

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## 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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 10% EQUITY INTEREST IN BII TRANSPORTATION TECHNOLOGY (BEIJING) CO., LTD.\***

#### **THE ACQUISITION**

The Board is pleased to announce that on 20 February 2019 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, 10% equity interest in the Target Company at the Consideration of RMB17,688,060 (equivalent to approximately HK\$20,518,000).

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Target Company was a non-wholly owned subsidiary of the Company, which was held as to 90% and 10% by the Purchaser and the Vendor, respectively. The Vendor is therefore a substantial shareholder of the Target Company and hence a connected person of the Company. The Acquisition therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Acquisition and all independent non-executive Directors have confirmed that the terms thereof are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Acquisition is only subject to the reporting and announcement requirements, and is exempted from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **THE ACQUISITION**

The Board is pleased to announce that on 20 February 2019 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, 10% equity interest in the Target Company at the Consideration of RMB17,688,060 (equivalent to approximately HK\$20,518,000).

## **THE EQUITY TRANSFER AGREEMENT**

The major terms of the Equity Transfer Agreement are set out as follows:

**Date:** 20 February 2019

**Parties:**

1. the Purchaser, as purchaser; and
2. the Vendor, as vendor.

The Target Company is beneficially owned as to 90% and 10% by the Purchaser and the Vendor, respectively. The Vendor is a substantial shareholder of a non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company. As at the date of this announcement, save as disclosed above, the ultimate beneficial owner(s) of the Vendor is a third party independent of the Company and its connected persons.

### **Subject matter**

Pursuant to the Equity Transfer Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell, 10% equity interest in the Target Company.

The Vendor acquired 10% equity interest in the Target Company in 2012 at a consideration of RMB3,280,000 (equivalent to approximately HK\$3,805,000).

As at the date of this announcement, the Target Company is a non-wholly owned subsidiary of the Company. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company, and the financial information of the Target Company will continue to be consolidated into the accounts of the Group.

## **Consideration**

The Consideration of RMB17,688,060 (equivalent to approximately HK\$20,518,000) was determined based on, among others, the consideration arrived at the open bidding process conducted through the CBEX on 29 December 2018.

The Consideration shall be paid by the Purchaser in the following manner:

- (i) RMB5,300,000, being the refundable deposit for participating in the bidding process which has been paid on 1 February 2019, will be applied towards part payment of the Consideration; and
- (ii) the remaining RMB12,388,060 shall be paid within five business days after the date of the Equity Transfer Agreement.

The payment of the Consideration will be funded by internal resources of the Group.

## **Completion**

Pursuant to the terms of the Equity Transfer Agreement, within 30 business days after the receipt of the equity transaction certificate (產權交易憑證) issued by the CBEX, the Vendor shall proceed with the registration procedures regarding the transfer of the equity interest in the Target Company with the relevant registration authority.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, the Target Company was a non-wholly owned subsidiary of the Company. It has a registered capital of RMB80,000,000 (equivalent to approximately HK\$92,800,000), all of which has been paid up. The Target Company is principally engaged in provision of technical research and development, intelligent railway transport construction, operation and maintenance services.

## Financial information of the Target Company

Set out below is the audited financial information of the Target Company for the two years ended 31 December 2017 in accordance with the International Financial Reporting Standards:

	For the year ended	
	31 December 2016 <i>RMB'000</i> (approximately)	31 December 2017 <i>RMB'000</i> (approximately)
Profit/(loss) before tax	25,731	49,748
Profit/(loss) after tax	21,781	42,708

The audited net asset value of the Target Company as at 31 December 2017 in accordance with the International Financial Reporting Standards amounted to approximately RMB156,482,000 (equivalent to approximately HK\$181,519,000).

## INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

### The Purchaser and the Group

The Purchaser is a company established in the PRC with limited liability and is a wholly owned subsidiary of the Company. The Purchaser is principally engaged in the provision of civil communication transmission system leasing service. 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 civil communication transmission services and supplementing with new business development through joint ventures and partnership”, thereby building a business layout of providing the whole life-cycle service for the development of urban railway transportation. The Group’s intelligent railway transportation services provides design, implementation and sale, and maintenance of application solution services, including related software; and the Group has been aiming for scientific and technological innovations such as rail transit cloud platform construction and big data construction and analysis, so as to promote the development of urban rail transit systems from informationised business to intelligent business.

### The Vendor

To the best of the Directors’ knowledge, information and belief, the Vendor is established in the PRC with limited liability, and is principally engaged in provision of railway transportation planning and technical advice, and construction project management and consultation services.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

The Target Company is principally engaged in design, implementation, sale, and maintenance of application solutions for the networking and controlling systems of public transport companies. By acquiring the remaining 10% equity interest in the Target Company, the Target Company will become a wholly-owned subsidiary of the Company. The Company will therefore have complete control over the Target Company which can maximise its autonomy to manage its operations and enhance the profit return of the Group.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that, although the Acquisition is not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement and the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Acquisition and therefore none of them has abstained from voting from the Board meeting for considering and approving the Acquisition.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Target Company was a non-wholly owned subsidiary of the Company, which was held as to 90% and 10% by the Purchaser and the Vendor, respectively. The Vendor is therefore a substantial shareholder of the Target Company and hence a connected person of the Company. The Acquisition therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Acquisition and all independent non-executive Directors have confirmed that the terms thereof are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Acquisition is only subject to the reporting and announcement requirements, and is exempted from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## DEFINITIONS

“Acquisition”	the acquisition of 10% equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Equity Transfer Agreement
“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, and the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	the consideration for the Acquisition in the sum of RMB17,688,060 (equivalent to approximately HK\$20,518,000)
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	an equity transfer agreement dated 20 February 2019 and entered into by the Purchaser and the Vendor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	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, a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	北京京投億雅捷交通科技有限公司 (BII Transportation Technology (Beijing) Co., Ltd.*), a company established in the PRC with limited liability, and a non-wholly owned subsidiary of the Company which was owned as to 90% and 10% by the Purchaser and the Vendor, respectively, as at the date of this announcement
“Vendor”	北京城市軌道交通諮詢有限公司 (Beijing Metro Consultation Co., Ltd.*), a company established in the PRC with limited liability and a substantial shareholder of the Target Company
“%”	per cent

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

Hong Kong, 20 February 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\$1.16.*

*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*