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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 TENANCY AGREEMENT IN RELATION TO LEASING OF PROPERTY**

Reference is made to the announcements of the Company dated 18 September 2019 and 27 September 2019 in relation to, among others, the existing tenancy agreement dated 18 September 2019 and signed by BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. As the existing tenancy agreement regarding the lease of Property C will expire on 30 September 2020, on 21 September 2020, BII Zhuoyue and BII Technical entered into the Property C Tenancy Agreement, pursuant to which BII Zhuoyue agreed to lease Property C from BII Technical for a term of one year from 1 October 2020 to 30 September 2021.

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 BII Technical. 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 transaction contemplated under the Property C Tenancy Agreement constitutes continuing connected transaction for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 23 December 2019 in relation to, among others, the Property A Tenancy Agreement and the Property B Tenancy Agreement, pursuant to which each of BII Zhuoyue and ERG BJ agreed to lease Property A and Property B, respectively, from Beijing Metro Network. Beijing Metro Network is wholly owned by BII. 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 Property A Tenancy Agreement and the Property B Tenancy Agreement constituted continuing connected transactions for the Company under the Listing Rules.

As the applicable percentage ratios of the transaction contemplated under the Property C Tenancy Agreement, together with the transactions contemplated under the Property A Tenancy Agreement and the Property B Tenancy Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Property C Tenancy Agreement, and together with the transactions contemplated under the Property A Tenancy Agreement and the Property B 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**

Reference is made to the announcements of the Company dated 18 September 2019 and 27 September 2019 in relation to, among others, the existing tenancy agreement dated 18 September 2019 and signed by BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. As the existing tenancy agreement regarding the lease of Property C will expire on 30 September 2020, on 21 September 2020, BII Zhuoyue and BII Technical entered into the Property C Tenancy Agreement, pursuant to which BII Zhuoyue agreed to lease Property C from BII Technical for a term of one year from 1 October 2020 to 30 September 2021.

## **THE PROPERTY C TENANCY AGREEMENT**

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

Date: 21 September 2020

Parties: (1) BII Technical, as landlord; and  
(2) BII Zhuoyue, as tenant

Transaction nature: Leasing of Property C by BII Zhuoyue from BII Technical

Term: One year from 1 October 2020 to 30 September 2021

BII Zhuoyue shall make a renewal request to BII Technical three months in advance prior to the expiration of the term of the Property C Tenancy Agreement if BII Zhuoyue wishes to renew the Property C Tenancy Agreement. The parties thereto shall negotiate the renewal of the Property C Tenancy Agreement thereafter

Deposit: RMB20,000 which is refundable within 15 business days from the termination of the Property C Tenancy Agreement

Rent: RMB237,728.15 (equivalent to approximately HK\$271,010.09) per annum (inclusive of management, air-conditioning, heat, water, electricity and broadband fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 365 days); and (iii) RMB5.5 per sq.m. of gross floor area per day

## **ANNUAL GROSS RENT**

The consideration in respect of the transaction contemplated under the Property C Tenancy Agreement for the year ending 31 December 2020 and 2021 will be RMB59,920.52 (equivalent to approximately HK\$68,309.39) and RMB177,807.63 (equivalent to approximately HK\$202,700.70), respectively, which is calculated with reference to the aggregate annual rent payable by BII Zhuoyue to BII Technical pursuant to the Property C Tenancy Agreement.

The annual gross rent in respect of the transactions under the Tenancy Agreements (i.e. the Property A Tenancy Agreement, the Property B Tenancy Agreement and the Property C Tenancy Agreement) in aggregate for each of the year ending 31 December 2020 and 2021 is RMB5,984,728.52 (equivalent to approximately HK\$6,822,590.51) and RMB177,807.63 (equivalent to approximately HK\$202,700.70), respectively, which is calculated with reference to the aggregate annual rent payable by the Group under the Tenancy Agreements.

The terms of the Property C Tenancy Agreement, including the rental payment, were determined after arm's length negotiations between the parties and after making reference to the prevailing market rates. The rental payment will be paid in cash quarterly after signing of the Property C Tenancy Agreement.

## **REASONS FOR AND BENEFITS OF THE PROPERTY C TENANCY AGREEMENT**

BII Technical principally engages in the manufacture of metro vehicles and maglev trains; and the Company principally engages in the intelligent railway transportation businesses. The Company believes that the manufacturing business of BII Technical may create synergy with the intelligent railway transportation business of the Group involving the development of intelligent systems for railway transportation, as intelligent systems and application solutions are essential to build smart train vehicles. Since Property C locates in the office building of BII Technical, the Directors are of the view that through the leasing of Property C, it will create a convenient environment for collaborations, technical skills exchanges and cooperation with BII Technical, with the aim to increase business opportunities for the Group.

Reference is made to the announcements of the Company dated 18 September 2019 and 27 September 2019 in relation to, among others, the existing tenancy agreement dated 18 September 2019 and signed by BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. During the term of the lease of Property C, the Group and BII Technical had cooperated and worked together to develop intelligent systems for railway transportations and applied them on smart trains. As the existing tenancy agreement of Property C will expire on 30 September 2019, the entering into of the Property C Tenancy Agreement enables the Group to continue to lease an office inside the office building of BII Technical, which may create further cooperation opportunities between BII Technical and the Group. Property C is intended to be used as one of the Group's offices for the relevant project staff to work at Property C as further business co-operations with BII Technical are expected.

The Directors (including the independent non-executive Directors) are of the opinion that the transaction contemplated under the Property C Tenancy Agreement is entered into in the ordinary and usual course of business of the Group, and the Property C Tenancy Agreement (together with the rental payment) have been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transaction contemplated under the Property C Tenancy Agreement (together with the rental payment) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.12% 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 BII Technical. 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 transaction contemplated under the Property C Tenancy Agreement constitutes continuing connected transaction for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 23 December 2019 in relation to, among others, the Property A Tenancy Agreement and the Property B Tenancy Agreement, pursuant to which each of BII Zhuoyue and ERG BJ agreed to lease Property A and Property B, respectively, from Beijing Metro Network. Beijing Metro Network is wholly owned by BII. 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 Property A Tenancy Agreement and the Property B Tenancy Agreement constituted continuing connected transactions for the Company under the Listing Rules.

As the applicable percentage ratios of the transaction contemplated under the Property C Tenancy Agreement, together with the transactions contemplated under the Property A Tenancy Agreement and the Property B Tenancy Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Property C Tenancy Agreement, and together with the transactions contemplated under the Property A Tenancy Agreement and the Property B 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. BII Technical is a subsidiary of BII and is also the landlord in the transaction contemplated under the Property C Tenancy Agreement. 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 Property C Tenancy Agreement 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 Property C Tenancy Agreement.

## **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, BII Technical was a company established in the PRC with limited liability and its principal activity was the manufacturing of metro vehicles and maglev trains.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Beijing Metro Network”	北京軌道交通路網管理有限公司 (Beijing Metro Network Administration Co., Ltd*), a company established in the PRC with limited liability whose entire issued 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
“Board”	the board of Directors
“Company”	BII Railway Transportation Technology Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“ERG BJ”	億雅捷交通系統(北京)有限公司 (BII Transit Systems (Beijing) Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	collectively, the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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 A 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, i.e. the BII Zhuoyue Tenancy Agreement in the announcement of the Company dated 23 December 2019
“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 B 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, i.e. the ERG BJ Tenancy Agreement in the announcement of the Company dated 23 December 2019
“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
“Property C Tenancy Agreement”	the tenancy agreement entered into between BII Technical and BII Zhuoyue dated 21 September 2020 in relation to the leasing of Property C by BII Zhuoyue from BII Technical
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreements” collectively, the Property A Tenancy Agreement, the Property B Tenancy Agreement and the Property C Tenancy Agreement

“%” per cent

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

Hong Kong, 21 September 2020

*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*