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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 25 January 2021, Beijing Metro Network entered into the Property E Tenancy Agreement and the Property F Tenancy Agreement, with ERG BJ and BII Zhuoyue respectively, whereby each of ERG BJ and BII Zhuoyue agreed to lease Property E and Property F, respectively, from Beijing Metro Network for a term from 25 January 2021 to 30 September 2021.

The Board also announces that on 25 January 2021, Beijing Metro Network entered into the Property G Tenancy Agreement with Litmus, whereby Litmus agreed to lease Property G from Beijing Metro Network for a term from 1 February 2021 to 31 December 2021.

As at the date of this announcement, BII HK held 1,157,634,900 shares in the Company, representing approximately 55.20% 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 each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 24 December 2020 in relation to, among others, the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D. The transactions contemplated under the Property D Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 21 September 2020 in relation to, among others, the Property C Tenancy Agreement entered into between BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. BII is the sole beneficial shareholder of BII Technical. Accordingly, BII Technical is an associate of BII, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property C Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Property C Tenancy Agreement and the Property D Tenancy Agreement would be aggregated with the transactions contemplated under the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement, as such tenancy agreements were entered into or completed within a 12-month period. As the applicable percentage ratios of the transactions contemplated under the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement, together with the transactions contemplated under the Property C Tenancy Agreement and the Property D Tenancy Agreement, on an aggregated basis, are more than 0.1% but less than 5%, such transactions contemplated 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 25 January 2021, Beijing Metro Network entered into the Property E Tenancy Agreement and the Property F Tenancy Agreement with ERG BJ and BII Zhuoyue respectively, whereby each of ERG BJ and BII Zhuoyue agreed to lease Property E and Property F, respectively, from Beijing Metro Network for a term from 25 January 2021 to 30 September 2021.

The Board also announces that on 25 January 2021, Beijing Metro Network entered into the Property G Tenancy Agreement with Litmus, whereby Litmus agreed to lease Property G from Beijing Metro Network for a term from 1 February 2021 to 31 December 2021.

## **THE PROPERTY E TENANCY AGREEMENT**

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

Date: 25 January 2021

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

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

Term: 249 days from 25 January 2021 to 30 September 2021

ERG BJ shall make a renewal request to Beijing Metro Network 90 days in advance prior to the expiration of the term of the Property E Tenancy Agreement if ERG BJ wishes to renew the Property E Tenancy Agreement, ERG BJ shall have priority to lease Property E under the same terms and conditions of the Property E Tenancy Agreement if ERG BJ fulfils the above requirement.

Deposit: RMB226,391.25 (equivalent to approximately HK\$269,405.59), which is payable within 30 business days from the signing of the Property E Tenancy Agreement and refundable upon the termination of the Property E Tenancy Agreement

Rent: RMB615,677.40 (equivalent to approximately HK\$732,656.11) for 249 days (inclusive of property fees, heat, water, electricity fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 249 days); and (iii) RMB6.5 per sq.m. of gross floor area per day

## **THE PROPERTY F TENANCY AGREEMENT**

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

Date: 25 January 2021

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

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

Term: 249 days from 25 January 2021 to 30 September 2021

BII Zhuoyue shall make a renewal request to Beijing Metro Network 90 days in advance prior to the expiration of the term of the Property F Tenancy Agreement if BII Zhuoyue wishes to renew the Property F Tenancy Agreement, BII Zhuoyue shall have priority to lease Property F under the same terms and conditions of the Property F Tenancy Agreement if BII Zhuoyue fulfils the above requirement.

Deposit: RMB1,362,751.57 (equivalent to approximately HK\$1,621,674.36), which is payable within 30 business days from the signing of the Property F Tenancy Agreement and refundable upon the termination of the Property F Tenancy Agreement

Rent: RMB3,706,041.30 (equivalent to approximately HK\$4,410,189.15) for 249 days (inclusive of property fees, heat, water, electricity fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 249 days); and (iii) RMB6.5 per sq.m. of gross floor area per day

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

Date: 25 January 2021

Parties: (1) Beijing Metro Network, as landlord; and  
(2) Litmus, as tenant

Transaction nature: Leasing of Property G by Litmus from Beijing Metro Network

Term: 334 days from 1 February 2021 to 31 December 2021

Litmus shall make a renewal request to Beijing Metro Network 90 days in advance prior to the expiration of the term of the Property G Tenancy Agreement if Litmus wishes to renew the Property G Tenancy Agreement, Litmus shall have priority to lease Property G under the same terms and conditions of the Property G Tenancy Agreement if Litmus fulfils the above requirement.

Deposit: RMB22,174.94 (equivalent to approximately HK\$26,388.18), which is payable within 30 business days from the signing of the Property G Tenancy Agreement and refundable upon the termination of the Property G Tenancy Agreement

Rent: RMB78,807.30 (equivalent to approximately HK\$93,780.69) for 334 days (inclusive of property fees, heat, water, electricity fees), which is calculated based on the multiple of (i) the total gross floor area; (ii) the term (i.e. 334 days); and (iii) RMB6.5 per sq.m. of gross floor area per day

## **ANNUAL GROSS RENT**

The consideration in respect of the transactions contemplated under the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement for the year ending 31 December 2021 will be RMB615,677.40 (equivalent to approximately HK\$732,656.11), RMB3,706,041.30 (equivalent to approximately HK\$4,410,189.15) and RMB78,807.30 (equivalent to approximately HK\$93,780.69) respectively, which is calculated with reference to the rent payable for 249 days by ERG BJ and BII Zhuoyue to Beijing Metro Network pursuant to the Property E Tenancy Agreement and Property F Tenancy Agreement, and the rent payable for 334 days by Litmus to Beijing Metro Network pursuant to the Property G Tenancy Agreement respectively.

The annual gross rent in respect of the transactions under the Tenancy Agreements (i.e. the Property C Tenancy Agreement, the Property D Tenancy Agreement, the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement) in aggregate for the year ending 31 December 2021 is RMB5,512,149.64 (equivalent to approximately HK\$6,559,458.07), which is calculated with reference to the aggregate annual rent payable by the Group under the Tenancy Agreements.

Each of the terms of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement including the rental payment, was 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 E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement respectively.

## **REASONS FOR AND BENEFITS OF THE PROPERTY E TENANCY AGREEMENT, PROPERTY F TENANCY AGREEMENT AND PROPERTY G TENANCY AGREEMENT**

Reference is 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. Each of the Property A Tenancy Agreement and the Property B Tenancy Agreement expired on 31 December 2020. Therefore, the Group had to seek new locations for its office premises.

Each of the Property E Tenancy Agreement and the Property F Tenancy Agreement sets 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.

Reference is also made to the announcement of the Company dated 24 December 2020 in relation to, among others, the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D. As the Group had to seek more space for its office use, the Group entered in the Property G Tenancy Agreement to expand its office space in Property G, which is on the same floor as Property D. The Directors are of the view that it represents an opportunity for the Group to expand its office space conveniently and 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 each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement are entered into in the ordinary and usual course of business of the Group, and each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement (together with the rental payment) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G 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 55.20% 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 each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 24 December 2020 in relation to, among others, the Property D Tenancy Agreement entered into between Litmus (as tenant) and Beijing Metro Network (as landlord) regarding the lease of Property D. The transactions contemplated under the Property D Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Reference is also made to the announcement of the Company dated 21 September 2020 in relation to, among others, the Property C Tenancy Agreement entered into between BII Zhuoyue (as tenant) and BII Technical (as landlord) regarding the lease of Property C. BII is the sole beneficial shareholder of BII Technical. Accordingly, BII Technical is an associate of BII, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property C Tenancy Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Property C Tenancy Agreement and the Property D Tenancy Agreement would be aggregated with the transactions contemplated under the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement, as such tenancy agreements were entered into or completed within a 12-month period. As the applicable percentage ratios of the transactions contemplated under the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G Tenancy Agreement, together with the transactions contemplated under the Property C Tenancy Agreement and Property D Tenancy Agreement, on an aggregated basis, are more than 0.1% but less than 5%, such transactions contemplated 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 planning and design 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. 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 each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G 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 each of the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G 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, 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 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 55.20% 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 55.20% 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
“Jingtou Plaza”	a property which is erected on a parcel of land and is situated at No. 6, Xiaoying Road North, Zhaoyang District, Beijing City, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Litmus”	北京樂碼仕智能科技有限公司 (Litmus Technologies (Beijing) Co., Ltd. *), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“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.
“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.
“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

“Property D”	Room 30601, Room 30602, Room 30605, Room 30612 and Room 30630, 6th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 393.6 sq.m.
“Property D Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and Litmus dated 24 December 2020 in relation to the leasing of Property D by Litmus from Beijing Metro Network
“Property E”	Room 31009, Room 31010, Room 31011/19, Room 31012, Room 31015 and Room 31016, 10th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 380.4 sq.m.
“Property E Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and ERG BJ dated 25 January 2021 in relation to the leasing of Property E by ERG BJ from Beijing Metro Network
“Property F”	(i) 9th Floor; and (ii) Room 31001, Room 31002, Room 31003, Room 31004, Room 31005, Room 31006, Room 31007, Room 31008 and Room 31017/18, 10th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 2289.8 sq.m.
“Property F Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and BII Zhuoyue dated 25 January 2021 in relation to the leasing of Property F by BII Zhuoyue from Beijing Metro Network
“Property G”	Room 30615, 6th Floor, Block 3, Jingtou Plaza with a total gross floor area of approximately 36.3 sq.m.
“Property G Tenancy Agreement”	the tenancy agreement entered into between Beijing Metro Network and Litmus dated 25 January 2021 in relation to the leasing of Property G by Litmus from Beijing Metro Network
“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 C Tenancy Agreement, the Property D Tenancy Agreement, the Property E Tenancy Agreement, the Property F Tenancy Agreement and the Property G 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, 25 January 2021

*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\$1.19.*

*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*