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京投軌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 AND CONNECTED TRANSACTION ACQUISITION OF EQUITY INTERESTS IN THE TARGET COMPANY

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 16 November 2026, BII Zhongfu successfully bid for the Target Equities offered for sale by Beijing Smart City in the Public Tender held by the CBEX. Accordingly, on 24 November 2026 (after trading hours), BII Zhongfu (as purchaser) and Beijing Smart City (as vendor) entered into the Equity Transfer Agreement, pursuant to which BII Zhongfu has agreed to acquire, and Beijing Smart City has agreed to sell, the Target Equities (i.e. 38% of the equity interests in the Target Company) at the consideration of RMB12,616,000 (equivalent to approximately HK$14,886,880).

Immediately upon completion of the Acquisition, the Target Company shall become an indirect non-wholly-owned subsidiary of the Company, and the Target Company will be held as to 70% by the Group and 30% by Beiming Software, and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As the profits ratio in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 5% but is less than 25%, the transaction 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.

As at the date of this announcement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial Shareholder and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and hence it is also a connected person of the Company. BII indirectly holds 45% of the equity interests in Beijing Smart City. Therefore, Beijing Smart City is an associate of BII as BII indirectly holds more than 30% of the equity interests in Beijing Smart City, and Beijing Smart City is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but are less than 5%, and the total consideration is more than HK$3 million, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

Reference is made to the JV Announcement (i.e. the announcement of the Company dated 7 June 2023) in relation to, among others, the formation of the Target Company, an associate company of the Company as at the date of this announcement.

The Board is pleased to announce that on 16 November 2026, BII Zhongfu successfully bid for the Target Equities offered for sale by Beijing Smart City in the Public Tender held by the CBEX. Accordingly, on 24 November 2026 (after trading hours), BII Zhongfu (as purchaser) and Beijing Smart City (as vendor) entered into the Equity Transfer Agreement, pursuant to which BII Zhongfu has agreed to acquire, and Beijing Smart City has agreed to sell, the Target Equities (i.e. 38% of the equity interests in the Target Company) at the consideration of RMB12,616,000 (equivalent to approximately HK$14,886,880).

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

Date: 24 November 2026

Parties: (1) Beijing Smart City (as vendor); and

(2) BII Zhongfu (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 Smart City was held as to:

(i) 45% by Beijing Jingtou Investment Holding Co., Ltd.* (北京京投投資控股有限公司), a wholly-owned subsidiary of BII (a substantial Shareholder of the Company);

(ii) 35% by Beijing Yizhuang Smart City Research Institute Group Co., Ltd.* (北京亦莊智能城市研究院集團有限公司), an Independent Third Party and an indirect wholly-owned subsidiary of the Beijing Economic-Technological Development Area Management Committee* (北京經濟技術開發區管理委員會), which is also an Independent Third Party; and

(iii) 20% by Beijing Shougang Fund Co., Ltd.* (北京首鋼基金有限公司), an Independent Third Party and a wholly-owned subsidiary of Shougang Group, which is also an Independent Third Party.

Subject matter

Pursuant to the Equity Transfer Agreement, BII Zhongfu (as purchaser) has agreed to acquire, and Beijing Smart City (as vendor) has agreed to sell, the Target Equities (i.e. 38% of the equity interests in the Target Company).

As disclosed in the JV Announcement, the Target Company was established pursuant to the Joint Venture Agreement, and each of BII Zhongfu, Beijing Smart City and Beiming Software had made capital injection of RMB6.4 million, RMB7.6 million and RMB6 million, respectively, in the Target Company, representing 32%, 38% and 30% of the registered capital of the Target Company, respectively. Accordingly, the initial capital injection made by Beijing Smart City was RMB7.6 million.

Consideration and payment terms

The consideration is RMB12,616,000 (equivalent to approximately HK$14,886,880).

A deposit (the "**Deposit**") of RMB3,784,800 (equivalent to approximately HK$4,466,064) has been transferred to a designated bank account of the CBEX by BII Zhongfu in accordance with the requirements of Beijing Smart City and the CBEX, and will form part of the aforementioned consideration. The remaining part of the consideration (i.e. RMB8,831,200 (equivalent to approximately HK$10,420,816)) (the "**Remaining Transfer Price**") will be paid in cash by BII Zhongfu to a designated bank account of the CBEX within five business days in the PRC upon signing of the Equity Transfer Agreement. The Remaining Transfer Price will then be remitted to Beijing Smart City.

The consideration for the Acquisition will be funded by the internal resources of the Group.

Basis of consideration

During the Public Tender, the Target Equities were offered for sale at the base price of RMB12,616,000 (equivalent to approximately HK$14,886,880), which was principally determined based on the valuation of the entire equity interest in the Target Company prepared by an independent third-party appraiser.

The abovementioned base price is equivalent to the consideration payable by BII Zhongfu to Beijing Smart City under the Equity Transfer Agreement. The Directors consider the abovementioned base price to be fair and reasonable after taking into account, among other things, (i) the net asset value of the Target Company; (ii) the business development of the Target Company in the smart hub services sector in the PRC; (iii) the valuation of the Target Company prepared by an independent third-party appraiser; and (iv) other reasons for and benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition" below. Further information on the valuation is set out in the appendix to this announcement.

Completion arrangements

Following payment of the Remaining Transfer Price by BII Zhongfu, Beijing Smart City and BII Zhongfu shall, within 10 business days in the PRC after obtaining the property transaction certificate (產權交易憑證) issued by the CBEX, procure the Target Company to complete the relevant industrial and commercial registration and filing procedures in respect of the change in its equity ownership.

Completion of the Acquisition shall take place upon completion of such industrial and commercial registration and filing procedures.

Immediately upon completion of the Acquisition, the Target Company shall become an indirect non-wholly-owned subsidiary of the Company, and the Target Company will be held as to 70% by the Group and 30% by Beiming Software, and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considers that the Acquisition will enable the Group to further optimise its equity structure and business portfolio. Upon completion of the Acquisition, the Target Company will become an indirect non-wholly-owned subsidiary of the Company, thereby enabling the Group to strengthen its management and control over the Target Company, integrate relevant business resources within the Group and enhance strategic synergies. In addition, by leveraging the Beijing City Sub-Centre Station Integrated Transportation Hub Project undertaken by the Target Company, the Group will be able to further explore business opportunities in smart operation and maintenance services and expand into other transportation hub projects, thereby creating favourable conditions for the Group's business development and enhancement of its profitability. The Directors (including the independent non-executive Directors) consider that although the Equity Transfer Agreement was not entered into in the ordinary and usual course of business of the Group, the terms of the Acquisition and the Equity Transfer Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

THE BOARD'S VIEW ON THE FAIRNESS AND REASONABLENESS OF THE VALUATION OF THE TARGET COMPANY

The Board has reviewed the valuation of the Target Company, which was conducted by an independent third-party appraiser, focusing on the methodology adopted, its key assumptions and the financial information of the Target Company. After considering that (i) the independent third-party appraiser has the necessary professional qualifications and relevant experience to perform the valuations of the Target Company; (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 to be paid under the Equity Transfer Agreement is fair and reasonable.

INFORMATION ON THE PARTIES

Information on the Group and BII Zhongfu

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.

BII Zhongfu is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Information on Beijing Smart City

Beijing Smart City is a limited liability company established in the PRC in 2021.

Beijing Smart City is a service provider for smart city and digital economy in Beijing. In accordance with government guidelines, Beijing Smart City is principally engaged in building a digital base for Beijing's smart city. It gathers high-quality resources in order to build a smart city communication network that is interconnected and intelligently integrated.

Information on the Target Company

The Target Company is a company incorporated in the PRC with limited liability. As at the date of this announcement, the Target Company was held as to 32%, 38% and 30% by BII Zhongfu (a wholly-owned subsidiary of the Company), Beijing Smart City (a company indirectly owned as to 45% by BII, a substantial shareholder of the Company) and Beiming Software (an Independent Third Party). The Target Company is principally engaged in smart hub related services.

Set out below is the financial information of the Target Company:

Item	As at 31 December 2024 (audited) *(RMB'000)*	As at 31 December 2025 (audited) *(RMB'000)*
Total assets	86,501.4	110,937.1
Net assets	27,474.3	34,366.1

	For the year ended 31 December 2024 (audited) *(RMB'000)*	For the year ended 31 December 2025 (audited) *(RMB'000)*
Revenue	31,732.0	31,699.5
Profit before taxation	11,800.0	12,240.3
Profit after taxation	11,766.1	10,302.4

LISTING RULES IMPLICATIONS

As the profits ratio in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 5% but is less than 25%, the transaction 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.

As at the date of this announcement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial Shareholder and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and hence it is also a connected person of the Company. BII indirectly holds 45% of the equity interests in Beijing Smart City. Therefore, Beijing Smart City is an associate of BII as BII indirectly holds more than 30% of the equity interests in Beijing Smart City, and Beijing Smart City is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but are less than 5%, and the total consideration is more than HK$3 million, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of the relevant Board resolution, Mr. Ren Yuhang, non-executive Director (resigned on 22 October 2026), was the vice general manager of BII and the chairman of the board of directors of Beijing Smart City, and Mr. Li Zheng, non-executive Director, was the deputy general manager of the investment and development department of BII. Accordingly, Mr. Ren Yuhang and Mr. Li Zheng were considered to have a material interest in the transaction contemplated under the Equity Transfer Agreement by virtue of their respective management positions held in BII and Beijing Smart City, and had abstained from voting on the board resolutions approving the transaction contemplated under the Equity Transfer Agreement.

DEFINITIONS

"Acquisition"	the acquisition of the Target Equities (i.e. 38% of the equity interests in the Target Company)
"associates"	has the meaning ascribed thereto in the Listing Rules
"Beijing Smart City"	北京智慧城市網絡有限公司 (Beijing Smart City Network Co., Ltd.*), a company established in the PRC with limited liability and indirectly owned as to 45% by BII, a substantial Shareholder, as at the date of this announcement
"Beiming Software"	北明軟件有限公司(Beiming Software Co., Ltd.*), a company established in the PRC with limited liability 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
"BII Zhongfu"	京投眾甫科技有限公司(BII Zhongfu Technology Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary 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)

"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
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement dated 24 November 2026 entered into between BII Zhongfu and Beijing Smart City in relation to the Acquisition
"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
"Independent Third Party(ies)"	third party(ies) independent of, and not connected with, the Company and its connected persons within the meaning ascribed to such term in the Listing Rules
"Joint Venture Agreement"	the joint venture agreement dated 7 June 2023 entered into between BII Zhongfu, Beijing Smart City and Beiming Software in relation to the establishment of the Target Company
"JV Announcement"	the announcement of the Company dated 7 June 2023 in relation to the formation of the Target Company, an associate company of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Public Tender"	the public tender process conducted through the CBEX in respect of the sale of the Target Equities
"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

"Shougang Group"	首鋼集團有限公司(Shougang Group Co., Ltd.*), a company established in the PRC and wholly-owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality as at the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	北京京智網智慧科技發展有限公司 (Beijing SmartTOD Technology Development Co., Ltd.*), a company established in the PRC pursuant to the Joint Venture Agreement and held as to 32% by BII Zhongfu as at the date of this announcement
"Target Equities"	38% of the equity interests in the Target Company held by Beijing Smart City as at the date of this announcement
"%"	per cent

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

Hong Kong, 24 November 2026

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$1.18.

As at the date of this announcement, the executive Directors are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive Directors are Mr. Li Yi, Mr. Li Zheng and Mr. Cao Mingda; and the independent non-executive Directors are Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia.

* *For identification purposes only*

The consideration of RMB12,616,000 (equivalent to approximately HK$14,886,880) for the Acquisition was determined with reference to the appraised value of the entire equity interests in the Target Company. The appraised value of the entire equity interests in the Target Company under the asset-based approach by Vocation (Beijing) International Asset Appraisal Co., Ltd.* (沃克森(北京)國際資產評估有限公司) (the "**Appraiser**"), an independent appraiser, as at the valuation base date (being 30 April 2026) was RMB33,253,200. Further information on the valuation is set out below:

VALUATION METHODS

1. Introduction to appraisal methods

Pursuant to the provisions of the Asset Valuation Practice Standards – Enterprise Value (Document of the CAS [2018] No. 38) and the Asset Valuation Practice Standards – Asset Valuation Methods (Document of the CAS [2019] No. 35), in the performance of the valuation of the Target Company, 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 subject of valuation, the type of value, and the collection of information.

The asset-based approach in the appraisal of the Target Company represents an appraisal method that determines the value of the subject of valuation by assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities based on the balance sheet of the Target Company as at the valuation base date. When there are assets or liabilities that have a significant impact on the value of the subject of valuation and are difficult to identify and appraise, the applicability of the asset-based approach should be considered.

The income approach in the appraisal of the Target Company represents an appraisal method that determines the value of the subject of valuation by capitalising or discounting the expected income. Asset appraisal professionals should properly consider the applicability of the income approach, taking into account the operating history and the predictability of future revenue of the Target Company, as well as the adequacy of the appraisal information obtained.

The market approach in the appraisal of the Target Company represents an appraisal method that determines the value of the subject of valuation by comparing the subject of valuation 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 operating and financial data of comparable companies obtained, and the number of comparable companies that can be collected.

2. Selection of appraisal method

In determining the valuation methods, the Appraiser analysed three generally accepted valuation methods, namely the asset-based approach, income approach and market approach. Considering that the scope of the assets and liabilities of the Target Company is clear, and the value of the relevant assets and liabilities can be verified through financial information, title documents, on-site inspection and other means, the asset-based approach is therefore applicable to this appraisal. Meanwhile, considering the business nature and operating conditions of the Target Company, its future expected income can be reasonably forecast and quantified, and therefore the income approach was also considered for this appraisal. Due to the lack of sufficient comparable listed companies and market transaction cases, the market approach is not applicable to this appraisal.

After a comprehensive comparison of the appraisal results under the asset-based approach and the income approach, the Appraiser considered that the income approach places greater reliance on forecasts of the Target Company's future operating income and the assumptions underlying those forecasts. By contrast, as the assets and liabilities of the Target Company are clearly identifiable and their values can be verified, the asset-based approach can reflect the actual asset position and value of the Target Company as at the valuation base date in a more objective and prudent manner. Accordingly, the Appraiser selected the asset-based approach as the final appraisal method.

KEY ASSUMPTIONS

1. Basic assumptions

(1) Transaction assumption

The transaction assumption assumes that the subject of valuation and the assets and liabilities within the scope of appraisal are already in the process of transaction, and the asset valuer carries out the appraisal based on an analogous market such as the transaction conditions. The transaction assumption is one of the most fundamental premise assumptions for asset valuation to be conducted.

(2) Open market assumption

The open market assumption assumes that for 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. The open market assumption is based on the premise that assets can be openly bought and sold in the market.

(3) Asset continuous use assumption

The asset continuous use assumption means that during asset valuation, the appraisal methods, parameters and bases shall be determined correspondingly on the basis that the appraised assets will continue to be used for their current purpose and in the manner, scale, frequency, environment, etc., as they are currently used, or used on a modified basis.

2. General assumption

(1) It is assumed that after the valuation base date, there will be no significant changes in the political, economic, social and other macro environments in which the appraised entity and its operating environment are situated that would affect its operations.

(2) Except for the laws and regulations affecting the operations of the appraised entity that have been promulgated or have been promulgated but not yet implemented by the government as at the valuation base date, it is assumed that there will be no significant changes in the laws and regulations relevant to the operations of the appraised entity during the income period.

(3) It is assumed that changes in factors such as exchange rates, interest rates, tax burdens and inflation involved in the operations of the appraised entity after the valuation base date will not have a significant impact on its operating conditions during the income period (taking into account changes in interest rates from the valuation base date to the report date).

(4) It is assumed that no irresistible and unforeseeable events affecting the operations of the appraised entity will occur after the valuation base date.

(5) It is assumed that the appraised entity and its assets will continue to operate as a going concern and be used during the future income period.

(6) It is assumed that the accounting policies adopted by the appraised entity during the future income period will remain consistent in all material respects with those as at the valuation base date, maintaining continuity and comparability.

(7) It is assumed that the operators of the appraised entity are responsible and its management is capable of fulfilling its duties; based on the conditions as at the valuation base date, there will be no major changes in the key management and technical personnel of the appraised entity during the future income period that would affect its operational changes, the management team will develop steadily, and there will be no significant changes in the management system that would affect its operations.

(8) It is assumed that the information provided by the Company and the Target Company is true, complete and reliable, and there are no other defective matters or contingent matters that might affect the appraisal conclusion which should have been provided but were not provided, and which remained unknown to the asset appraisal professionals even after performing necessary appraisal procedures.

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

As of the valuation base date of 30 April 2026, the carrying amount of total assets of the Target Company included in the scope of valuation was RMB93,409,600, the appraised value was RMB96,895,900, the appreciation amount was RMB3,486,400, and the value-added ratio was 3.73%; the carrying amount of liabilities was RMB63,642,700, the appraised value was RMB63,642,700, with no difference; the book value of owners' equity was RMB29,766,800, and on the premise of continuing to operate as a going concern for its existing use, the value of total shareholders' equity was RMB33,253,200, the appreciation amount was RMB3,486,400, and the value-added ratio was 11.71%. The specific appraisal results of various assets and liabilities are set out in the table below:

Unit: RMB'0,000

Item Name		**Carrying amount A**	**Appraisal value B**	**Difference C=B-A**	**Value-added ratio% D=C/A ×100**
Current assets	1	9,064.89	9,232.32	167.43	1.85
Non-current assets	2	276.07	457.27	181.20	65.64
Of which: Fixed assets	3	42.29	48.40	6.11	14.45
Right-of-use assets	4	202.87	202.87	0.00	0.00
Intangible assets	5	0.00	175.09	175.09	–
Long-term deferred expenses	6	30.91	30.91	0.00	0.00
Total assets	**7**	**9,340.96**	**9,689.59**	**348.64**	**3.73**
Current liabilities	8	6,234.94	6,234.94	0.00	0.00
Non-current liabilities	9	129.33	129.33	0.00	0.00
Total liabilities	**10**	**6,364.27**	**6,364.27**	**0.00**	**0.00**
Net assets (owners' equity)	**11**	**2,976.68**	**3,325.32**	**348.64**	**11.71**

ANALYSIS ON THE REASONS FOR THE DIFFERENCE IN APPRAISAL VALUE AND THE CARRYING AMOUNT

The valuation appreciation of owners' equity is RMB3,486,400, with an appreciation rate of 11.71%, among which:

1. The valuation appreciation of inventories is RMB1,674,300, with an appreciation rate of 41.74%. The reason for the appreciation is that the appraised value of the finished goods included in the scope of appraisal (including dispatched equipment pending acceptance and costs of the sub-center project not yet carried forward) is determined based on their expected revenue less relevant expenses. The appraised value reflects the realisable market selling price and corresponding profit margin of such inventories, and the calculated result is higher than the historical book cost, thus resulting in the valuation appreciation.

2. The valuation appreciation of fixed assets is RMB61,100, with an appreciation rate of 14.45%. The reason for the appreciation is that the economic useful lives of the equipment are longer than the depreciation periods adopted for accounting purposes.

3. The valuation appreciation of intangible assets is RMB1,750,900, mainly attributable to the technical and commercial value of the software copyrights and trademarks independently developed by the Target Company, which can be applied in various business scenarios, including smart hub operation management and dispatching and command systems.

SCOPE OF WORK

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

1. to work with the representatives of the Company and the Target Company to obtain the necessary information and documentation for the valuation;

2. to collect relevant data of the Target Company, including legal documents and financial statements;

3. to discuss with the Company and the Target Company to understand the history, business models, operations and business development plans of the Target Company in relation to the valuation;

4. to conduct research and collect relevant data from reliable sources for analysis;

5. to examine the available data on the Target Company 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 the Target Company's total shareholders' equity as at the valuation base date, as well as to prepare a valuation report.

RESTRICTIONS AND GROUNDS THEREFOR

1. The valuation report shall only be used for the valuation purposes and usages specified therein, and shall only be used by the users of the valuation report specified in the valuation report.

2. The asset valuation institution and its asset valuers shall not be liable if the Company or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the asset valuation report.

3. Except for the Company, other users of the asset valuation report stipulated in the asset valuation entrustment contract and users of the asset valuation report prescribed by laws and administrative regulations, no other institution or individual can become the user of the asset valuation report.

4. The users of the asset valuation report shall correctly understand 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.

NATURE AND SOURCE OF INFORMATION RELIED UPON

The information on which the Appraiser relies includes the following:

Financial information and operational information of the Target Company, including: financial statements and audit reports as at the valuation base date and for previous financial years (the financial data for the financial years ended 31 December 2023 and 2024 which were audited by Baker Tilly China Certified Public Accountants (天職國際會計師事務所（特殊普通合夥）), which issued the standard unqualified audit reports Tian Zhi Ye Zi [2024] No. 24158 and Tian Zhi Ye Zi [2025] No. 615 respectively; the financial data for the financial year ended 31 December 2025 which were audited by Grant Thornton Certified Public Accountants (Special General Partnership), which issued the standard unqualified audit report Zhi Tong Shen Zi (2026) No. 110C000389; the financial data as at 30 April 2026 which were specially audited by Grant Thornton Certified Public Accountants (Special General Partnership), which issued the special audit report Zhi Tong Zhuan Zi (2026) No. 110C017405), asset list and asset valuation declaration form, as well as ownership documents such as software copyright registration certificate, trademark registration certificate, equipment purchase contract, tenancy agreement and pledge registration information.

QUALIFICATIONS OF THE APPRAISER

The asset appraisers involved in the valuation are all full practicing members of the China Appraisal Society and are all qualified to practice as asset appraisers in the Chinese Mainland. As at the date of this announcement, the Appraiser does not have any relationship or interest with the Company and the Target Company. To the best of the Directors' knowledge and information, the Appraiser is an Independent Third Party. The valuation institution and the asset valuers have no existing or expected relationship of interest with the subject of valuation and the relevant parties, and have no bias towards the relevant parties.