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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)

**TERMINATION OF CONTINUING CONNECTED TRANSACTIONS AND
VOLUNTARY ANNOUNCEMENT REGARDING
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO LEASING OF PROPERTIES**

TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

Reference is 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 Board announces that on 28 April 2022, (i) ERG BJ and Beijing Metro Network entered into the Property E Termination Agreement pursuant to which both parties have agreed to terminate the New Property E Tenancy Agreement with effect from 1 May 2022; and (ii) BII Zhuoyue and Beijing Metro Network entered into the Property F Termination Agreement pursuant to which both parties have agreed to terminate the New Property F Tenancy Agreement with effect from 1 May 2022.

THE PROPERTY H TENANCY AGREEMENT

The Board further announces, on a voluntary basis, that on 28 April 2022, Huaqi Intelligent (as tenant) and BII Technical (as landlord) entered into the Property H Tenancy Agreement whereby Huaqi Intelligent agreed to lease Property H from BII Technical for a term of one year from 30 April 2022 to 29 April 2023.

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 of BII HK, and the sole equity holder of Beijing Metro Network and BII Technical. Accordingly, each of Beijing Metro Network and BII Technical is an associate of BII and BII HK respectively, and therefore each of them is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the termination of the continuing connected transactions contemplated under each of the Property E Termination Agreement and the Property F Termination Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

Reference is 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. The transactions contemplated under the 2021 Property C 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 December 2021 in relation to, among others, the 2022 Property D and G Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D and Property G. BII is the sole beneficial equity holder of BII Technical. The transactions contemplated under the 2022 Property D and G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As BII Technical is a connected person of the Company under Chapter 14A of the Listing Rules, the transactions contemplated under the Property H Tenancy Agreement constitute continuing connected transaction for the Company under the Listing Rules. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2021 Property C Tenancy Agreement and the 2022 Property D and G Tenancy Agreement would be aggregated with the transactions contemplated under the Property H 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 Property H Tenancy Agreement, together with the transactions contemplated under the 2021 Property C Tenancy Agreement and the 2022 Property D and G Tenancy Agreement, on an aggregated basis, are less than 5% and the annual caps in respect of the transactions contemplated under such tenancy agreements are less than HK\$3 million, such transactions contemplated on an aggregated basis, are fully exempted from the disclosure requirement under Chapter 14A of the Listing Rules. The disclosure in relation to the transactions contemplated under the Property H Tenancy Agreement is made by the Company on a voluntary basis.

TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

Reference is 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.

Pursuant to the New Property E Tenancy Agreement, ERG BJ leased Property E from Beijing Metro Network for a term of one year from 1 October 2021 to 30 September 2022 at a rent of RMB902,499.00 (equivalent to approximately HK\$1,101,048.78) per annum. During the term of the lease, Property E had been used as the office of ERG BJ.

Pursuant to the New Property F Tenancy Agreement, BII Zhuoyue leased Property F from Beijing Metro Network for a term of one year from 1 October 2021 to 30 September 2022 at a rent of RMB5,432,550.50 (equivalent to HK\$6,627,711.61) per annum. During the term of the lease, Property F had been used as the office of BII Zhuoyue.

The Board announces that on 28 April 2022, (i) ERG BJ and Beijing Metro Network entered into the Property E Termination Agreement pursuant to which both parties have agreed to terminate the New Property E Tenancy Agreement with effect from 1 May 2022; and (ii) BII Zhuoyue and Beijing Metro Network entered into the Property F Termination Agreement pursuant to which both parties have agreed to terminate the New Property F Tenancy Agreement with effect from 1 May 2022.

ERG BJ settled the rent payable to Beijing Metro Network for the period from 1 October 2021 to 30 April 2022, and shall pay Beijing Metro Network all the outstanding energy bills and telecommunication fees incurred up to 30 April 2022 in relation to the lease of the Property E by 31 May 2022. Upon termination of the New Property E Tenancy Agreement, ERG BJ and Beijing Metro Network shall be released and discharged from their respective rights and obligations under the New Property E Tenancy Agreement.

BII Zhuoyue settled the rent payable to Beijing Metro Network for the period from 1 October 2021 to 30 April 2022, and shall pay Beijing Metro Network all the outstanding energy bills and telecommunication fees incurred up to 30 April 2022 in relation to the lease of the Property F by 31 May 2022. Upon termination of the New Property F Tenancy Agreement, BII Zhuoyue and Beijing Metro Network shall be released and discharged from their respective rights and obligations under the New Property F Tenancy Agreement.

THE PROPERTY H TENANCY AGREEMENT

The Board further announces, on a voluntary basis, that on 28 April 2022, Huaqi Intelligent (as tenant) and BII Technical (as landlord) entered into the Property H Tenancy Agreement whereby Huaqi Intelligent agreed to lease Property H from BII Technical for a term of one year from 30 April 2022 to 29 April 2023.

The principal terms of the Property H Tenancy Agreement are as follows:

Date: 28 April 2022

Parties: (1) BII Technical, as landlord; and
(2) Huaqi Intelligent, as tenant.

Transaction nature: Leasing of Property H by Huaqi Intelligent from BII Technical

Term: One year from 30 April 2022 to 29 April 2022

Huaqi Intelligent shall make a written renewal request to BII Technical three months in advance prior to the expiration of the term of the Property H Tenancy Agreement if Huaqi Intelligent wishes to renew the Property H Tenancy Agreement. The renewal of the Property H Tenancy Agreement shall be further negotiated between Huaqi Intelligent and BII Technical

Deposit: RMB20,000 (equivalent to HK\$24,400), which is payable within 15 business days after the Property H Tenancy Agreement took effect. The deposit may be used to settle the expenses, rent, liquidated damages and other fees that Huaqi Intelligent shall be responsible for in accordance with the Property H Tenancy Agreement. The remaining deposit (if any) is refundable within 15 business days after the termination of the Property H Tenancy Agreement and after the parties have fulfilled all the obligations stipulated under the Property H Tenancy Agreement

Rent: RMB157,388.00 (equivalent to approximately HK\$192,013.36) per annum (inclusive of water, electricity, air-conditioning, heat, property management fees, excluding broadband fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 365 days); and (iii) RMB5.5 per sq.m. of gross floor area per day

ANNUAL CAPS

The consideration in respect of the transactions contemplated under the Property H Tenancy Agreement for the two years ending 31 December 2022 and 2023 will be RMB106,075.20 (equivalent to approximately HK\$129,411.74) and RMB51,312.80 (equivalent to approximately HK\$62,601.62) respectively, which is calculated with reference to the aggregate rent payable by Huaqi Intelligent to BII Technical pursuant to the Property H Tenancy Agreement.

The annual caps in respect of the transactions under the Tenancy Agreements (i.e. the Property H Tenancy Agreement, the 2021 Property C Tenancy Agreement and the 2022 Property D and G Tenancy Agreement) in aggregate for the two years ending 31 December 2022 and 2023 is RMB1,303,820.58 (equivalent to approximately HK\$1,590,661.11) and RMB51,312.80 (equivalent to approximately HK\$62,601.62) respectively, which are calculated with reference to the aggregate annual rent payable by the Group under the Tenancy Agreements.

The terms of the Property H 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 Property H Tenancy Agreement.

REASONS FOR AND BENEFITS OF THE PROPERTY E TERMINATION AGREEMENT, THE PROPERTY F TERMINATION AGREEMENT AND THE PROPERTY H TENANCY AGREEMENT

Due to the expansion of the Group, each of the Property E leased under the New Property E Tenancy Agreement and the Property F leased under the New Property F Tenancy Agreement by the Group was no longer sufficient to accommodate the office use of the Group. As such, the Group had entered into new leases with an independent third party of bigger offices at a more prime business location in Beijing and with more convenient transportation facilities. Accordingly, the Group decided that each of the New Property E Tenancy Agreement and the New Property F Tenancy Agreement should be terminated.

The Directors (including the independent non-executive Directors) are of the view that each of the Property E Termination Agreement and the Property F Termination Agreement has been entered into in the ordinary and usual course of business of the Group, and on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under each of the Property E Termination Agreement and the Property F Termination Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole. In addition, the Directors are of the view that the entering into each of the Property E Termination Agreement and the Property F Termination Agreement will not cause any material adverse effect on the operation, business and financial position of the Group.

Property H leased from BII Technical will be mainly used for the daily office use of a joint research and development centre established by the Group and BII Technical, as Property H locates in the office building of BII Technical. Such joint research and development centre was established for the close technical research and development cooperation between Huaqi Intelligent and BII Technical. The Company believes that through the leasing of Property H, a convenient environment for collaborations, technical skills exchanges and cooperation with BII Technical will be created.

The Directors (including the independent non-executive Directors) are of the opinion that the transactions contemplated under the Property H Tenancy Agreement have been entered into in the ordinary and usual course of business of the Group, and the Property H 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 Property H 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 of BII HK, and the sole equity holder of Beijing Metro Network and BII Technical. Accordingly, each of Beijing Metro Network and BII Technical is an associate of BII and BII HK respectively, and therefore each of them is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the

termination of the continuing connected transactions contemplated under each of the Property E Termination Agreement and the Property F Termination Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

Reference is 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. The transactions contemplated under the 2021 Property C 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 December 2021 in relation to, among others, the 2022 Property D and G Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D and Property G. BII is the sole beneficial equity holder of BII Technical. The transactions contemplated under the 2022 Property D and G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As BII Technical is a connected person of the Company under Chapter 14A of the Listing Rules, the transactions contemplated under the Property H Tenancy Agreement constitute continuing connected transaction for the Company under the Listing Rules. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2021 Property C Tenancy Agreement and the 2022 Property D and G Tenancy Agreement would be aggregated with the transactions contemplated under the Property H 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 Property H Tenancy Agreement, together with the transactions contemplated under the 2021 Property C Tenancy Agreement and the 2022 Property D and G Tenancy Agreement, on an aggregated basis, are less than 5% and the annual caps in respect of the transactions contemplated under such tenancy agreements are less than HK\$3 million, such transactions contemplated on an aggregated basis, are fully exempted from the disclosure requirement under Chapter 14A of the Listing Rules. The disclosure in relation to the transactions contemplated under the Property H Tenancy Agreement is made by the Company on a voluntary basis.

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. Accordingly, each of Mr. Zhang Yanyou, Mr. Guan Jifa and Mr. Zheng Yi was considered to have a material interest in the transactions contemplated under each of the Property E Termination Agreement, the Property F Termination Agreement and the Property H Tenancy Agreement by virtue of their management positions held in BII respectively, and had abstained from voting on the board resolution(s) approving the transactions contemplated under each of the Property E Termination Agreement, the Property F Termination Agreement and the Property H Tenancy Agreement.

GENERAL

The Group is a high-tech enterprise group specialising in the field of railway transportation, integrating investment and financing, technology research and development, and intelligent railway transportation construction, operation and maintenance. With the mission of “empowering the railway transportation by intelligent technology”, the Group focuses on two core businesses, namely intelligent railway transportation and infrastructure information, building a business pattern of providing full life-cycle services for rail transit development, focusing on integration and innovation, and becoming China’s leading rail transit intelligent system service provider.

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.

As at the date of this announcement, BII Technical was a company established in the PRC with limited liability and its principal activity was the manufacturing of metro vehicles and maglev trains.

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
“Huaqi Intelligent”	蘇州華啟智能科技有限公司 (Suzhou Huaqi Intelligent Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“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 dated 5 November 2021 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, Building 1, Yard 3, Yuren South Road, Fengtai District, Beijing City, the PRC with a total gross floor area of approximately 118.42 sq.m.
“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 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 E Termination Agreement”	the termination agreement entered into between Beijing Metro Network and ERG BJ dated 28 April 2022 in relation to the termination of the leasing of Property E by ERG BJ from Beijing Metro Network
“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 F Termination Agreement”	the termination agreement entered into between Beijing Metro Network and BII Zhuoyue dated 28 April 2022 in relation to the termination of the leasing of Property F by BII Zhuoyue from Beijing Metro Network
“Property G”	Room 30615, 6th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 36.3 sq.m.

“Property H”	Room 520, 5th Floor, Building 1, Yard 3, Yuren South Road, Fengtai District, Beijing City, the PRC with a total gross floor area of approximately 78.4 sq.m.
“Property H Tenancy Agreement”	the tenancy agreement entered into between BII Technical and Huaqi Intelligent dated 28 April 2022 in relation to the leasing of Property H by Huaqi Intelligent from BII Technical
“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 Property H Tenancy Agreement, the 2021 Property C Tenancy Agreement and the 2022 Property D and G 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 April 2022

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 Director is Ms. Xuan Jing; the non-executive Directors are Mr. Zhang Yanyou, Mr. Guan Jifa, Mr. Zheng Yi and Mr. Cao Mingda; and the independent non-executive Directors are Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei.

** For identification purposes only*