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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 TRANSACTIONS  
TENANCY AGREEMENTS IN RELATION  
TO LEASING OF PROPERTIES**

The Board announces that on 23 December 2019, Beijing Metro Network entered into the Tenancy Agreements with the Tenants, whereby the Tenants agreed to lease the Properties from Beijing Metro Network for a term of one year from 1 January 2020 to 31 December 2020.

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.12% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and Beijing Metro Network. Accordingly, Beijing Metro Network is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under the Listing Rules. Reference is also made to the announcements of the Company dated 18 September 2019 and 27 September 2019 in relation to, among others, the September Tenancy Agreement pursuant to which BII Zhuoyue agreed to lease a property from BII Technical which was wholly owned by BII. Accordingly, BII Technical is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the September Tenancy Agreement constituted continuing connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios of the transactions contemplated under the Tenancy Agreements, both on a standalone basis and together with the transactions contemplated under the September Tenancy Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Tenancy Agreements (both on a standalone basis and together with the transactions under the September Tenancy Agreement on an aggregated basis) are subject to the reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## INTRODUCTION

The Board announces that on 23 December 2019, Beijing Metro Network entered into the Tenancy Agreements with the Tenants, whereby the Tenants agreed to lease the Properties from Beijing Metro Network for a term of one year from 1 January 2020 to 31 December 2020.

## THE TENANCY AGREEMENTS

### (a) BII Zhuoyue Tenancy Agreement

Date: 23 December 2019

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

Transaction nature: Leasing of Property A by BII Zhuoyue from Beijing Metro Network

Term: One year from 1 January 2020 to 31 December 2020

Rent: RMB4,615,662.60 (equivalent to approximately HK\$5,261,855.4) per annum (inclusive of management, heat, water and electricity fees, but exclusive of self-consumed electricity, telecommunications and parking fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 366 days); and (iii) RMB6 per square metre of gross floor area per day (“**Rental Basis**”)

### (b) ERG BJ Tenancy Agreement

Date: 23 December 2019

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

Transaction nature: Leasing of Property B by ERG BJ from Beijing Metro Network

Term: One year from 1 January 2020 to 31 December 2020

Rent: RMB1,309,145.40 (equivalent to approximately HK\$1,492,425.76) per annum (inclusive of management, heat, water and electricity fees, but exclusive of self-consumed electricity, telecommunications and parking fees), which is calculated based on the Rental Basis

## **Other major terms**

Beijing Metro Network has the right to re-enter the Properties by way of giving a one-month notice to the Tenants, upon which the Tenants shall unconditionally vacate the Properties and reallocate themselves according to the arrangement made by Beijing Metro Network.

Upon the expiry of the term of the Tenancy Agreements, the Tenants shall make a renewal request to Beijing Metro Network 90 days in advance prior to the expiration of the term of the Tenancy Agreements if the Tenants wish to renew the Tenancy Agreements. The Tenants shall have priority to renew the Tenancy Agreements if the Tenants fulfill the above requirement.

## **Consideration**

The consideration in respect of the transactions contemplated under the Tenancy Agreements for the year ending 31 December 2020 will be RMB5,924,808 (equivalent to approximately HK\$6,754,281.12), which is calculated with reference to the aggregate annual rent payable by the Tenants to Beijing Metro Network pursuant to the Tenancy Agreements.

The terms of the Tenancy Agreements (together with the consideration) were determined based on the open bidding process conducted through the CBEX after making reference to the prevailing market rates which are around RMB7 to RMB10 per square metre of gross floor area per day. The rental payment will be paid in cash in one lump sum after signing of the Tenancy Agreements.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

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

The Directors (including the independent non-executive Directors) are of the opinion that the transactions contemplated under the Tenancy Agreements are entered into in the ordinary and usual course of business of the Group; and the Tenancy Agreements (together with the consideration) have been entered into on normal commercial terms, and the terms of the transactions contemplated under the Tenancy Agreements (together with the consideration) are fair and reasonable and in the interests of the Company and its shareholders as a whole, and are beneficial to our Group's business development and stable operation management.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.12% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and Beijing Metro Network. Accordingly, Beijing Metro Network is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under the Listing Rules. Reference is also made to the announcements of the Company dated 18 September 2019 and 27 September 2019 in relation to, among others, the September Tenancy Agreement pursuant to which BII Zhuoyue agreed to lease a property from BII Technical which was wholly owned by BII. Accordingly, BII Technical is an associate of BII and BII HK, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the September Tenancy Agreement constituted continuing connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios of the transactions contemplated under the Tenancy Agreements, both on a standalone basis and together with the transactions contemplated under the September Tenancy Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Tenancy Agreements (both on a standalone basis and together with the transactions under the September Tenancy Agreement on an aggregated basis) are subject to the reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Zhang Yanyou, a non-executive Director and the chairman of the Board, was the chairman of the board of directors of BII. Mr. Guan Jifa, a non-executive Director, was the vice general manager of BII. Mr. Zheng Yi, a non-executive Director, was the assistant to general manager of BII and the general manager of the rail transit department of BII. Mr. Ren Yuhang, a non-executive Director, was the board secretary and the general manager of the investment and development department of BII. Beijing Metro Network is a subsidiary of BII and is also the landlord in the transactions contemplated under the Tenancy Agreements. Accordingly, each of Mr. Zhang Yanyou, Mr. Guan Jifa, Mr. Zheng Yi and Mr. Ren Yuhang was considered to have a material interest in the transactions contemplated under the Tenancy Agreements by virtue of their management position held in BII respectively and had abstained from voting on the board resolution(s) approving the transactions contemplated under the Tenancy Agreements.

## **GENERAL**

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

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

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Metro Network”	北京軌道交通路網管理有限公司 (Beijing Metro Network Administration Co., Ltd*), a company established in the PRC with limited liability whose entire issued share capital is owned by BII
“BII”	北京市基礎設施投資有限公司 (Beijing Infrastructure Investment Co., Ltd.*), a company established in the PRC with limited liability and interested in approximately 55.12% of the issued share capital of the Company through BII HK as at the date of this announcement, and which is wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“BII HK”	Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by BII, and held approximately 55.12% of the issued share capital of the Company as at the date of this announcement
“BII Technical”	北京軌道交通技術裝備集團有限公司 (BII Technical Equipment Group Co., Ltd.*), a company established in the PRC with limited liability whose entire issued share capital is owned by BII
“BII Zhuoyue”	北京京投卓越科技發展有限公司 (BII Technology Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“BII Zhuoyue Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and BII Zhuoyue dated 23 December 2019 in relation to the leasing of Property A by BII Zhuoyue from Beijing Metro Network
“Board”	the board of Directors

“CBEX”	北京產權交易所有限公司 (China Beijing Equity Exchange Company Limited*), an equity trading institution approved by the People’s Government of Beijing Municipality in the PRC
“Company”	BII Railway Transportation Technology Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“ERG BJ”	億雅捷交通系統(北京)有限公司 (BII Transit Systems (Beijing) Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“ERG BJ Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and ERG BJ dated 23 December 2019 in relation to the leasing of Property B by ERG BJ from Beijing Metro Network
“Group”	collectively, the Company and its subsidiaries, from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	collectively, Property A and Property B
“Property A”	2nd to 4th Floors, Block 4, Jingtou Plaza with a total gross floor area of approximately 2,101.85 sq.m. which is erected on a parcel of land and is situated at No. 6, Xiaoying Road North, Zhaoyang District, Beijing City, the PRC
“Property B”	1st Floor, Block 4, Jingtou Plaza with a total gross floor area of approximately 596.15 sq.m. which is erected on a parcel of land and is situated at No. 6, Xiaoying Road North, Zhaoyang District, Beijing City, the PRC
“Property C”	11th Floor, Block 1, Building No. 3 with a total gross floor area of approximately 118.42 sq.m. which is situated at Yuren South Road, Fengtai District, Beijing City, the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“September Tenancy Agreement”	the tenancy agreement entered into between BII Technical and BII Zhuoyue dated 18 September 2019 in relation to the leasing of Property C by BII Zhuoyue from BII Technical for a term from 1 October 2019 to 30 September 2020 at an annual rent of RMB238,379.46 (equivalent to approximately HK\$271,752.58), further details of such tenancy agreement were set out in the announcements of the Company dated 18 September 2019 and 27 September 2019
“Tenancy Agreements”	collectively, BII Zhuoyue Tenancy Agreement and ERG BJ Tenancy Agreement
“Tenants”	collectively, BII Zhuoyue and ERG BJ
“sq.m”	square metres
“%”	per cent

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

Hong Kong, 23 December 2019

*For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.14.*

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

\* *For identification purposes only*