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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)

**CONTINUING CONNECTED TRANSACTIONS
TENANCY AGREEMENTS IN RELATION TO LEASING OF
PROPERTIES**

THE 2022 PROPERTY D AND G TENANCY AGREEMENT

References are made to the announcements of the Company dated 24 December 2020 and 25 January 2021 in relation to, among others, (i) the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D; and (ii) the Property G Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property G. As each of the Property D Tenancy Agreement and the Property G Tenancy Agreement will expire on 31 December 2021, on 28 December 2021, Beijing Metro Network entered into the 2022 Property D and G Tenancy Agreement with Litmus, whereby Litmus agreed to lease Property D and Property G from Beijing Metro Network for a term from 1 January 2022 to 31 December 2022.

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder and equity holder of BII HK and Beijing Metro Network respectively. Accordingly, Beijing Metro Network is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2022 Property D and G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

Reference is also made to the announcement of the Company dated 5 November 2021 in relation to, among others, (i) the New Property E Tenancy Agreement entered into between ERG BJ (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property E; and (ii) the New Property F Tenancy Agreement entered into between BII Zhuoyue (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property F. The transactions contemplated under each of the New Property E Tenancy Agreement and the New Property F Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 28 September 2021 in relation to, among others, the 2021 Property C Tenancy Agreement entered into between BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. BII is the sole beneficial equity holder of BII Technical. Accordingly, BII Technical is an associate of BII, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the 2021 Property C Tenancy Agreement constitutes continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement would be aggregated with the transactions contemplated under the 2022 Property D and G Tenancy Agreement, as such tenancy agreements were entered into or completed within a 12-month period. As the applicable percentage ratios of the transactions contemplated under the 2022 Property D and G Tenancy Agreement, together with the transactions contemplated under the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement, on an aggregated basis, are more than 0.1% but less than 5%, such transactions contemplated on an aggregated basis, are subject to the reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

References are made to the announcements of the Company dated 24 December 2020 and 25 January 2021 in relation to, among others, (i) the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D; and (ii) the Property G Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property G. As each of the Property D Tenancy Agreement and the Property G Tenancy Agreement will expire on 31 December 2021, on 28 December 2021, Beijing Metro Network entered into the 2022 Property D and G Tenancy Agreement with Litmus, whereby Litmus agreed to lease Property D and Property G from Beijing Metro Network for a term from 1 January 2022 to 31 December 2022.

THE 2022 PROPERTY D AND G TENANCY AGREEMENT

The principal terms of the 2022 Property D and G Tenancy Agreement are as follows:

Date: 28 December 2021

Parties: (1) Beijing Metro Network, as landlord; and
(2) Litmus, as tenant.

Transaction nature: Leasing of Property D and Property G by Litmus from Beijing Metro Network

Term: One year from 1 January 2022 to 31 December 2022

Litmus shall make a renewal request to Beijing Metro Network 90 days in advance prior to the expiration of the term of the 2022 Property D and G Tenancy Agreement if Litmus wishes to renew the 2022 Property D and G Tenancy Agreement, and Litmus shall have priority to lease Property D and Property G under the same terms and conditions of the 2022 Property D and G Tenancy Agreement if Litmus fulfils the above requirement.

Deposit: RMB260,667.02 (equivalent to approximately HK\$318,013.76), which is payable within 30 business days from the signing of the 2022 Property D and G Tenancy Agreement and refundable upon termination of the 2022 Property D and G Tenancy Agreement

Rent: RMB1,019,937.75 (equivalent to approximately HK\$1,244,324.06) per annum (inclusive of property fees, heat, water, electricity fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 365 days); and (iii) RMB6.5 per sq.m. of gross floor area per day

ANNUAL CAPS

The consideration in respect of the transaction contemplated under the 2022 Property D and G Tenancy Agreement for the year ending 31 December 2022 will be RMB1,019,937.75 (equivalent to approximately HK\$1,244,324.06), which is calculated with reference to the aggregate rent payable by Litmus to Beijing Metro Network pursuant to the 2022 Property D and G Tenancy Agreement.

The annual caps in respect of the transactions under the Tenancy Agreements (i.e. the 2022 Property D and G Tenancy Agreement, the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement) in aggregate for the years ending 31 December 2021 and 2022 is RMB1,656,700.12 (equivalent to approximately HK\$2,021,174.15) and RMB5,936,015.28 (equivalent to approximately HK\$7,241,938.64), which are calculated with reference to the aggregate annual rent payable by the Group under the Tenancy Agreements.

The terms of the 2022 Property D and G Tenancy Agreement including the rental payment, were determined after arm's length negotiations between the parties and after making reference to the prevailing market rates. The rental payment will be paid in cash quarterly after signing of the 2022 Property D and G Tenancy Agreement.

REASONS FOR AND BENEFITS OF THE 2022 PROPERTY D AND G TENANCY AGREEMENT

References are made to the announcements of the Company dated 24 December 2020 and 25 January 2021 in relation to, among others, (i) the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D; and (ii) the Property G Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property G. As each of the Property D Tenancy Agreement and the Property G Tenancy Agreement will expire on 31 December 2021, the Group had to renew the lease of Property D and Property G for office use.

The 2022 Property D and G Tenancy Agreement sets out a framework of the terms of the lease arrangements between the parties for the renting of office premises by the Group. The Directors are of the view that it represents an opportunity for the Group to continue its constant and established operation in Beijing in a prime business location without substantial costs incurred in acquiring properties for office use.

The Directors (including the independent non-executive Directors) are of the opinion that the transactions contemplated under the 2022 Property D and G Tenancy Agreement have been entered into in the ordinary and usual course of business of the Group, and the 2022 Property D and G Tenancy Agreement (together with the rental payment) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the 2022 Property D and G Tenancy Agreement (together with the rental payment) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder and equity holder of BII HK and Beijing Metro Network respectively. Accordingly, Beijing Metro Network is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2022 Property D and G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 5 November 2021 in relation to, among others, (i) the New Property E Tenancy Agreement entered into between ERG BJ (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property E; and (ii) the New Property F Tenancy Agreement entered into between BII Zhuoyue (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property F. The transactions contemplated under each of the New Property E Tenancy Agreement and the New Property F Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 28 September 2021 in relation to, among others, the 2021 Property C Tenancy Agreement entered into between BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. BII is the sole beneficial shareholder of BII Technical. Accordingly, BII Technical is an associate of BII, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the 2021 Property C Tenancy Agreement constitutes continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement would be aggregated with the transaction contemplated under the 2022 Property D and G Tenancy Agreement, as such tenancy agreements were entered into or completed within a 12-month period. As the applicable percentage ratios of the transaction contemplated under the 2022 Property D and G Tenancy Agreement, together with the transactions contemplated under the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement, on an aggregated basis, are more than 0.1% but less than 5%, such transactions contemplated on an aggregated basis, are subject to the reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Zhang Yanyou, a non-executive Director and the chairman of the Board, is the chairman of the board of directors of BII. Mr. Guan Jifa, a non-executive Director, is the vice general manager of BII. Mr. Zheng Yi, a non-executive Director, is the assistant to the general manager of BII, and the general manager of the planning and design department and railway project management department of BII. Ms. Gu Xiaohui, a non-executive Director, is the assistant to the general manager of the investment and development department of BII. Accordingly, each of Mr. Zhang Yanyou, Mr. Guan Jifa, Mr. Zheng Yi and Ms. Gu Xiaohui was considered to have a material interest in the transaction contemplated under the 2022 Property D and G Tenancy Agreement by virtue of their management positions held in BII respectively, and had abstained from voting on the board resolution(s) approving the transaction contemplated under the 2022 Property D and G Tenancy Agreement.

GENERAL

The Group integrates investment and finance, research and development of technologies, intelligent railway transportation business and maintenance, and implement the industry layout of “giving priority to intelligent railway transportation services and civil communication transmission services and supplementing with new business development through joint ventures and partnership”, thereby building a business layout of providing the whole life-cycle service for the development of urban railway transportation. The Group’s intelligent railway transportation services provide design, implementation and sale, and maintenance of application solution services, including related software; and the Group has been aiming for scientific and technological innovations such as rail transit cloud platform construction and big data construction and analysis, so as to promote the development of urban rail transit systems from informationised business to intelligent business.

As at the date of this announcement, Beijing Metro Network was a company established in the PRC with limited liability and its principal activity was the setting up and operation of the railway transport command centre in Beijing, the PRC.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Beijing Metro Network”	北京軌道交通路網管理有限公司 (Beijing Metro Network Administration Co., Ltd*), a company established in the PRC with limited liability whose entire issued equity capital is owned by BII
“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
“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 Technical”	北京軌道交通技術裝備集團有限公司 (BII Technical Equipment Group Co., Ltd.*), a company established in the PRC with limited liability whose entire issued equity capital is owned by BII

“BII Zhuoyue”	北京京投卓越科技發展有限公司 (BII Technology Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“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
“ERG BJ”	億雅捷交通系統(北京)有限公司 (BII Transit Systems (Beijing) Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	collectively, the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jingtou Plaza”	a property which is erected on a parcel of land and is situated at No. 6, Xiaoying Road North, Zhaoyang District, Beijing City, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Litmus”	北京樂碼仕智能科技有限公司 (Litmus Technologies (Beijing) Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“New Property E Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and ERG BJ dated 5 November 2021 in relation to the leasing of Property E by ERG BJ from Beijing Metro Network

“New Property F Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and BII Zhuoyue 5 November in relation to the leasing of Property F by BII Zhuoyue from Beijing Metro Network
“PRC”	the People’s Republic of China
“Property C”	11th Floor, Block 1, Building No. 3 with a total gross floor area of approximately 118.42 sq.m. which is situated at Yuren South Road, Fengtai District, Beijing City, the PRC
“Property D”	Room 30601, Room 30602, Room 30605, Room 30612 and Room 30630, 6th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 393.6 sq.m.
“Property D Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and Litmus dated 24 December 2020 in relation to the leasing of Property D by Litmus from Beijing Metro Network
“Property E”	Room 31009, Room 31010, Room 31011/19, Room 31012, Room 31015 and Room 31016, 10th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 380.4 sq.m.
“Property F”	(i) 9th Floor; and (ii) Room 31001, Room 31002, Room 31003, Room 31004, Room 31005, Room 31006, Room 31007, Room 31008 and Room 31017/18, 10th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 2,289.8 sq.m.
“Property G”	Room 30615, 6th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 36.3 sq.m.
“Property G Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and Litmus dated 25 January 2021 in relation to the leasing of Property G by Litmus from Beijing Metro Network
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreements”	collectively, the 2022 Property D and G Tenancy Agreement, the New Property E Tenancy Agreement, the New Property F Tenancy Agreement and the 2021 Property C Tenancy Agreement
“%”	per cent
“2021 Property C Tenancy Agreement”	the tenancy agreement entered into between BII Technical and BII Zhuoyue dated 28 September 2021 in relation to the leasing of Property C by BII Zhuoyue from BII Technical
“2022 Property D and G Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and Litmus dated 28 December 2021 in relation to the leasing of Property D and Property G by Litmus from Beijing Metro Network

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

Hong Kong, 28 December 2021

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\$1.22.

As at the date of this announcement, the executive Directors are Mr. Cao Wei and Ms. Xuan Jing; the non-executive Directors are Mr. Zhang Yanyou, Mr. Guan Jifa, Mr. Zheng Yi and Ms. Gu Xiaohui; and the independent non-executive Directors are Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin.

* *For identification purposes only*