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**京投軌道交通科技控股有限公司**  
**BII Railway Transportation Technology Holdings Company Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1522)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO CAPITAL INJECTION IN  
BEIJING METRO**

**THE CAPITAL INJECTION**

The Board is pleased to announce that on 4 December 2018 (after trading hours), the Company and Beijing Subway Operation entered into the Capital Injection Agreement, pursuant to which the Company and Beijing Subway Operation will make capital injection of RMB245.0 million (equivalent to approximately HK\$274.4 million) and RMB255.0 million (equivalent to approximately HK\$285.6 million), respectively, into Beijing Metro, which is in proportion to their respective equity holdings in Beijing Metro. Upon completion of the Capital Injection, the Company and Beijing Subway Operation will remain interested in 49% and 51% of the equity interest in Beijing Metro, respectively.

**LISTING RULES IMPLICATIONS**

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

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## **THE CAPITAL INJECTION AGREEMENT**

The major terms of the Capital Injection Agreement are set out as follows:

- Date:** 4 December 2018
- Parties:**
1. the Company; and
  2. Beijing Subway Operation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing Subway Operation and its beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

### **Capital Injection**

Pursuant to the Capital Injection Agreement, the Company and Beijing Subway Operation will make capital injection of RMB245.0 million (equivalent to approximately HK\$274.4 million) and RMB255.0 million (equivalent to approximately HK\$285.6 million), respectively, into Beijing Metro, which is in proportion to their respective equity holdings in Beijing Metro. The Company and Beijing Subway Operation shall make payments in a lump sum within three months from the date of the Capital Injection Agreement.

Upon completion of the Capital Injection, Beijing Metro will have a registered capital of RMB1.0 billion (equivalent to approximately HK\$1.1 billion). The Company and Beijing Subway Operation will remain interested in 49% and 51% of the equity interest in Beijing Metro, respectively. The financial statements of Beijing Metro had not, and will not be consolidated in the audited consolidated financial statements of the Company before and after completion of the Capital Injection.

The amount of Capital Injection has been arrived after arm's length negotiations amongst the parties to the Capital Injection Agreement with reference to the equity interest in Beijing Metro held by each of the Company and Beijing Subway Operation, and the capital requirements for the future operations of business in Beijing Metro.

### **INFORMATION ON BEIJING METRO**

Beijing Metro is a company established in the PRC with limited liability. As at the date of this announcement, it has a registered capital of RMB500.0 million (equivalent to approximately HK\$560.0 million), all of which has been paid up. Beijing Metro is principally engaged in investing, constructing, operating, managing subway lines, operating value-added services and related property development, including managing the Operating Income Rights of Beijing Subway Airport Express, Dongzhimen Terminal and new lines of the Beijing Subway.

## Financial information of Beijing Metro

Set out below is the audited financial information of Beijing Metro for the two years ended 31 December 2017:

	For the year ended	
	31 December 2016	31 December 2017
	RMB'000	RMB'000
	(approximately)	(approximately)
Profit/(loss) before tax	(1,480)	19,580
Profit/(loss) after tax	(1,480)	14,382

The audited net asset value of Beijing Metro as at 31 December 2017 amounted to approximately RMB 513.0 million (equivalent to approximately HK\$574.6 million).

### INFORMATION ON THE PARTIES TO THE CAPITAL INJECTION AGREEMENT

Beijing Subway Operation mainly engages in railway operation management of the Beijing Subway. It is a large professional state-owned enterprise focusing on the operation of city railway transportation network.

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 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.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Beijing Subway Operation and its beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INJECTION AGREEMENT

The Board believes that the Capital Injection will help the Group further expand the exploration of business operation management related to the city railway transportation. The Capital Injection will effectively improve the financial strength of Beijing Metro, which helps Beijing Metro meet its capital requirements for operations and investments in private-public partnership projects. Further, the increase of financial strength of Beijing Metro will improve its competitiveness by strengthening its ability to raise funds for the purpose of participating in tendering and bidding of private-public partnership projects, which may in turn broaden the Group’s income and enhance the Group’s financial performance.

In view of the above, the Directors consider that although the Capital Injection Agreement is not in the ordinary and usual course of business of the Group, the terms of the Capital Injection Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. The Capital Injection will be funded by internal resources of the Group.

## LISTING RULES IMPLICATIONS

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

## DEFINITIONS

“Beijing Subway Operation”	北京市地鐵運營有限公司 (Beijing Subway Operation Co., Ltd.*), a company established under the PRC law with limited liability and directly administered by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and one of the operators of the Beijing Subway, and an independent third party
“Beijing Metro”	北京京城地鐵有限公司 (Beijing Metro Co., Ltd.*), a company registered in the PRC with limited liability and its equity interest is held by the Company and Beijing Subway Operation as to 49% and 51%, respectively, as at the date of this announcement
“Beijing Subway”	the transit rail network that serves the urban and suburban districts of Beijing municipality which is owned by the city of Beijing
“Board”	the board of Directors
“Capital Injection”	capital injection of RMB245.0 million and RMB255.0 million from the Company and Beijing Subway Operation, respectively, to Beijing Metro in accordance with the terms of the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement dated 4 December 2018 relating to the Capital Injection entered into between the Company and Beijing Subway Operation
“Company”	BII Railway Transportation Technology Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“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
“Operating Income Rights”	the rights to various types of income derived from the operation of the railway transportation, such as ticketing income, advertising income and rental income
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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
“%”	per cent

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

Hong Kong, 4 December 2018

*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\$1.12.*

*As at the date of this announcement, the executive Directors are Mr. Cao Wei and Ms. Xuan Jing; the non-executive Directors are Mr. Guan Jifa, Mr. Hao Weiya, 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*