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(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00694)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION ASSETS TRANSFER AGREEMENT IN RELATION TO LANDSIDE SURVEILLANCE PROJECT ASSETS

Reference is made to the announcement of the Company dated 14 September 2023 (the "Announcement") in respect of the connected transaction in relation to the Assets Transfer Agreement. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcement.

The Board would like to provide the Shareholders and potential investors of the Company with the following additional information in relation to the Assets Transfer Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the original construction cost of the Landside Surveillance Project Assets was RMB20,258,263.18.

As disclosed in the Announcement, the transfer price of the Landside Surveillance Project Assets was determined based on arm's length negotiations between the Parties with reference to (i) the appraised value (the "Appraised Value") of the Landside Surveillance Project Assets; (ii) the depreciation cost (the "Depreciation Cost") of the Landside Surveillance Project Assets incurred in relation to their use since the commencement of operations; and (iii) relevant taxes at the rate of 13% (the "Tax Rate").

The formula for calculation of the transfer price is set out as follows:

(Appraised Value + Depreciation Cost) x Tax Rate

Accordingly, the transfer price of RMB24,438,845.69 was calculated as follows:

 $(RMB14,992,108.90 + RMB6,635,188.17) \times 1.13$

The above-mentioned Depreciation Cost of RMB6,635,188.17 represents the difference between the original value of the Landside Surveillance Project Assets upon completion of construction (i.e. RMB20,258,263.18) and the unaudited book value of the Landside Surveillance Project Assets as at the Benchmark Date (i.e. RMB13,623,075.01). Based on the information as set out in the sections headed "Consideration and payment terms" and "Information on the Landside Surveillance Project Assets" of the Announcement, the Board considers that the basis of determining the transfer price is fair and reasonable, on normal commercial terms and in the interest of the Company and its Shareholders as a whole.

This announcement is supplemental to and should be read in conjunction with the Announcement. Saved as disclosed above, all other information as set out in the Announcement remains unchanged.

By order of the Board

Li Bo

Secretary to the Board

18 October 2023 Beijing, the PRC

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Mr. Wang Changyi and Mr. Han Zhiliang

Non-executive Directors: Mr. Jia Jianging, Mr. Song Kun and Mr. Du Qiang

Independent Non-executive Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng

Directors: and Ms. Duan Donghui

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk under "Latest Listed Company Information" and the website of the Company at http://www.bcia.com.cn.