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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in BII Railway Transportation Technology Holdings Company Limited (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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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)**

**CONTINUING CONNECTED TRANSACTION**  
**2024 BII SERVICES FRAMEWORK AGREEMENT**  
**AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee**  
**and the Independent Shareholders**



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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 4 to 17 of this circular.

A notice convening the EGM to be held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the PRC on 27 December 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the appointed time for holding the EGM (i.e. Wednesday, 25 December 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

10 December 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2021 BII Services Framework Agreement”	the framework agreement dated 17 December 2021 and entered into between the Company and BII in relation to the provision of the Services by the Company, which is of a term between 1 January 2022 and 31 December 2024
“2024 BII Services Framework Agreement”	the framework agreement dated 23 October 2024 and entered into between the Company and BII in relation to the provision of the Services
“Announcement”	the announcement of the Company dated 23 October 2024 in relation to, among other matters, the 2024 BII Services Framework Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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 Latest Practicable Date, 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 Latest Practicable Date
“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 Latest Practicable Date
“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

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## DEFINITIONS

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“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
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, to approve, among other matters, (i) the 2024 BII Services Framework Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the 2024 BII Services Framework Agreement
“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 Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei, established for the purpose of advising the Independent Shareholders in connection with the transactions contemplated under the 2024 BII Services Framework Agreement and the related proposed annual caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the 2024 BII Services Framework Agreement and the related proposed annual caps
“Independent Shareholder(s)”	the Shareholder(s) other than BII and its associates

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## DEFINITIONS

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“Latest Practicable Date”	5 December 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	means consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects and other types of ancillary services to be agreed by the parties in writing from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

\* For identification purposes only

*For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.09.*

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LETTER FROM THE BOARD

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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)**

***Executive Directors:***

Mr. Liu Yu (*Chief Executive Officer*)

Ms. Zhao Jingyuan

***Non-executive Directors:***

Mr. Ren Yuhang (*Chairman*)

Ms. Sun Fang

Mr. Cao Mingda

Mr. Fang Zhiwei

***Independent non-executive Directors:***

Mr. Luo Zhenbang

Mr. Huang Lixin

Mr. Li Wei

***Registered office:***

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

***Principal place of business in***

***Hong Kong:***

Rm 2502, 25/F, Tower 1

Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Hong Kong

10 December 2024

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
2024 BII SERVICES FRAMEWORK AGREEMENT**

**1. INTRODUCTION**

Reference is made to the Announcement in relation to, among others, the 2024 BII Services Framework Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the 2024 BII Services Framework Agreement and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee, and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regards to the 2024 BII Services Framework Agreement and the transactions contemplated thereunder; and (iii) the notice of EGM.

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## LETTER FROM THE BOARD

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### 2. THE 2024 BII SERVICES FRAMEWORK AGREEMENT

On 23 October 2024, the Company entered into the 2024 BII Services Framework Agreement with BII, pursuant to which the Group would provide BII, its subsidiaries and/or its associates with the Services.

The principal terms of the 2024 BII Services Framework Agreement are set out as follows:

#### **Date**

23 October 2024

#### **Parties**

- (i) The Company; and
- (ii) BII

#### **Provision of Services**

Pursuant to the 2024 BII Services Framework Agreement, the Group agrees to provide the Services to BII, its subsidiaries and/or associates during the term of the 2024 BII Services Framework Agreement, provided that (i) the member of the Group is awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm's length regarding the commercial terms to be set out in the individual agreements for the Services.

#### **Transaction principles**

Pursuant to the 2024 BII Services Framework Agreement, the Group and BII, its subsidiaries and/or associates, will enter into individual agreements in relation to the provision of the Services, the terms of such individual agreements (including the service fees) to be entered into will be negotiated by the parties at arm's length and will be determined by the parties from time to time on normal commercial terms in the ordinary course of business.

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## LETTER FROM THE BOARD

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### Pricing principles

Pursuant to the 2024 BII Services Framework Agreement, the price of the transactions contemplated thereunder will be determined as follows:

- (i) where there is government-prescribed price, the government-prescribed price shall be executed;

“government-prescribed price”<sup>1</sup> refers to the price prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC;

- (ii) where there is no government-prescribed price, but there is government-guided price, the government-guided price shall be executed by considering the market factors;

“government-guided price”<sup>1</sup> refers to the price range prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC, which shall be determined by transaction parties within such certain range;

- (iii) where there is neither government-prescribed price nor government-guided price, the price determined through tender process or the market price shall be executed;

“market price”<sup>2</sup> shall be determined in the following order: (i) the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions at or near the area where such services are provided; or (ii) where (i) above is not available, the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions in the PRC; or

- (iv) where none of the above three means is available or the above transaction principles are not applicable for use in actual transactions, the agreed price shall be executed;

“agreed price”<sup>3</sup> means the price determined by means of “reasonable cost + reasonable profit”. In an agreement, “reasonable cost” means the cost recognised by both parties after negotiations and permitted by the relevant accounting principles of the PRC (inclusive of sales tax and surcharges); and “reasonable profit” means the profit calculated based on such reasonable cost under market practice.

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## LETTER FROM THE BOARD

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Notes:

1. “Government-prescribed price” or “government-guided price” refers to the reference price(s) stipulated in the List of Government-Priced Business Service Fees\* (《政府定價的經營服務性收費目錄清單》) (the “List”), which is published by the National Development and Reform Commission (國家發展和改革委員會) of the Central People’s Government of the PRC (中華人民共和國中央人民政府). The relevant government authorities that may set the relevant reference price(s) includes, but are not limited to the Ministry of Transport, National Development and Reform Commission\* (交通運輸部、發展和改革委員會) and other authorised municipal People’s Government Departments\* (授權的市人民政府部門). As far as the Directors are aware, the List is usually updated in the beginning of every year. As at the Latest Practicable Date, the Services provided/to be provided under the 2021 BII Services Framework Agreement and the 2024 BII Services Framework Agreement are not subject to the relevant reference price(s) stipulated in the List. Therefore, none of the historical transactions between the Group and BII under the 2021 BII Services Framework Agreement adopted the first or second price determination method. The Company will make reference to the reference price(s) stipulated on the List as, and when, applicable.
2. Most historical transactions between the Group and BII under the 2021 BII Services Framework Agreement adopted the third price determination method.
3. In determining the reasonable profit based on the fourth price determination method, the Company will take into account, among others, (i) the complexity and specifications of the Services to be provided; (ii) the Group’s available resources at the material time; (iii) the general economic environment; and (iv) market practice. When implementing the fourth price determination method, the Company will endeavour to make reference to the recent price and gross profit margin of at least two similar services provided by the Group to its customers to ensure the reasonableness and fairness of the amount of the profit. As only few historical transactions between the Group and BII under the 2021 BII Services Framework Agreement adopted the fourth price determination method, the Directors expect that the fourth price determination method will only be adopted in a minimal number of transactions during the term of the 2024 BII Services Framework Agreement.

### Term

The 2024 BII Services Framework Agreement is effective upon fulfilment of the following conditions precedent:

- (i) the Company issuing a circular and obtaining the approval from the Independent Shareholders in relation to the transactions contemplated under the 2024 BII Services Framework Agreement in accordance with the Listing Rules; and
- (ii) the approval from the board of directors of BII in relation to the transactions contemplated under the 2024 BII Services Framework Agreement.

Subject to the fulfilment of the above conditions precedent, the 2024 BII Services Framework Agreement shall be effective between 1 January 2025 and 31 December 2027.

The term of the 2024 BII Services Framework Agreement is set to three years in order to be consistent with the financial year end of the Company in 2025, 2026 and 2027.

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## LETTER FROM THE BOARD

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### **Settlement method**

The service fee shall be paid by BII, its respective subsidiaries and/or associates, to the Group upon completion of relevant services provided within the settlement cycle as agreed under individual agreements entered into in accordance with the 2024 BII Services Framework Agreement.

### **The proposed annual caps**

Reference is made to the announcement of the Company dated 17 December 2021 and the circular of the Company dated 11 February 2022 in relation to, among others, the 2021 BII Services Framework Agreement. The 2021 BII Services Framework Agreement was entered into between the Company and BII on 17 December 2021 in relation to the provision of the Services by the Company to BII during the term commencing from 1 January 2022 to 31 December 2024. As the term of the 2021 BII Services Framework Agreement will expire after 31 December 2024 and the Group is contemplating to enter into continuing connected transactions with BII, its subsidiaries and/or associates, the Company and BII entered into the 2024 BII Services Framework Agreement to renew the term of the 2021 BII Services Framework Agreement. There is no change in the scope of services of the 2024 BII Services Framework Agreement as compared with the 2021 BII Services Framework Agreement.

The approved annual caps in respect of the transactions contemplated under the 2021 BII Services Framework Agreement for the two years ended 31 December 2023 and the year ending 31 December 2024 were RMB600 million, RMB800 million and RMB900 million, respectively (equivalent to approximately HK\$654 million, HK\$872 million and HK\$981 million, respectively).

The historical transaction amounts in respect of the transactions contemplated under the 2021 BII Services Framework Agreement for the two years ended 31 December 2023 and the six months ended 30 June 2024 were approximately RMB240 million, RMB328 million and RMB125 million, respectively (equivalent to approximately HK\$262 million, HK\$358 million and HK\$136 million, respectively). As far as the Directors are aware, the annual caps in respect of the transactions contemplated under the 2021 BII Services Framework Agreement for the year ending 31 December 2024 has not been exceeded as at the Latest Practicable Date.

The Directors noted that the utilisation rates of the approved annual caps under the 2021 BII Services Framework Agreement represented approximately 40% and 41% of the approved annual caps for the two years ended 31 December 2023, and, as at 30 June 2024, represented approximately 14% of the approved annual caps for the year ending 31 December 2024. The Directors are of the view that the relatively low utilisation rate of the approved annual caps under the 2021 BII Services Framework Agreement were mainly attributable to macro and market-related factors, including adjustment of construction progress of a number of metro lines such as Beijing Metro Line 22, Beijing Metro Line 28 and Urumqi Line 2, resulting in a delay in the commencement of a number of projects related to the Group's business. According to the preliminary calculations, the estimated transaction amount of the aforementioned projects is approximately RMB1 billion

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## LETTER FROM THE BOARD

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(equivalent to approximately HK\$1.09 billion). Such projects were estimated to commence during the term of the 2021 BII Services Framework Agreement, but due to market conditions and economic environment, is now estimated to commence during the term of the 2024 BII Services Framework Agreement.

The proposed annual caps in respect of the transactions contemplated under the 2024 BII Services Framework Agreement for the years ending 31 December 2025, 2026 and 2027 are RMB900 million, RMB1,100 million and RMB1,100 million, respectively (equivalent to HK\$981 million, HK\$1,199 million and HK\$1,199 million, respectively).

### **Basis of the proposed annual caps**

The proposed annual caps for the 2024 BII Services Framework Agreement for the years ending 31 December 2025, 2026 and 2027 are determined with reference to, among others, the following:

- (i) the historical transaction amounts in respect of the transactions contemplated under the 2021 BII Services Framework Agreement;
- (ii) the transaction amounts in respect of the orders on hand to be completed under the 2021 BII Services Framework Agreement, which, as at 30 June 2024, amounted to approximately RMB212 million, RMB135 million and RMB262 million (equivalent to approximately HK\$231 million, HK\$148 million and HK\$286 million) for the three years ending 31 December 2025, 2026 and 2027, respectively; and
- (iii) the estimated amount of projects for the provision of the Services to be offered by BII, its subsidiaries and/or associates for tender for the years ending 31 December 2025, 2026 and 2027, which was estimated to be approximately RMB642 million, RMB916 million and RMB789 million (equivalent to HK\$700 million, HK\$998 million and HK\$860 million), respectively, including, but not limited to, the Group's expectation to:
  - (1) obtain relevant business orders as a result of, among others:
    - (a) the commencement of operations of Beijing Subway Line 3 in 2024 and the gradual construction and commencement of operations of Beijing Subway Line 22 and Beijing Subway Line 28 in the next few years pursuant to the Beijing Urban Rail Transit Phase II Construction Plan (“《北京城市軌道交通第二期建設規劃》”) and its adjustment plan;
    - (b) the commencement of construction of, among others, Beijing Subway Line 1 branch line and Beijing Subway M101 Line pursuant to the Beijing Urban Rail Transit Phase III Construction Plan (“《北京城市軌道交通第三期建設規劃》”); and

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## LETTER FROM THE BOARD

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- (c) the expected commencement of initial operations of the first phase of the Urumqi Line 2 project in 2026 pursuant to the Urumqi Urban Rail Transit Recent Construction Plan (“《烏魯木齊市城市軌道交通近期建設規劃》”) (as adjusted);
- (2) continue to obtain operation and maintenance project orders in future based on the provision of its existing operation and maintenance services; and
- (3) obtain more orders in the non-rail transportation field for provision of “Intelligent +” services, such as intelligent construction sites, intelligent parks, intelligent hubs and intelligent micro-centers as the Group’s “Intelligent +” services gradually develop.

The Directors noted that the proposed annual caps represented a relatively high percentage of the Group’s revenue for the year ended 31 December 2023. However, taking into account BII, its subsidiaries and/or associates, being reliant and dependent on the Group for the procurement of the Services in view of the Group’s leading position in the industry, the reliance between the Group and BII in relation to the provision of the Services is mutual and complementary. Thus, the existing commercial relationship between BII and the Group, including the transactions to be contemplated under the 2024 BII Services Framework Agreement, is unlikely to be terminated or materially affected during (and beyond) the term of the 2024 BII Services Framework Agreement.

Given that there are barriers to entry in the railway transportation industry due to the need to comply with governmental policies and obtaining of government approval, it is industry norm to have one major railway transportation service provider in each city in the PRC, and that BII is the only railway transportation provider in Beijing and the sole owner of Beijing Rail Transit. Therefore, it is also the industry practice for the Group to be reliant on BII to engage the Group for the provision of the Services in Beijing, and there are no substitute customers of similar calibre to the Group for the provision of the Services in Beijing.

The Group has a diversified business model which provides it with a wide variety of substitute customers:

- (a) regarding the Group’s intelligent passenger information services business segment, the Group’s main customers include major vehicle OEM (original equipment manufacturer) factories globally, and thus there is a wide range of substitute customers of similar calibre as BII;
- (b) regarding the Group’s data & integration services business segment, the Group’s main customer is BII (i.e. the only railway transportation provider in Beijing), but the Group has substitute customers of similar calibre as BII in other cities in the PRC; and
- (c) regarding the Group’s intelligent infrastructure business segment, continuing connected transactions with BII accounts for only a small portion of revenue derived from such segment, and the Group is continuously expanding its “Intelligent+” services business, thus there will be a continuous increase in number of customers for this segment.

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## LETTER FROM THE BOARD

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As the Group is a leading provider of the Services, and BII is the only railway transportation provider in Beijing, the Directors believe that each of the Group and BII, its subsidiaries and/or associates are reliant and dependent on one another. Given that BII is the only railway transportation provider in Beijing, in order to expand its market share in Beijing, the Group would need to maintain its commercial relationship with BII. Moreover, given the price of the transactions contemplated for the provision of the Services are comparable to market rates, and are comparable to prices quoted by other comparable companies available in the market, the Board believes that it is in the mutual interests of BII and the Group to continue their long-standing business relationship, which has commenced since 2016.

The Group has always adhered to its market strategy of “relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets”. In future, not only will the Group strengthen its cooperation with BII to continuously expand the Beijing market, it will also further expand into markets outside of Beijing and overseas. As such, although the Group may not have reasonable substitute customers of similar calibre as BII for provision of the Services in Beijing, the Group has other substitute customers for provision of the Services outside of Beijing, and will continue to develop its product portfolio by consolidating its traditional advantageous products and expand into peripheral industries in order to diversify the Group’s sources of income derived from independent third parties. Such expectation is not limited to services provided to BII, its subsidiaries and/or associates, but also to independent third parties, and include services provided to customers in cities outside of Beijing, including intelligent rail transportation services and data & integration services. As such, the Directors are of the view that revenue derived from independent third parties would increase.

### **Internal control measures**

To ensure that (i) the terms of the transactions and the pricing mechanisms under the 2024 BII Services Framework Agreement are fair and open; (ii) the proposed annual caps will not be exceeded; and (iii) the transactions are conducted in accordance with the requirements under the Listing Rules, the Group adopted a policy regarding the management of continuing connected transactions, which was formulated pursuant to the actual day-to-day business operations of the Group and the relevant requirements, laws and regulations including the Listing Rules and the articles of association of the Company. The policy will ensure compliance of the Listing Rules regarding continuing connected transactions of the Group under the 2024 BII Services Framework Agreement through strict requirements and measures in relation to identification of connected persons and connected transactions, internal review and approval procedures of connected transactions, monitoring disclosure requirements under the Listing Rules, and supervision, management and disclosure of connected transactions.

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## LETTER FROM THE BOARD

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Set out below is a summary of the internal control measures of the Group to ensure the Services provided by the Company under the 2024 BII Services Framework Agreement are (a) on normal commercial terms; and (b) in accordance with the respective terms of the 2024 BII Services Framework Agreement:

1. when possible connected transaction arises during the course of business of the Group which falls under the 2024 BII Services Framework Agreement, relevant staff will report to the finance department and the legal and audit department of the Group regarding the details of the connected party and the possible transaction with such connected party;
2. the business department of the Group will prepare an estimate of costs and price of the possible connected transaction based on the relevant rules and regulations announced by the government and/or the industry association(s), as well as the market price which is expected to be payable by independent third party in respect of the provision of similar services by the Group;
3. based on the information of the possible connected transaction and the estimates of the costs and price, the operations management department, finance department, legal and audit department and the Company's external advisers will review and confirm the terms of the possible connected transaction, including but not limited to whether the terms and price are fair and reasonable, and the settlement terms and compliance matters;
4. if the possible connected transaction is approved by the internal departments of the Group, the management of the Group will consider the possible connected transaction based on the internal assessment results, and approve or reject the transaction;
5. if the possible connected transaction is approved by the management of the Group, the finance department and the legal and audit department of the Group will continuously monitor and perform monthly review of the performance of the transaction to ensure that the transaction falls within the terms of the 2024 BII Services Framework Agreement;
6. the designated staff from the finance department of the Group will closely monitor and perform monthly review of the respective total transaction amount of the transactions conducted under the 2024 BII Services Framework Agreement to ensure that the respective proposed annual caps will not be exceeded;
7. in the event that the respective total transaction amount of the transactions conducted under the 2024 BII Services Framework Agreement incurred or to be incurred is expected to reach or exceed the respective proposed annual caps, the finance department of the Company will follow-up by reporting to the senior management of the Company, and in case any revision of the proposed annual caps is required, the Company will take necessary actions in compliance with the requirements under the Listing Rules; and

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## LETTER FROM THE BOARD

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8. the connected transaction of the Group will also be subject to annual review by the independent non-executive Directors and auditors in accordance with the Listing Rules.

### 3. INFORMATION ON THE PARTIES

#### The Company and the Group

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

BII is a company established in the PRC as at the Latest Practicable Date. BII held approximately 55.20% of the Shares through its wholly-owned subsidiary, namely BII HK, thus BII is an ultimate controlling shareholder of the Company. BII is wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality. To the best of the Directors’ knowledge, information and belief, BII is principally engaged in the investment, financing and management of rail transit infrastructure, rail transit equipment manufacturing as well as information technology, and the development and operation of land and estates.

### 4. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the 2024 BII Services Framework Agreement will be conducted in the ordinary and usual course of business of the Group.

As (i) BII has been the ultimate controlling Shareholder of the Company; and (ii) there has been a long-standing business relationship between BII, its subsidiaries and/or associates and the Group, the Directors consider BII, its subsidiaries and/or associate are reliable business partners and further business cooperation will be beneficial to and provide a steady income stream to the Group.

Taking into account the above factors, the Directors consider that:

- (i) the terms and conditions of the 2024 BII Services Framework Agreement were negotiated among the parties on an arm’s length basis and are normal commercial terms that are fair and reasonable;

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## LETTER FROM THE BOARD

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- (ii) the proposed annual caps in respect of the transactions contemplated under the 2024 BII Services Framework Agreement for the years ending 31 December 2025, 2026 and 2027 are fair and reasonable; and
- (iii) the transactions contemplated under the 2024 BII Services Framework Agreement are in the interests of the Company and the Shareholders as a whole.

### 5. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, BII held approximately 55.20% of the Shares (i.e. 1,157,634,900 Shares) through its wholly-owned subsidiary, namely BII HK, thus BII is the ultimate holding company of the Company and is therefore a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the 2024 BII Services Framework Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the 2024 BII Services Framework Agreement are more than 5% and the annual caps in respect of the transactions contemplated under the 2024 BII Services Framework Agreement are expected to be higher than HK\$10 million, such transactions are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, the Company will seek the approval from the Independent Shareholders for the transactions contemplated under the 2024 BII Services Framework Agreement and the related proposed annual caps for the years ending 31 December 2025, 2026 and 2027 at the EGM.

As at the date of the Announcement, Mr. Guan Jifa, a non-executive Director, is the vice general manager of BII, Ms. Sun Fang, a non-executive Director, is the chairman of the board of directors of Beijing Ruubypay Science and Technology Co., Ltd\* (北京如易行科技有限公司), an associate of BII, and Mr. Fang Zhiwei, a non-executive Director, is the general manager of Beijing Metro Network Administration Co., Ltd.\* (北京轨道交通路網管理有限公司), an associate of BII. Accordingly, each of Mr. Guan Jifa, Ms. Sun Fang and Mr. Fang Zhiwei were considered to have a material interest in the transactions contemplated under the 2024 BII Services Framework Agreement by virtue of their management positions held in BII and its associates respectively, and had abstained from voting on the board resolution(s) approving the transactions contemplated under the 2024 BII Services Framework Agreement. Save as disclosed above, none of the Directors had abstained from voting on the board resolution(s) approving the transactions contemplated under the 2024 BII Services Framework Agreement. Save as disclosed above, there were no Directors who were also a director or employee of any substantial shareholder of the Company.

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## LETTER FROM THE BOARD

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### 6. FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the 2024 BII Services Framework Agreement and the related proposed annual caps. The Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the 2024 BII Services Framework Agreement and the related proposed annual caps.

### 7. THE EGM

The EGM will be held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the PRC on 27 December 2024 at 3:00 p.m., during which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the 2024 BII Services Framework Agreement and the transactions contemplated thereunder by way of poll, the results of which will be announced after the EGM.

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should the Shareholders so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 20 December 2024 to Friday, 27 December 2024, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 19 December 2024 (Hong Kong time).

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, BII held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company, through its wholly-owned subsidiary, namely BII HK, thus BII is the ultimate holding company of the Company. BII HK will be required to abstain from voting on the resolution(s) to approve the 2024 BII Services Framework Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the 2024 BII Services Framework Agreement and the transactions contemplated thereunder and will be required to abstain from voting on the resolution(s) to approve the 2024 BII Services Framework Agreement and the transactions contemplated thereunder at the EGM.

### **8. BAD WEATHER ARRANGEMENTS**

Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website ([www.biitt.cn](http://www.biitt.cn)) and on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the postponed meeting.

### **9. RECOMMENDATIONS**

The Directors are of the opinion that the terms of the 2024 BII Services Framework Agreement and the related proposed annual caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolution(s) proposed at the EGM.

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the 2024 BII Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps and the related proposed annual caps, and Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the Independent Financial Adviser containing its recommendation in respect of the 2024 BII Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps are set out on pages 20 to 33 of this circular.

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## LETTER FROM THE BOARD

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### 10. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 20 to 33 of this circular and the information set out in the appendix to this circular.

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

\* *For identification purposes only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.*

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)**

10 December 2024

*To the Independent Shareholders*

Dear Sir and Madam,

**CONTINUING CONNECTED TRANSACTIONS  
2024 BII SERVICES FRAMEWORK AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 10 December 2024 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the Independent Board Committee to advise you as to whether, in our opinion, the terms of 2024 BII Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned. Gram Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 20 to 33 of the Circular. Your attention is also drawn to the “Letter from the Board” of the Circular and the additional information set out in the appendix to the Circular.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the terms of the 2024 BII Services Framework Agreement and the transactions contemplated thereunder and the advice of the Independent Financial Adviser, we consider that the 2024 BII Services Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business and are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the proposed annual caps under the 2024 BII Services Framework Agreement are fair and reasonable so far as the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the 2024 BII Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps.

Yours faithfully,

For and on behalf of

The Independent Board Committee of

**BII Railway Transportation Technology Holdings Company Limited**

**Mr. Luo Zhenbang**

*Independent non-executive  
Director*

**Mr. Huang Lixin**

*Independent non-executive  
Director*

**Mr. Li Wei**

*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

10 December 2024

*To: The independent board committee and the independent shareholders of  
BII Railway Transportation Technology Holdings Company Limited*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2024 BII Services Framework Agreement (including the proposed annual caps) (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 10 December 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, as the term of the 2021 BII Services Framework Agreement will expire after 31 December 2024 and the Group is contemplating to continue the underlying continuing connected transactions with BII, on 23 October 2024, the Company entered into the 2024 BII Services Framework Agreement with BII to renew the term of the 2021 BII Services Framework Agreement. Pursuant to the 2024 BII Services Framework Agreement, the Group would provide BII, its respective subsidiaries and/or associates (the “**BII Group**”) with the Services for the three years ending 31 December 2027.

With reference to the Board Letter, the Transaction constitutes continuing connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Board Committee comprising Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in relation to the connected transaction as set out in the Company's circular dated 21 November 2024. Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company. We have assumed that all information and representations that have been provided by the Company, for which it is solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statements therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BII or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

#### **Background of and reasons for the Transaction**

##### *Information on the Group*

With reference to the Board Letter, 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Set out below are the consolidated financial information of the Group for the two years ended 31 December 2023 and for the six months ended 30 June 2024 (together with comparative figures) as extracted from the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report") and the Company's interim report for the six months ended 30 June 2024 (the "2024 Interim Report"):

	For the six months ended 30 June 2024 HK\$'000 (unaudited)	For the six months ended 30 June 2023 HK\$'000 (unaudited)	Year-on- year change %	For the year ended 31 December 2023 HK\$'000 (audited)	For the year ended 31 December 2022 HK\$'000 (audited)	Year-on- year change %
Revenue	468,982	473,188	(0.89)	1,637,181	1,638,948	(0.11)
– Intelligent passenger information services	167,374	243,942	(31.39)	770,937	742,217	3.87
– Data and integration services	165,240	143,247	15.35	577,432	662,014	(12.78)
– Intelligent infrastructure	136,368	85,999	58.57	288,812	234,717	23.05
Gross profit	189,650	188,375	0.68	591,007	586,299	0.80
Profit for the year/period	3,645	2,632	38.49	185,728	184,999	0.39

As depicted in the above table, the Group's revenue slightly decreased from approximately HK\$1,638.9 million for the year ended 31 December 2022 ("FY2022") to approximately HK\$1,637.2 million for the year ended 31 December 2023 ("FY2023"), representing a decrease of approximately 0.11%. With reference to the 2023 Annual Report, such decrease was mainly due to the impact of exchange rate between Hong Kong dollar and Renminbi ("RMB"). The Group's revenue for FY2023 was equivalent to approximately RMB1,475.3 million, representing a year-on-year increase of approximately 4.3% as compared with the revenue recorded in RMB for FY2022.

Notwithstanding the aforesaid decrease in the Group's revenue, the Group's gross profit for FY2023 increased by approximately 0.80% as compared to that for FY2022; while the Group's gross profit margin for FY2023 increased by approximately 0.33 percentage points as compared to that for FY2022. As a result of foregoing, the Group's profit increased from HK\$185.0 million for FY2022 to approximately HK\$185.7 million for FY2023.

The Group's revenue for 1H2024 slightly decreased by approximately 0.89% as compared to that for the corresponding period in 2023. The Group's revenue from intelligent passenger information services, data and integration services and intelligent infrastructure accounted approximately 35.69%, 35.23% and 29.08% of the Group's revenue for 1H2024, respectively. The Group's gross profit for 1H2024 slightly increased by approximately 0.68% as compared to that for the corresponding period in 2023, while the Group's gross profit margin for 1H2024 was approximately 40.44%, representing an increase of approximately 0.63 percentage points as compared to that for the corresponding period in 2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's profit for 1H2024 was approximately RMB3.6 million, representing an increase of approximately 38.49% as compared to that for the corresponding period in 2023. With reference to the 2024 Interim Report, such increase was mainly due to decrease in (i) selling, general and administrative expenses; (ii) impairment loss on trade, bills and other receivables and contract assets; (iii) research and development expenses, partially offset by the decrease in share of profits of joint ventures and associates and the increase in fair value loss on other financial assets.

As at 30 June 2024, the Group's businesses covered 55 cities in 28 provinces, municipalities, autonomous regions and special administrative regions in China, where it provided products and services, including Intelligent Passenger Information Services, Data and Integration Services, and Intelligent Infrastructure. As for overseas market, it has expanded into 30 cities in 19 overseas countries and regions.

### *Information on BII*

With reference to the Board Letter, BII is a company established in the PRC and is principally engaged in the investment, financing and management of rail transit infrastructure, rail transit equipment manufacturing as well as information technology, and the development and operation of land and estates. As at the Latest Practicable Date, BII is interested in approximately 55.20% of the Shares through its wholly-owned subsidiary, namely BII HK. BII is an ultimate controlling shareholder of the Company and thus a connected person of the Company.

### *Reasons for and benefits of the Transaction*

With reference to the Board Letter, the transactions contemplated under the 2024 BII Services Framework Agreement will be conducted in the ordinary and usual course of business of the Group. As (i) BII has been the ultimate controlling Shareholder of the Company; and (ii) there has been a long-standing business relationship between the BII Group and the Group, the Directors consider members of the BII Group are reliable business partners and further business cooperation will be beneficial to and provide a steady income stream to the Group.

Upon our enquiry, the Directors advised us that the revenue generated from the Services provided to the BII Group has been accounted for revenue under the Group's three existing segments, namely, intelligent passenger information services; data and integration services; and intelligent infrastructure.

Having considered the above, we are of the view that the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Principal terms of the Transaction**

Set out below are the principal terms of the Transaction, details of which are set out under the section headed “2. THE 2024 BII SERVICES FRAMEWORK AGREEMENT” of the Board Letter:

#### *Agreement date*

23 October 2024

#### *Parties*

- (1) The Company; and
- (2) BII.

#### *Term*

The 2024 BII Services Framework Agreement is effective upon fulfilment of the following conditions precedent:

- (i) the Company issuing a circular and obtaining the approval from the Independent Shareholders in relation to the transactions contemplated under the 2024 BII Services Framework Agreement in accordance with the Listing Rules; and
- (ii) the approval from the board of directors of BII in relation to the transactions contemplated under the 2024 BII Services Framework Agreement.

Subject to the fulfilment of the above conditions precedent, the 2024 BII Services Framework Agreement shall be effective between 1 January 2025 and 31 December 2027.

#### *Provision of the Services*

Pursuant to the 2024 BII Services Framework Agreement, the Group agrees to provide the Services to the BII Group during the term of the 2024 BII Services Framework Agreement, provided that (i) the member of the Group is awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm’s length regarding the commercial terms to be set out in the individual agreements for the Services.

#### *Transaction principles*

Pursuant to the 2024 BII Services Framework Agreement, the Group and the BII Group, will enter into individual agreements in relation to the provision of the Services, the terms of such individual agreements (including the service fees) to be entered into will be negotiated by the parties at arm’s length and will be determined by the parties from time to time on normal commercial terms in the ordinary course of business.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Pricing principles and internal control*

Pursuant to the 2024 BII Services Framework Agreement, the price of the transactions contemplated thereunder will be determined as follows:

- (i) where there is government-prescribed price, the government-prescribed price shall be executed;

“government-prescribed price” refers to the price prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC;

- (ii) where there is no government-prescribed price, but there is government-guided price, the government-guided price shall be executed by considering the market factors;

“government-guided price” refers to the price range prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC, which shall be determined by transaction parties within such certain range;

- (iii) where there is neither government-prescribed price nor government-guided price, the price determined through tender process or the market price shall be executed;

“market price” shall be determined in the following order: (a) the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions at or near the area where such services are provided; or (b) where (a) above is not available, the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions in the PRC; or

- (iv) where none of the above three means is available or the above transaction principles are not applicable for use in actual transactions, the agreed price shall be executed;

“agreed price” means the price determined by means of “reasonable cost + reasonable profit”. In an agreement, “reasonable cost” means the cost recognised by both parties after negotiations and permitted by the relevant accounting principles of the PRC (inclusive of sales tax and surcharges); and “reasonable profit” means the profit calculated based on such reasonable cost under market practice.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As advised by the Directors, it is seldom that the pricing principles of government-prescribed price or the government-guided prices are applicable to the Services given the distinctiveness of each individual projects. The pricing principles of government-prescribed price or the government-guided prices had not been applicable for the Group's transactions under the 2021 BII Services Framework Agreement for each of FY2022, FY2023 and 1H2024.

With reference to the Board Letter, in determining the reasonable profit based on the fourth price determination method, the Company will take into account, among others, (i) the complexity and specifications of the Services to be provided; (ii) the Group's available resources at the material time; (iii) the general economic environment; and (iv) market practice. When implementing the fourth price determination method, the Company will endeavour to make reference to the recent price and gross profit margin of at least two similar services provided by the Group to its customers to ensure the reasonableness and fairness of the amount of the profit. As only few historical transactions between the Group and BII under the 2021 BII Services Framework Agreement adopted the fourth price determination method, the Directors expect that the fourth price determination method will only be adopted in a minimal number of transactions during the term of the 2024 BII Services Framework Agreement.

For our due diligence purpose, we obtained from the Company a list of transactions entered into between the Group and the BII Group for each of FY2022, FY2023 and 1H2024. From the aforesaid lists, we randomly selected three projects for each of FY2022, FY2023 and 1H2024 (i.e. nine projects in total) and obtained (i) the relevant project contracts and the tender evaluation and results (in the case where the Group was selected by tender process); or (ii) the relevant project contracts, together with project contracts of similar type of projects entered into between the Group and independent third parties for comparison (in the case where the Group was selected not by tender process). As the sampling was conducted on random selection basis and covered the historical transaction period (up to the latest available month), and the transaction amounts of the sampled projects accounted for approximately 19%, 28% and 29% of the total transaction amount for FY2022, FY2023 and 1H2024, respectively, we consider the number of transactions reviewed to be sufficient from an independent financial adviser's perspective.

Based on the sampled documents, we noted that (i) for the projects where the Group was selected by tender process, the tenderee would assess the tenders submitted by each of the tenderer (including the Group) with reference to factors such as qualification of the tenderers, tender prices and service/delivery period; and (ii) for the projects where the Group was selected not by tender process, the prices charged by the Group to BII Group were no less favourable to the Group than those charged by the Group to independent third parties (the "**Results of Sampling Review**").

With reference to the 2023 Annual Report, the independent non-executive Directors confirmed that the continuing connected transactions entered into by the Group (including the transactions contemplated under the 2021 BII Services Framework Agreement) for FY2023 were in the ordinary and usual course of its business, on normal commercial terms or on terms no less favourable than those available to or from independent third parties, and in accordance with the terms of the agreement governing

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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such transactions that are fair and reasonable and in the interests of the Shareholders as a whole (the “**INEDs Confirmation**”). In addition, the Company’s auditor was engaged to report on the Group’s continuing connected transactions (including the transactions contemplated under the 2021 BII Services Framework Agreement) in accordance with Hong Kong Standard on Assurance Engagement 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules, issued by Hong Kong Institute of Certified Public Accountants. The auditor issued its unqualified letter containing the auditor’s findings and conclusions in respect of the continuing connected transactions disclosed by the Group (including the transactions contemplated under the 2021 BII Services Framework Agreement) for FY2023 in accordance with the Listing Rules 14A.56 (the “**Auditor Confirmation**”).

With reference to the Board Letter, the Group adopted internal control measures as set out under the section headed “Internal control measures” of the Board Letter (the “**IC Measures**”) to ensure the Services provided by the Company under the 2024 BII Services Framework Agreement are (a) on normal commercial terms; and (b) in accordance with respective terms of the 2024 BII Services Framework Agreement. Having taken into account that the IC Measures include:

- (i) the Group’s business department will prepare an estimate of costs and price of the possible connected transaction based on the relevant rules and regulations announced by the government and/or the industry association(s), as well as the market price which is expected to be payable by independent third party in respect of the provision of similar services by the Group;
- (ii) based on the information of the possible connected transaction and the estimates of the costs and price, the operations management department, finance department, legal and audit department and the Company’s external advisers will review and confirm the terms of the possible connected transaction, including but not limited to whether the terms and price are fair and reasonable, and the settlement terms and compliance matters;
- (iii) approvals by internal departments and the Group’s management, and monitoring by the Group’s finance department and legal department; and
- (iv) independent non-executive Directors and the Company’s auditor’s annual review/report,

we consider that implementation of the IC Measures would ensure fair pricing of the Transaction.

Having considered the Results of Sampling Review, the INEDs Confirmation and the Auditor Confirmation, we do not doubt the implementation of the IC Measures.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Proposed annual caps*

Set out below are (i) historical amounts and existing annual caps (the “**Existing Cap(s)**”) of the Transaction for the three years ending 31 December 2024; and (ii) the proposed annual caps (the “**Proposed Cap(s)**”) for the three years ending 31 December 2027:

	For the year ended 31 December 2022 <i>RMB million</i>	For the year ended 31 December 2023 <i>RMB million</i>	For the year ending 31 December 2024 <i>RMB million</i>
Historical transaction amounts	240	328	125 <i>(Note)</i>
Existing Caps	600	800	900
Utilization rate	40%	41%	N/A
	For the year ending 31 December 2025 <i>(“FY2025”)</i> <i>RMB million</i>	For the year ending 31 December 2026 <i>(“FY2026”)</i> <i>RMB million</i>	For the year ending 31 December 2027 <i>(“FY2027”)</i> <i>RMB million</i>
Proposed Caps	900	1,100	1,100

*Note: The figure is for the six months ended 30 June 2024.*

As depicted from the table above, the utilisation rates of the Existing Caps for the two years ended 31 December 2023 were low and the historical transaction amount for 1H2024 only represented approximately 14% of the Existing Cap for the year ending 31 December 2024. We enquired into the Directors regarding the low utilisation of the Existing Caps and the Directors advised us that the low utilisation of the Existing Caps might be caused by unexpected delay in BII Group’s project schedules which were affected by market conditions and economic environment.

The Proposed Caps were determined with reference to the factors as set out under the section headed “The proposed annual caps” of the Board Letter. For our due diligence purpose, we obtained the calculation of the Proposed Caps (the “**Calculation**”) from the Company.

Based on the Calculation, the Proposed Caps for the three years ending 31 December 2027 were calculated based on (i) the estimated transaction amount for each of the three years ending 31 December 2027 (the “**Estimated Amount**”); and (ii) a top-up buffer of approximately 5% on the Estimated Amount (the “**Buffer**”).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Estimated Amount is the sum of the following amounts:

- (i) Estimated transaction amount in relation to orders on hand as at 30 June 2024.

For our due diligence purpose, we obtained from the Company its record for orders on hand as at 30 June 2024, together with its estimation on the transaction amount to be conducted during each of the three years ending 31 December 2027. We noted that the aforesaid record and estimation are consistent with the relevant estimated transaction amounts under the Calculation.

- (ii) Estimated transaction amount in relation to projects with signed contracts and/or expected renewal during the three years ending 31 December 2027, the amount of which was not included in item (i) above.

For our due diligence purpose, we obtained from the Company extracts of relevant contracts and noted that the information contained therein is consistent with the relevant estimated transaction amounts contained in the Calculation.

- (iii) Estimated transaction amount for projects which the Group was selected/expected to be selected as service provider and/or with expected renewal during the three years ending 31 December 2027, pending for signing contracts.

For our due diligence purpose, we obtained from the Company certain supporting documents regarding the aforesaid projects such as notices of service provider selection and previously signed contracts (for reference of estimated transaction amounts). We noted that the information contained in the aforesaid supporting documents are consistent with the relevant estimated transaction amounts under the Calculation.

- (iv) Estimated transaction amount for projects which the Group is expected to be engaged (the “**Potential Projects**”), subject to successful tender or internal approval procedure of the BII Group.

As advised by Directors, these projects mainly include (a) projects in relation to construction/operation of Beijing Subway Line 3, Beijing Subway Line 22 and Beijing Subway Line 28 under 《北京城市軌道交通第二期建設規劃》 (Beijing Urban Rail Transit Phase II Construction Plan\*), Beijing Subway Line 1 branch line and Beijing Subway M101 Line under 《北京城市軌道交通第三期建設規劃》 (Beijing Urban Rail Transit Phase III Construction Plan\*) and first phase of the Urumqi Line 2 under 《烏魯木齊市城市軌道交通近期建設規劃》 (Urumqi Urban Rail Transit Recent Construction Plan\*) (as adjusted); and (b) projects for existing lines.

The Directors also advised us that the estimated transaction amount for the Potential Projects were based on (a) transaction amounts of historical projects in similar nature (“**Reference Projects**”), according to relevant signed

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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contracts and adjusted by various factors such as project size and expected scope of work; or (b) transaction amounts indicated in relevant tender documents.

For our due diligence purpose, we (i) obtained from the Company extracts of signed contracts of the Reference Projects and discussed the adjustment factors with the Company as mentioned above; and (ii) obtained from the Company copies of the aforesaid tender documents.

Based on the Calculation, (a) the sum of items (i), (ii) and (iii) above accounted for approximately 40% to 58% of the Estimated Amount; and (b) item (iv) above accounted for approximately 42% to 60% of the Estimated Amount, for each of the three years ending 31 December 2027.

We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% in determining proposed annual caps is not uncommon among Hong Kong listed companies. Accordingly, we consider the Buffer, which is lower than 10%, to be reasonable.

Having considered the above, we are of the view that the Proposed Caps for the three years ending 31 December 2027 are fair and reasonable.

Shareholders should note that the Proposed Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of revenue or income to be generated from the Transaction. Consequently, we express no opinion as to how closely the actual revenue or income to be generated from the Transaction will correspond with the Proposed Caps.

We noticed that the Proposed Caps represented over 50% of the Group's revenue for FY2023. With reference to the Board Letter:

- (i) Taking into account BII, its subsidiaries and/or associates, being reliant and dependent on the Group for the procurement of the Services in view of the Group's leading position in the industry, the reliance between the Group and BII in relation to the provision of the Services is mutual and complementary.
- (ii) Given that there are barriers to enter the railway transportation industry due to the need to comply with governmental policies and obtaining of government approval, it is industry norm to have one major railway transportation service provider in each city in the PRC, and that BII is the only railway transportation provider in Beijing and the sole owner of Beijing Rail Transit. Therefore, it is also the industry practice for the Group to be reliant on BII to engage the Group for the provision of the Services in Beijing, and there are no substitute customers of similar calibre to the Group for the provision of the Services in Beijing.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We also noted from the Board Letter that the Group has a diversified business model which provides it with a wide variety of substitute customers: (a) regarding the Group's intelligent passenger information services business segment, the Group's main customers include major vehicle OEM (original equipment manufacturer) factories globally; (b) regarding the Group's data & integration services business segment, the Group's main customer is BII (i.e. the only railway transportation provider in Beijing), but the Group has substitute customers of similar calibre as BII in other cities in the PRC; and (c) regarding the Group's intelligent infrastructure business segment, continuing connected transactions with BII accounts for only a small portion of revenue derived from such segment, and the Group is continuously expanding its "Intelligent+" services business, thus there will be a continuous increase in number of customers for this segment.

Having considered the above, we are of the view that it is not a disadvantage to the Group to set the Proposed Caps at over 50% of the Group's revenue for FY2023.

In light of the above, we consider that the terms of the Transaction (including the Proposed Caps) are on normal commercial terms and are fair and reasonable.

### **Listing Rules implications**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transaction must be restricted by the Proposed Caps for the period concerned under the 2024 BII Services Framework Agreement; (ii) the terms of the Transaction (including the Proposed Caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transaction (including the Proposed Caps) must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) has not been approved by the Board; (ii) was not, in all material respects, in accordance with the pricing policies of the Group; (iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) has exceeded the Proposed Caps. In the event that the total amounts of the Transaction are anticipated to exceed the Proposed Caps, or that there is any proposed material amendment to the terms of the 2024 BII Services Framework Agreement, as confirmed by the Directors, the Company shall re-comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.*

\* *For identification purpose only*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations, as defined in Part XV of the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong (the "SFO") and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Director	Long/Short position	Capacity	Number of Shares	Approximate percentage of the issued Shares held as at the Latest Practicable Date
Mr. Cao Mingda <sup>Note</sup> ("Mr. Cao")	Long position	Founder of a discretionary trust who can influence how the trustees exercises its discretion	244,657,815	11.66%

*Note: Mr. Cao is the founder of a discretionary trust and is interested in 244,657,815 Shares through Trident Trust Company (Cayman) Limited, the trustee of the trust, through its controlled company, More Legend Limited.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates had any interests and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code.

**(b) Substantial Shareholders' interests**

As at the Latest Practicable Date, the following persons had interests of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Long/Short position	Capacity	Number of Shares	Approximate percentage of the issued Shares held as at the Latest Practicable Date
BII HK	Long position	Beneficial owner <sup>(Note 1)</sup>	1,157,634,900	55.20%
BII	Long position	Interest of controlled corporation <sup>(Note 1)</sup>	1,157,634,900	55.20%
More Legend Limited	Long position	Beneficial owner <sup>(Note 2)</sup>	244,657,815	11.66%
Toplight Management Limited	Long position	Interest of controlled corporation <sup>(Note 2)</sup>	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Long position	Trustee <sup>(Note 2)</sup>	244,657,815	11.66%
Ms. Pang Ziqian	Long position	Interest of spouse <sup>(Note 3)</sup>	244,657,815	11.66%

*Notes:*

1. BII HK is a wholly-owned subsidiary of BII, a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. By virtue of the SFO, BII is deemed to be interested in the 1,157,634,900 Shares owned by BII HK.
2. More Legend Limited is a wholly-owned subsidiary of Toplight Management Limited, and Trident Trust Company (Cayman) Limited is interested in all the shares in Toplight Management Limited as trustee of the trust. By virtue of the SFO, Toplight Management Limited and Trident Trust Company (Cayman) Limited are deemed to be interested in 244,657,815 Shares owned by More Legend Limited.
3. Ms. Pang Ziqian is the spouse of Mr. Cao and by virtue of the SFO, is deemed to be interested in the 244,657,815 Shares which Mr. Cao is interested in.

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other person having any interests or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### 3. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2023, the date of which the latest published and audited consolidated financial statements of the Company were made up.

### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### 5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

### 6. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who had given its opinions or advice or statements as contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

#### **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

#### **8. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.biitt.cn>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the 2024 BII Services Framework Agreement;
- (b) the letter from Independent Financial Adviser as set out in this circular;
- (c) the letter from the Independent Board Committee as set out in this circular;
- (d) the written consent from the Independent Financial Adviser referred to in the paragraph headed "Qualification and consent of expert" in this Appendix; and
- (e) this circular.

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of BII Railway Transportation Technology Holdings Company Limited (the “Company”) will be physically held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the People’s Republic of China on Friday, 27 December 2024 at 3:00 p.m., to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

### ORDINARY RESOLUTION

**“THAT:**

1. (a) the services framework agreement dated 23 October 2024 between the Company and BII (the “**2024 BII Services Framework Agreement**”) (a copy of the 2024 BII Services Framework Agreement has been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purpose), the terms and conditions thereof and the transactions contemplated thereunder, and the relevant proposed annual cap amounts of the transactions contemplated under the 2024 BII Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 as shown in the Company’s circular dated 10 December 2024 be and are hereby approved, confirmed and ratified; and
- (b) Mr. Liu Yu (an executive director of the Company (the “**Director**”)) be and is hereby authorised to do all such acts and things and to sign and execute all such other documents or instrument for and on behalf of the Company (including the affixation of the common seal of the Company where required) as he may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to the 2024 BII Services Framework Agreement and to implement the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the 2024 BII Services Framework Agreement and any other transactions contemplated under or incidental to the 2024 BII Services Framework Agreement.”

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

Hong Kong, 10 December 2024

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## NOTICE OF EGM

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*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or, if holding two or more shares of the Company, more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

On a show of hands, every shareholder of the Company who is present in person (or being a corporation, is present by a duly authorised representative), shall have one vote provided that where a proxy or more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such person shall have one vote on a show of hands. In the case of a poll, every shareholder of the Company present in person or by proxy or, in the case of a shareholder being a corporation, by a duly authorised representative shall be entitled to one vote for each share held by him/her.

2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 3:00 p.m. on Wednesday, 25 December 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 20 December 2024 to Friday, 27 December 2024, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 19 December 2024 (Hong Kong time).
4. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands.
5. Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website ([www.biitt.cn](http://www.biitt.cn)) and on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the postponed meeting.
6. The form of proxy for use at the EGM is enclosed herewith.

*As at the date of this notice, the executive Directors are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive Directors are Mr. Ren Yuhang, Ms. Sun Fang, Mr. Cao Mingda and Mr. Fang Zhiwei; and the independent non-executive Directors are Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei.*