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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)

Profit Warning

This announcement is made by BII Railway Transportation Technology Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Period**”), the revenue of the Group for the period increased by approximately 5% to 10% as compared to the revenue recorded in the corresponding period of 2019, and its operating profit increased by approximately 5% to 10%. However, the Group’s profit decreased due to the huge impact of the COVID-19 epidemic on its joint venture, Beijing Metro Co., Ltd.* (北京京城地鐵有限公司) (“**Beijing Metro**”) in which the Group held a 49% equity interest. Therefore, the profit of the Group for the period is expected to decrease by approximately 40% to 50% as compared to the profit recorded in the corresponding period of 2019. The expectation is made mainly due to the following factors:

(1) Impact of the pandemic on the main business

Given the outbreak of COVID-19 since January 2020 and its subsequent spread in the world, the economy contracted and social activities decreased significantly in China from February to June 2020. As such, the projects under construction of the Group slowed down. However, the projects under construction of the Group has resumed at an accelerated pace since March 2020, and the resumption rate approached approximately 100% as of the end of May 2020. The Group's main business progressed steadily with a growth of approximately 5% to 10% year on year in revenue for the first half of 2020.

During the first half of 2020, the Group kept strengthening its effort to expand markets and internally carried out measures of reducing costs and enhancing efficiency in order to counteract the impact brought by the pandemic. In respect of market expansion, the Group entered into cities in China like Shaoxing and Taiyuan, and secured new projects which worth the same amount as that in the corresponding period of last year, including key projects such as the Automatic Fare Collection (AFC) of Zhengzhou Subway Line 4 Project and Passenger Information System (PIS) of Xiamen Subway Line 3 Project. The amount of newly signed contracts grew nearly 30% year on year in the first half of 2020. As for financial spending, the Group strengthened its controls on budget and cash flows with combined initiatives to carry out its measure of “reducing costs and enhancing efficiency”, which continued to prove effective.

(2) Impact of the pandemic on Beijing Metro

The pandemic caused an adverse impact on the operation of Beijing Metro during the first half of 2020. The passenger flow of the Beijing Subway Capital Airport Express operated by Beijing Metro plunged from January to June, and the patronage decreases by 75% in average as compared to the patronage in the corresponding period in 2019, which significantly reduced the ticket revenue. The passenger flow, however, started to pick up as the pandemic was eased. In the meantime, Beijing Metro proactively implemented measures to reduce costs and enhance efficiency and apply for supportive policies to mitigate the cost burden and to prevent further losses.

The passenger flow of Beijing Subway Capital Airport Express of Beijing Metro during the first half of 2020 was detailed as follow:

Month	Patronage in 2019 ('000)	Patronage in 2020 ('000)	Patronage change (%)
January	1,096.4	865.1	-21%
February	994.9	84.6	-91%
March	983.5	98.3	-90%
April	1,005.0	92.1	-91%
May	1,043.6	213.5	-80%
June	1,032.9	209.4	-80%
Total (from January to June)	6,156.3	1,563.0	-75%

The information contained in this announcement is based on the preliminary unaudited management accounts of the Group and the information currently available to the Group, which have not been reviewed or audited by the Company's independent auditors or have not been confirmed by the Company's audit committee. Details of the Group's performance will be disclosed in the interim results announcement for the six months ended 30 June 2020 of the Group which is expected to be published before the end of August 2020, and the corresponding 2020 Interim Report will be published subsequently.

Based on the various measures implemented by the management when facing the COVID-19 pandemic and the growing momentum shown by the current size of the Group's main business and its profitability, the Board believes that the overall fundamentals of the Group are stably improving. The Board will continue to monitor the financial position, business prospect and performance of the Group and make an announcement in respect of such aspects when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 10 August 2020

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*