect their values.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and/or official plans handed to us by the Group are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Site Inspection

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Valuation Methodology

We have valued the property interests in Groups I and II by the direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant markets.

We have attributed no commercial value to the property interests in Groups I and II, which are leased by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

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Source of Information We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, identification of the properties and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Title Investigations We have been, in some instances, provided by the Group with extracts of the title documents including the State-owned Land Use Rights Certificate and Building Ownership Certificate relating to the property interest in the PRC, caused searches to be made at the Hong Kong Land Registry in respect of the property interests in Hong Kong, and have made relevant enquiries. However, we have not searched the original documents to verify the existing title to the property interest in Group I and any material encumbrances that might be attached to the property or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's legal adviser – Commerce & Finance Law Offices, concerning the validity of the Group's title to the property interest in the PRC.

Currency & Exchange Rate Unless otherwise stated, all monetary sums stated in this report are in Renminbi (RMB). The exchange rate adopted in our valuations is approximately Renminbi Yuan (RMB)1 = HK\$1.2270 which was approximately the prevailing exchange rates as at the date of valuation.

Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of

Cushman & Wakefield Valuation Advisory Services (HK) Limited

Vincent K. C. Cheung

Registered Professional Surveyor (GP)

BSc(Hons) MBA MRICS MHKIS

National Director, Valuation & Advisory, Greater China

Note: Mr. Vincent K. C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 14 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in [●] and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

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SUMMARY OF VALUES

GROUP I – PROPERTY INTEREST LEASED AND OCCUPIED BY THE GROUP IN THE PRC

No. Property	Market Value in existing state as at 31 March 2012 RMB
1. Room 1705F1 Level 17 Qingyun Modern Plaza Block 9 Mantingfang Garden Qingyun Lane Haidian District Beijing The PRC	No commercial value

	Sub-total: _____ Nil

GROUP II – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN HONG KONG

No. Property	Market Value in existing state as at 31 March 2012 HK\$
2. Unit 4407 on 44th Floor of High Block (COSCO Tower) Grand Millennium Plaza No. 183 Queen's Road Central and No. 33 Wing Lok Street Sheung Wan Hong Kong	No commercial value
3. Unit A on 4th Floor of Niche Centre No. 14 Wang Tai Road Kowloon Bay Kowloon Hong Kong	No commercial value

	Sub-total: _____ Nil
	Grand-total: _____ Nil

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VALUATION CERTIFICATE

GROUP I – PROPERTY INTEREST LEASED AND OCCUPIED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2012 RMB
1. Room 1705F1 Level 17 Qingyun Modern Plaza Block 9 Mantingfang Garden Qingyun Lane Haidian District Beijing The PRC	<p>The property comprises an office unit on Level 17 of a 21-storey commercial building which was completed in about 2002.</p> <p>The gross floor area of the property is approximately 25 square metres.</p> <p>The property is currently leased by 億雅捷交通系統(北京)有限公司 (ERG Transit Systems (Beijing) Ltd.) ("ERG BJ") from an independent third party for a term of one year commencing on 23 July 2011 and expiring on 22 July 2012 at a monthly rent of RMB4,200 exclusive of all outgoings.</p>	<p>The property is currently occupied by the Group for office purposes.</p>	No commercial value

Notes:

1. Pursuant to a tenancy agreement dated 23 July 2011 and entered into between 北京紐斯特秘書財會服務有限公司 (Beijing Newst Secretary Accounting Co., Ltd.) ("Beijing Newst") and ERG BJ, the property was leased to ERG BJ for a term of one year commencing on 23 July 2011 and expiring on 22 July 2012 at a monthly rent of RMB4,200 exclusive of all outgoings.
2. ERG BJ is an indirect wholly-owned subsidiary of the Company.
3. We have been provided with a legal opinion regarding the legality of the Group's property interest by the Group's PRC legal adviser, which contains, inter alia, the following:
 - a. The tenancy agreement is legal and effective, and is binding between the lessor and the lessee; and
 - b. The tenancy has not been registered with the relevant Real Estate Administration Bureau; however, non-registration will not affect the effectiveness of the tenancy agreement.

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GROUP II – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN HONG KONG

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2012 HK\$
2. Unit 4407 on 44th Floor of High Block (COSCO Tower) Grand Millennium Plaza No. 183 Queen's Road Central and No. 33 Wing Lok Street Sheung Wan Hong Kong	<p>The property comprises an office unit on Level 44 of a 50-storey office tower which was completed in about 1998.</p> <p>The gross floor area of the property is approximately 2,348 square feet.</p> <p>The property is currently leased by Beijing City Railway Holdings Company Limited ("Beijing City Railway") from an independent third party for a term of three years commencing on 16 July 2011 and expiring on 15 July 2014 at a monthly rent of HK\$116,400 exclusive of management fee, Government Rent and Government rates.</p>	<p>The property is currently occupied by the Group for office purposes.</p>	No commercial value

Notes:

1. Pursuant to a letter of offer dated 22 June 2011 and entered into between Ruby Property Limited and Beijing City Railway, the property was leased to Beijing City Railway for a term of three years commencing on 16 July 2011 and expiring on 15 July 2014 at a monthly rent of HK\$116,400 exclusive of management fee, Government Rent and Government rates. The tenancy is subject to three rent free periods from 16 July 2011 to 31 July 2011, 16 July 2012 to 31 July 2012 and 16 July 2013 to 31 July 2013.
2. Beijing City Railway is an indirect wholly-owned subsidiary of the Company.
3. The registered owner of the property is Ruby Property Limited registered vide Memorial No. UB7370857 dated 19 November 1997.
4. The subject development is subject to a Deed of Mutual Covenant and Management Agreement in favour of Urban Property Management Limited ("The Manager") registered vide Memorial No. UB7369240 dated 19 November 1997.
5. The subject development is subject to an Occupation Permit No. H18/98 registered vide Memorial No. UB7486509 dated 26 March 1998.

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VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2012 HK\$
3. Unit A on 4th Floor of Niche Centre No. 14 Wang Tai Road Kowloon Bay Kowloon Hong Kong	<p>The property comprises an industrial unit on Level 4 of a 10-storey industrial building which was completed in about 1986.</p> <p>The saleable area of the property is approximately 7,620 square feet.</p> <p>The property is currently leased by ERG Transit Systems (HK) Limited ("ERG HK") from an independent third party for a term of three years commencing on 1 November 2011 and expiring on 31 October 2014 at a monthly rent of HK\$77,886 exclusive of management fee, Government rates and all other outgoings.</p>	<p>The property is currently occupied by the Group for workshop and ancillary purposes.</p>	No commercial value

Notes:

1. Pursuant to a tenancy agreement dated 20 July 2011 and entered into between First Commercial Centre Company Limited and ERG HK, the property was leased to ERG HK for a term of three years commencing on 1 November 2011 and expiring on 31 October 2014 at a monthly rent of HK\$77,886 exclusive of management fee, Government rates and all other outgoings.
2. ERG HK is an indirect wholly-owned subsidiary of the Company.
3. The registered owner of the property is First Commercial Centre Company Limited registered vide Memorial No. 09080703280047 dated 17 July 2009.
4. The subject building is subject to a Legal Charge in favour of Fubon Bank (Hong Kong) Limited registered vide Memorial No. 09080703280054 dated 17 July 2009.
5. The subject building is subject to a Rental Assignment in favour of Fubon Bank (Hong Kong) Limited registered vide Memorial No. 09080703280068 dated 17 July 2009.