
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in BII Railway Transportation Technology Holdings Company Limited (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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
PROCUREMENT SERVICES FRAMEWORK AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 4 to 17 of this circular.

A notice convening the EGM to be held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the PRC on 26 May 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the appointed time for holding the EGM (i.e. Saturday, 24 May 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

8 May 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	18
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	20
APPENDIX – GENERAL INFORMATION	30
NOTICE OF EGM	EGM-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 26 February 2025 in relation to, among other matters, the Procurement Services Framework Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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 Latest Practicable Date, and which is wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, and the ultimate controlling Shareholder as at the Latest Practicable Date
“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 Latest Practicable Date
“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

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, to approve, among other matters, (i) the Procurement Services Framework Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the Procurement Services Framework Agreement
“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
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia, established for the purpose of advising the Independent Shareholders in connection with the transactions contemplated under the Procurement Services Framework Agreement and the related proposed annual caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Procurement Services Framework Agreement and the related proposed annual caps
“Independent Shareholder(s)”	the Shareholder(s) other than BII and its associates
“Latest Practicable Date”	6 May 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China
“Procurement Services Framework Agreement”	the framework agreement dated 26 February 2025 and entered into between the Company and BII in relation to the procurement of the Services by the Group from BII, its respective subsidiaries and/or associates
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	means consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects, civil communications construction management and other types of ancillary services to be agreed by the parties in writing from time to time
“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

* For identification purposes only

For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.08.

LETTER FROM THE BOARD

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)

Executive Directors:

Ms. Liu Yu (*Chief Executive Officer*)

Ms. Zhao Jingyuan

Non-executive Directors:

Mr. Ren Yuhang (*Chairman*)

Ms. Sun Fang

Mr. Cao Mingda

Mr. Fang Zhiwei

Independent non-executive Directors:

Mr. Luo Zhenbang

Mr. Huang Lixin

Ms. Ng Wing Yan Claudia

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

***Principal place of business in
Hong Kong:***

Rm 2502, 25/F, Tower 1

Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Hong Kong

8 May 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS PROCUREMENT SERVICES FRAMEWORK AGREEMENT

1. INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Procurement Services Framework Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the Procurement Services Framework Agreement and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee, and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regards to the Procurement Services Framework Agreement and the transactions contemplated thereunder; and (iii) the notice of EGM.

The Company has entered into two other continuing connected transactions with BII during the year ended 31 December 2024, and the Company would like to provide the following information to the Shareholders in relation to (i) the framework agreement

LETTER FROM THE BOARD

dated 23 October 2024 and entered into between the Company and BII in relation to the provision of services to BII (the “**2024 BII Services Framework Agreement**”); (ii) the cooperation agreement dated 19 December 2024 and entered into between 北京京投卓越科技发展有限公司 (BII Technology Development Co., Ltd.*) (“**BII Zhuoyue**”), an indirect wholly-owned subsidiary of the Company, and BII in relation to the provision of Resources for the civil communication transmission systems in the subway lines of the Beijing Subway (the “**Cooperation Agreement**”); and (iii) the Procurement Services Framework Agreement:

	2024 BII Services Framework Agreement¹	Cooperation Agreement²	Procurement Services Framework Agreement
Date	23 October 2024	19 December 2024	26 February 2025
Parties	(i) The Company (as service provider); and (ii) BII	(iii) BII Zhuoyue; and (iv) BII (as service provider)	(i) The Company; and (ii) BII (as service provider)
Term	From 1 January 2025 to 31 December 2027	Upon the Cooperation Agreement being effective, from 1 January 2024 to 31 December 2026 ³	From the effective date of the Procurement Services Framework Agreement to 31 December 2027
Scope of services received or provided	Providing consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects and other types of ancillary services to BII	Receiving relevant engine room space and utilities support (such as provision of power supply, air-conditioning and chutes) (the “ Resources ”) from BII for the operation and development of BII Zhuoyue’s civil communication transmission systems of the underground stations in the subway lines of the Beijing Subway	Receiving consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects, civil communications construction management and other types of ancillary services from BII

Notes:

1. Please refer to the circular of the Company dated 10 December 2024 for details.
2. Please refer to the announcement of the Company dated 19 December 2024 for details.
3. As at the Latest Practicable Date, the Cooperation Agreement has yet to become effective.

LETTER FROM THE BOARD

	2024 BII Services Framework Agreement ¹	Cooperation Agreement ²	Procurement Services Framework Agreement
Nature of services received or provided³	Includes, among others, services relating to automatic fare collection system, passenger information system and “intelligent+” services	The Resources	Includes, among others, construction, operation and maintenance services relating to integrated wireless systems (綜合無線系統) ¹ , public security and government wireless systems (公安、政務無線系統) ²
Annual caps	The proposed annual caps in respect of the transactions contemplated under the 2024 BII Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are RMB900.0 million, RMB1,100.0 million and RMB1,100.0 million, respectively	The proposed annual caps in respect of the transactions contemplated under the Cooperation Agreement for the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 are RMB44.0 million, RMB56.0 million and RMB64.0 million, respectively	The proposed annual caps in respect of the transactions contemplated under the Procurement Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are RMB130.0 million, RMB140.0 million and RMB150.0 million, respectively

Save as disclosed above, as at the Latest Practicable Date, there are no other existing or proposed continuing connected transactions regarding the daily operations of the Group between BII and the Group which are subject to reporting, announcement and shareholder approval requirements under the Listing Rules.

Notes:

1. Integrated wireless systems refer to, among others, data transmission channels which allow for information exchange between trains and operations on the ground. Such systems enable the implementation of, among others, train operation control, broadband cluster scheduling, train announcements, and video monitoring of trains. Such systems ensure reliable and effective communication while trains are running at high speed, which enable efficient railway operations.
2. Public security wireless systems refer to wireless network for digital communication. Such systems allow on-duty police officers to communicate with each other and with local police stations. During emergencies or large events which require security measures, the public security wireless systems provide communication for on-site management and allow different police units to communicate with one another wirelessly.

Government wireless systems refer to wireless network for digital communication. Such systems enable governmental departments to communicate with one another. These serve as the wireless command system for the Beijing Rail Traffic Command Center (北京市軌道交通指揮中心), which provides wireless communication services for rail transit and emergency communication services during emergencies.

3. The services provided to BII under the 2024 BII Services Framework Agreement and the services procured from BII under the Procurement Services Framework Agreement are different in nature.

LETTER FROM THE BOARD

2. THE PROCUREMENT SERVICES FRAMEWORK AGREEMENT

On 26 February 2025, the Company entered into the Procurement Services Framework Agreement with BII, pursuant to which the Group would procure the Services from BII, its respective subsidiaries and/or associates.

The principal terms of the Procurement Services Framework Agreement are set out as follows:

Date: 26 February 2025

Parties: (i) the Company; and
(ii) BII.

Procurement of the Services

Pursuant to the Procurement Services Framework Agreement, BII, its subsidiaries and/or associates agrees to provide the Services to the Group during the term of the Procurement Services Framework Agreement, provided that (i) BII, its subsidiaries and/or associates is/ are awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm's length regarding the commercial terms to be set out in the individual agreements for the Services.

Transaction principles

Pursuant to the Procurement Services Framework Agreement, BII, its subsidiaries and/or associates, and the Group will enter into individual agreements in relation to the procurement of the Services, the terms of such individual agreements (including the service fees) to be entered into will be negotiated by the parties at arm's length and will be determined by the parties from time to time on normal commercial terms in the ordinary course of business.

Pricing principles

Pursuant to the Procurement Services Framework Agreement, the price of the transactions contemplated thereunder will be determined as follows:

- (i) where there is government-prescribed price, the government-prescribed price shall be executed;

“government-prescribed price”¹ refers to the price prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC;

LETTER FROM THE BOARD

- (ii) where there is no government-prescribed price, but there is government-guided price, the government-guided price shall be executed by considering the market factors;

“government-guided price”¹ refers to the price range prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC, which shall be determined by transaction parties within such certain range;

- (iii) where there is neither government-prescribed price nor government-guided price, the price determined through tender process or the market price shall be executed;

“market price” shall be determined in the following order: (i) the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions at or near the area where such services are provided; or (ii) where (i) above is not available, the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions in the PRC; or

- (iv) where none of the above three means is available or the above transaction principles are not applicable for use in actual transactions, the agreed price shall be executed;

“agreed price”² means the price determined by means of “reasonable cost + reasonable profit”. In an agreement, “reasonable cost” means the cost recognised by both parties after negotiations and permitted by the relevant accounting principles of the PRC (inclusive of sales tax and surcharges); and “reasonable profit” means the profit calculated based on such reasonable cost under market practice.

Notes:

1. “Government-prescribed price” or “government-guided price” refers to the reference price(s) stipulated in the List of Government-Priced Business Service Fees* (《政府定價的經營服務性收費目錄清單》) (the “List”), which is published by the National Development and Reform Commission (國家發展和改革委員會) of the Central People’s Government of the PRC (中華人民共和國中央人民政府). The relevant government authorities that may set the relevant reference price(s) includes, but are not limited to the Ministry of Transport, National Development and Reform Commission* (交通運輸部、發展和改革委員會) and other authorised municipal People’s Government Departments* (授權的市人民政府部門). As far as the Directors are aware, the List is usually updated in the beginning of every year. As at the Latest Practicable Date, the Services provided/to be provided under the Previous Procurement Transactions (as defined below) and the Procurement Services Framework Agreement are not subject to the relevant reference price(s) stipulated in the List. Therefore, none of the historical transactions between the Group and BII under the Previous Procurement Transactions adopted the first or

LETTER FROM THE BOARD

second price determination method. The Company will make reference to the reference price(s) stipulated on the List as, and when, applicable.

2. In determining the reasonable profit based on the fourth price determination method, the Company will take into account, among others, (i) the complexity and specifications of the Services to be provided; (ii) the general economic environment; and (iii) market practice. When implementing the fourth price determination method, the Company will endeavour to make reference to the recent price and gross profit margin of at least two similar services procured by the Group to ensure the reasonableness and fairness of the amount of the profit.

Term

The Procurement Services Framework Agreement is effective upon fulfilment of the following conditions precedent:

- (i) the Company issuing a circular and obtaining the approval from the Independent Shareholders in relation to the transactions contemplated under the Procurement Services Framework Agreement in accordance with the Listing Rules; and
- (ii) the approval from the board of directors of BII in relation to the transactions contemplated under the Procurement Services Framework Agreement.

The Procurement Services Framework Agreement shall be effective from the date of the fulfilment of the abovementioned conditions precedent until 31 December 2027 in order to be consistent with the financial year end of the Company in 2025, 2026 and 2027.

Settlement method

The service fee shall be paid by the Group to BII, its respective subsidiaries and/or associates upon completion of relevant services provided within the settlement cycle as agreed under individual agreements entered into in accordance with the Procurement Services Framework Agreement.

The proposed annual caps

The historical transaction amounts in respect of the procurement of the Services for the three years ended 31 December 2024 were approximately RMB772,000, RMB1,522,000 and RMB1,653,000 (equivalent to approximately HK\$833,760, HK\$1,643,760 and HK\$1,785,240 respectively). The transaction amounts in respect of the procurement of the Services from 1 January 2025 until the Latest Practicable Date was approximately RMB772,000 (equivalent to approximately HK\$833,760). The aforementioned transactions shall collectively be referred to as the “**Previous Procurement Transaction(s)**”.

LETTER FROM THE BOARD

With regards to the Previous Procurement Transactions, the Group has kept a meticulous record of its procurement of the Services from BII prior to the signing of the Procurement Services Framework Agreement, and has complied with all applicable Listing Rules, including entering into written agreements each time it had entered into a Previous Procurement Transaction, and considered whether each individual Previous Procurement Transaction, or an aggregate of all of the Previous Procurement Transactions, would be required to be disclosed in accordance with the Listing Rules each time such potential Previous Procurement Transaction were entered into.

The proposed annual caps in respect of the transactions contemplated under the Procurement Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are RMB130.0 million, RMB140.0 million and RMB150.0 million, respectively (equivalent to HK\$140.4 million, HK\$151.2 million and HK\$162.0 million, respectively).

Basis of the proposed annual caps

The proposed annual caps for the Procurement Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are determined with reference to, among others, the following:

- (i) the transaction amounts in respect of the orders to be completed in respect of the procurement of the Services, which, as at the Latest Practicable Date amounted to approximately RMB1.7 million, RMB1.0 million and nil (equivalent to approximately HK\$1.8 million, HK\$1.1 million and nil) for the three years ending 31 December 2025, 2026 and 2027, respectively; and
- (ii) the estimated number of projects of Services to be procured from BII, its subsidiaries and/or associates for tender for the three years ending 31 December 2025, 2026 and 2027 based on the following actions the Group intends to carry out, which, as at the Latest Practicable Date, was estimated to be approximately RMB122.0 million, RMB136.0 million and RMB144.0 million (equivalent to HK\$131.8 million, HK\$146.9 million and HK\$155.5 million), respectively, and includes, but is not limited to:
 - (1) the procurement of rail transit related business orders from, among others, the following projects:
 - (a) Beijing Metro Line 22, as it will gradually commence construction and operation in the next few years pursuant to the Phase II Construction Plan of Beijing Urban Railway Transportation* (《北京城市軌道交通第二期建設規劃》) and its adjustment plan; and

LETTER FROM THE BOARD

- (b) Beijing Metro Line 1 Extension, Beijing Metro Line M101 and Beijing Metro Line 19, as construction of Phase II of the aforementioned metro lines will commence pursuant to the Third Phase Construction Plan of Beijing Urban Rail Transportation* (《北京城市軌道交通第三期建設規劃》); and
- (2) the continuous procurement of services relating to the Group's existing operation and maintenance services of civil communication business and procurement of commissioned construction in future.

Internal control measures

To ensure that (i) the terms of the transactions and the pricing mechanisms under the Procurement Services Framework Agreement are fair and open; (ii) the proposed annual caps will not be exceeded; and (iii) the transactions are conducted in accordance with the requirements under the Listing Rules, the Group has adopted a policy regarding the management of continuing connected transactions, which was formulated pursuant to the actual day-to-day business operations of the Group and the relevant requirements, laws and regulations including the Listing Rules and the articles of association of the Company. The policy will ensure compliance of the Listing Rules regarding continuing connected transactions of the Group under the Procurement Services Framework Agreement through strict requirements and measures in relation to identification of connected persons and connected transactions, internal review and approval procedures of connected transactions, monitoring disclosure requirements under the Listing Rules, and supervision, management and disclosure of connected transactions.

Set out below is a summary of the internal control measures of the Group to ensure the Services provided to the Company under the Procurement Services Framework Agreement are (a) on normal commercial terms; and (b) in accordance with the respective terms of the Procurement Services Framework Agreement:

1. when possible connected transaction arises during the course of business of the Group which falls under the Procurement Services Framework Agreement, relevant staff will report to the finance department and the legal and audit department of the Group regarding the details of the connected party and the possible transaction with such connected party;
2. the business department of the Group will prepare an estimate of costs and price of the possible connected transaction based on the relevant rules and regulations announced by the government and/or the industry association(s), as well as the market price which is expected to be payable by independent third party in respect of the procurement of similar services by the Group;

LETTER FROM THE BOARD

3. based on the information of the possible connected transaction and the estimates of the costs and price, the operations management department, finance department, legal and audit department of the Group and the Company's external advisers will review and confirm the terms of the possible connected transaction, including but not limited to whether the terms and price are fair and reasonable, and the settlement terms and compliance matters;
4. if the possible connected transaction is approved by the internal departments of the Group, the management of the Group will consider the possible connected transaction based on the internal assessment results, and approve or reject the transaction;
5. if the possible connected transaction is approved by the management of the Group, the finance department and the legal and audit department of the Group will continuously monitor and perform monthly review of the performance of the transaction to ensure that the transaction falls within the terms of the Procurement Services Framework Agreement;
6. the designated staff from the finance department of the Group will closely monitor and perform monthly review of the respective total transaction amount of the transactions conducted under the Procurement Services Framework Agreement to ensure that the respective proposed annual caps will not be exceeded;
7. in the event that the respective total transaction amount of the transactions conducted under the Procurement Services Framework Agreement incurred or to be incurred is expected to reach or exceed the respective proposed annual caps, the finance department of the Group will follow up by reporting to the senior management of the Group, and in case any revision of the proposed annual caps is required, the Company will take necessary actions in compliance with the requirements under the Listing Rules; and
8. the continuing connected transactions of the Group will also be subject to annual review by the independent non-executive Directors and auditors in accordance with the Listing Rules.

LETTER FROM THE BOARD

3. INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company.

The Group is a high-tech enterprise group specialising in integrating investment and financing, technology research, and intelligent railway transportation construction, operation and maintenance. With the mission of “empowering railway transportation with intelligent technology”, and the strategic direction of “focusing on integrated innovation and becoming a leading rail transit smart systems service provider in the PRC” and building a technological ecosystem, the Group aims to be an international leader in smart rail transit.

BII

BII is a company established in the PRC as at the Latest Practicable Date. BII held approximately 55.20% of the Shares through its wholly-owned subsidiary, namely BII HK, thus BII is an ultimate controlling shareholder of the Company. To the best of the Directors’ knowledge, information and belief, BII is principally engaged in the investment, financing and management of rail transit infrastructure, rail transit equipment manufacturing as well as information technology, and the development and operation of land and estates.

4. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the Procurement Services Framework Agreement will be conducted in the ordinary and usual course of business of the Group.

In recent years, due to the continuous development of the Group’s business, the scope of its integration-related business has expanded. At the same time, the overall development trend of intellectualisation in the rail transportation industry has become more prominent. In order to ensure the smooth implementation of the aforementioned business areas, the Group will need to carry out the procurement of products and services in the relevant fields. BII has been coordinating and promoting the intelligent development of Beijing’s rail transportation for a long period of time, and its business scope covers the entire rail transportation industry chain, which includes, among others, vehicle manufacturing and command scheduling, and thus it possesses a wide range of intelligent products and technological resources and professional service capabilities. As BII’s intelligent products and services are suitable to the business requirements of the Group’s, BII may become a supplier of the Group in the future.

As at the Latest Practicable Date, a high degree of integration is required in two of the Group’s business segments, being the data and integration services business segment and the intelligent infrastructure business segment. Delivery of these projects not only requires products manufactured by the Group, but also a large quantity of products manufactured by third party suppliers. All qualified suppliers, including BII, have equal

LETTER FROM THE BOARD

opportunities to participate in or be selected through the Group's procurement process. Successful procurement of these products enhances the Group's capabilities to fulfill its contractual obligations and provides backup for the delivery of the Group's business projects in relation to integration. This could, in turn, develop the Group's experience and reputation and increase the Group's orders resulting from integration business projects. Further, as (i) BII is the ultimate controlling Shareholder of the Company; and (ii) there has been a long-standing business relationship between BII, its subsidiaries and/or associates and the Group, the Directors consider BII, its subsidiaries and/or associate are reliable business partners.

Taking into account the above factors, the Directors (except the independent non-executive Directors whose view will be formed after obtaining the advice of the Independent Financial Adviser) consider that:

- (i) the terms and conditions of the Procurement Services Framework Agreement were negotiated among the parties on an arm's length basis and are normal commercial terms that are fair and reasonable;
- (ii) the proposed annual caps in respect of the transactions contemplated under the Procurement Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are fair and reasonable; and
- (iii) the transactions contemplated under the Procurement Services Framework Agreement are in the interests of the Company and the Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, BII held approximately 55.20% of the Shares (i.e. 1,157,634,900 Shares) through its wholly-owned subsidiary, namely BII HK, thus BII is the ultimate holding company of the Company and is therefore a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the Procurement Services Framework Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the Procurement Services Framework Agreement is more than 5% and the annual caps in respect of the transactions contemplated under the Procurement Services Framework Agreement are expected to be higher than HK\$10 million, such transactions are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, the Company will seek the approval from the Independent Shareholders for the transactions contemplated under the Procurement Services Framework Agreement and the related proposed annual caps for the three years ending 31 December 2025, 2026 and 2027 at the EGM.

As at the date of the Announcement, Mr. Ren Yuhang, a non-executive Director, is the vice general manager of BII, Ms. Sun Fang, a non-executive Director, is the chairman of the board of directors of Beijing Ruubypay Science and Technology Co., Ltd* (北京如易行

LETTER FROM THE BOARD

科技有限公司), an associate of BII, and Mr. Fang Zhiwei, a non-executive Director, is the general manager of Beijing Metro Network Administration Co., Ltd.* (北京軌道交通路網管理有限公司), an associate of BII. Accordingly, each of Mr. Ren Yuhang, Ms. Sun Fang and Mr. Fang Zhiwei are considered to have a material interest in the transactions contemplated under the Procurement Services Framework Agreement by virtue of their management position held in BII and its associates respectively, and had abstained from voting on the board resolution(s) approving the transactions contemplated under the Procurement Services Framework Agreement. Save as disclosed above, none of the Directors has abstained from voting on the board resolution(s) approving the transactions contemplated under the Procurement Services Framework Agreement. Save as disclosed above, there is no Director who is also a director or employee of any substantial shareholder of the Company.

6. FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Procurement Services Framework Agreement and the related proposed annual caps. The Independent Board Committee has approved the appointment of Gram Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Procurement Services Framework Agreement and the related proposed annual caps.

7. THE EGM

The EGM will be held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the PRC on 26 May 2025 at 11:00 a.m., during which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Procurement Services Framework Agreement and the transactions contemplated thereunder by way of poll, the results of which will be announced after the EGM.

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should the Shareholders so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May

LETTER FROM THE BOARD

2025, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 May 2025 (Hong Kong time).

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

As at the Latest Practicable Date, BII held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company, through its wholly-owned subsidiary, namely BII HK, thus BII is the ultimate holding company of the Company. BII HK will be required to abstain from voting on the resolution(s) to approve the Procurement Services Framework Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Procurement Services Framework Agreement and the transactions contemplated thereunder and will be required to abstain from voting on the resolution(s) to approve the Procurement Services Framework Agreement and the transactions contemplated thereunder at the EGM.

8. BAD WEATHER ARRANGEMENTS

Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website (www.biitt.cn) and on the website of the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the postponed meeting.

9. RECOMMENDATIONS

The Directors are of the opinion that the terms of Procurement Services Framework Agreement and the related proposed annual caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolution(s) proposed at the EGM.

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Procurement Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps and the related proposed annual caps, and Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the Independent Financial Adviser containing its recommendation in respect of the

LETTER FROM THE BOARD

Procurement Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps are set out on pages 20 to 29 of this circular.

10. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 18 of this circular, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 20 to 29 of this circular and the information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.

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)

8 May 2025

To the Independent Shareholders

Dear Sir and Madam,

**CONTINUING CONNECTED TRANSACTIONS
PROCUREMENT SERVICES FRAMEWORK AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 8 May 2025 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Procurement Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned. Gram Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 20 to 29 of the Circular. Your attention is also drawn to the “Letter from the Board” of the Circular and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Procurement Services Framework Agreement and the transactions contemplated thereunder and the advice of the Independent Financial Adviser, we consider that the Procurement Services Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business and are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the proposed annual caps under the Procurement Services Framework Agreement are fair and reasonable so far as the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Procurement Services Framework Agreement and the transactions contemplated thereunder and the related proposed annual caps.

Yours faithfully,

For and on behalf of

The Independent Board Committee of

BII Railway Transportation Technology Holdings Company Limited

Mr. Luo Zhenbang

*Independent non-executive
Director*

Mr. Huang Lixin

*Independent non-executive
Director*

Ms. Ng Wing Yan Claudia

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

8 May 2025

To: *The independent board committee and the independent shareholders
of BII Railway Transportation Technology Holdings Company Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS PROCUREMENT SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Procurement Services Framework Agreement (including the proposed annual caps) (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 8 May 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, on 26 February 2025, the Company entered into the Procurement Services Framework Agreement with BII, pursuant to which the Group would procure the Services from BII, its respective subsidiaries and/or associates. The Transaction constitutes continuing connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in relation to (i) the connected transaction as set out in the Company's circular dated 21 November 2024; (ii) the continuing connected transaction as set out in the Company's circular dated 10 December 2024; and (iii) the continuing connected transaction as set out in the Company's announcement dated 19 December 2024. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company. We have assumed that all information and representations that have been provided by the Company, for which it is solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BII or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

Background of and reasons for the Transaction

Information on the Group

With reference to the Board Letter, the Group is a high-tech enterprise group specialising in integrating investment and financing, technology research, and intelligent railway transportation construction, operation and maintenance. With the mission of “empowering railway transportation with intelligent technology”, and the strategic direction of “focusing on integrated innovation and becoming a leading rail transit smart systems service provider in the PRC” and building a technological ecosystem, the Group aims to be an international leader in smart rail transit.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"):

	For the year ended 31 December 2024 HK\$'000	For the year ended 31 December 2023 HK\$'000	Year-on-year change %
Revenue	1,656,773	1,637,181	1.20
– <i>Intelligent passenger information services</i>	755,912	770,937	(1.95)
– <i>Data and integration services</i>	515,589	577,432	(10.71)
– <i>Intelligent infrastructure</i>	385,272	288,812	33.40
Gross profit	619,687	591,007	4.85
Profit for the year	179,507	185,728	(3.35)

As depicted in the above table, the Group's revenue slightly increased from approximately HK\$1,637.2 million for the year ended 31 December 2023 ("FY2023") to approximately HK\$1,656.8 million for the year ended 31 December 2024 ("FY2024"), representing an increase of approximately 1.20%. With reference to the 2024 Annual Report, such increase was mainly due to the surge in revenue from the Intelligent Infrastructure Segment as a result of the recognition of revenue from key projects, partially offset by decrease in revenue from intelligent passenger information services and data and integration services due to varying progress cycles of key projects and small scale of key projects that reached revenue recognition point.

Along with the aforesaid increase in the Group's revenue, the Group's gross profit for FY2024 increased by approximately 4.85% as compared to that for FY2023; while the Group's gross profit margin for FY2024 increased by approximately 1.30 percentage points as compared to that for FY2023. Notwithstanding the aforesaid increase in revenue and gross profit, the Group's profit decreased from approximately HK\$185.7 million for FY2023 to approximately HK\$179.5 million for FY2024, primarily due to the increase in net impairment loss on trade, bills receivables, other receivables and contract assets and increase in income tax expenses.

With reference to the 2024 Annual Report, in 2024, the Group adhered to its market strategy of "relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets". The Group has expanded into overseas markets in Egypt, Chile, the Netherlands and the Philippines for the first time. The Group continued to broaden its business footprint, reaching a total of 55 cities in the PRC and 32 cities in 20 overseas countries and regions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information on BII

With reference to the Board Letter, BII is a company established in the PRC and is principally engaged in the investment, financing and management of rail transit infrastructure, rail transit equipment manufacturing as well as information technology, and the development and operation of land and estates. As at the Latest Practicable Date, BII is interested in approximately 55.20% of the Shares through its wholly-owned subsidiary, namely BII HK. BII is an ultimate controlling shareholder of the Company and thus a connected person of the Company.

Reasons for and benefits of the Transaction

With reference to the Board Letter, due to the continuous development of the Group's business in recent years, the scope of its integration-related business has expanded. At the same time, the overall development trend of intellectualisation in the rail transportation industry has become more prominent. In order to ensure the smooth implementation of the aforementioned business areas, the Group will need to carry out the procurement of products and services in the relevant fields. BII has been coordinating and promoting the intelligent development of Beijing's rail transportation for a long period of time, and its business scope covers the entire rail transportation industry chain, which includes, among others, vehicle manufacturing and command scheduling, and thus it possesses a wide range of intelligent product and technological resources and professional service capabilities. As BII's intelligent products and services are suitable to the business requirements of the Group, BII may become a supplier of the Group in the future.

The Services under the Procurement Services Framework Agreement include consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects, civil communications construction management and other types of ancillary services to be agreed by the parties in writing from time to time. Further details and nature of the Services are set out in the Board Letter. As advised by the Directors, the Services are expected to be procured (i) for support the Group's provision of services to customers for the projects that the Group engaged in (mainly related to data and integration services segment (the "**Data & Integration Services Segment**")); and (ii) for the Group's other operational maintenance (mainly related to intelligent infrastructure segment (the "**Intelligent Infrastructure Segment**").

With reference to the Board Letter, a high degree of integration is required in two of the Group's business segments, being the Data & Integration Services Segment and the Intelligent Infrastructure Segment. Delivery of projects not only requires products manufactured by the Group, but also a large quantity of products manufactured third party suppliers. All qualified suppliers, including BII, have equal opportunities to participate in or be selected through the Group's procurement process. Successful procurement of these products enhances the Group's capabilities to fulfil its contractual obligations and provides backup for the delivery of the Group's business projects in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

relation to integration. This could, in turn, develop the Group's experience and reputation and increase the Group's orders resulting from integration business projects. For avoidance of doubt, we confirmed with the Directors that there is no obligation for the Group to select BII, its subsidiaries and/or associates as supplier(s) for the Services under the Procurement Services Framework Agreement. The selection of the Group's suppliers is subject to the Group's internal procedures (including pricing policies).

Having considered the aforesaid, we concur with the Directors that the Transaction will be conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and Shareholders as a whole.

Principal terms of the Transaction

Set out below are the principal terms of the Transaction, details of which are set out under the section headed "2. THE PROCUREMENT SERVICES FRAMEWORK AGREEMENT" of the Board Letter:

Agreement date

26 February 2025

Parties

- (1) The Company; and
- (2) BII

Procurement of the Services

Pursuant to the Procurement Services Framework Agreement, BII, its subsidiaries and/or associates agrees to provide the Services to the Group during the term of the Procurement Services Framework Agreement, provided that (i) BII, its subsidiaries and/or associates is/are awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm's length regarding the commercial terms to be set out in the individual agreements for the Services.

Pricing principles

Pursuant to the Procurement Services Framework Agreement, the price of the transactions contemplated thereunder will be determined as follows:

- (i) where there is government-prescribed price, the government-prescribed price shall be executed;

"government-prescribed price" refers to the price prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) where there is no government-prescribed price, but there is government-guided price, the government-guided price shall be executed by considering the market factors;

“government-guided price” refers to the price range prescribed for certain services or services determined under the laws, regulations, decisions, orders or focuses by the central and provincial governments or relevant regulatory authorities in the PRC, which shall be determined by transaction parties within such certain range;

- (iii) where there is neither government-prescribed price nor government-guided price, the price determined through tender process or the market price shall be executed (“**Market Price Pricing Principle**”);

“market price” shall be determined in the following order: (i) the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions at or near the area where such services are provided; or (ii) where (i) above is not available, the price charged by at least two independent third parties who offer the same type of services under normal commercial terms in the normal conditions of business transactions in the PRC; or

As advised by the Directors, the Market Price Pricing Principle is feasible as there are independent third party suppliers which can offer the Services.

- (iv) where none of the above three means is available or the above transaction principles are not applicable for use in actual transactions, the agreed price shall be executed;

“agreed price” means the price determined by means of “reasonable cost + reasonable profit”. In an agreement, “reasonable cost” means the cost recognised by both parties after negotiations and permitted by the relevant accounting principles of the PRC (inclusive of sales tax and surcharges); and “reasonable profit” means the profit calculated based on such reasonable cost under market practice.

With reference to the Board Letter, in determining the reasonable profit based on the fourth price determination method, the Company will take into account, among others, (i) the complexity and specifications of the Services to be provided; (ii) the general economic environment; and (iii) market practice. When implementing the fourth price determination method, the Company will endeavour to make reference to the recent price and gross profit margin of at least two similar services procured by the Group to ensure the reasonableness and fairness of the amount of the profit.

We consider the above that the pricing policies will ensure fair pricing of the Transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed annual caps

Set out below are the proposed annual caps in respect of the Transaction for the three years ending 31 December 2027:

	For the year ended 31 December 2022 <i>RMB million</i>	For the year ended 31 December 2023 <i>RMB million</i>	For the year ended 31 December 2024 <i>RMB million</i>
Historical transaction amounts	0.772	1.522	1.653
	For the year ending 31 December 2025 ("FY2025") <i>RMB million</i>	For the year ending 31 December 2026 ("FY2026") <i>RMB million</i>	For the year ending 31 December 2027 <i>RMB million</i>
Proposed annual caps	130	140	150

The proposed annual caps were determined with reference to the factors as set out under the section headed "Basis of the proposed annual caps" of the Board Letter. For our due diligence purpose, we obtained the calculation of the proposed annual caps (the "**Calculation**") from the Company.

Based on the Calculation, the proposed annual caps for the three years ending 31 December 2027 were calculated based on:

- (i) the estimated transaction amount in relation to 14 rail transit related business orders (the "**Business Orders**") that the Group is expected to procure for supporting the Group's provision of services to customers for the projects in which the Group is expected to be engaged (the "**Potential Projects**") (the "**Project-based Amount**");
- (ii) the estimated transaction amount in relation to other operational maintenance (the "**Other Operational Maintenance Amount**");
- (iii) the Project-based Amount and the Other Operational Maintenance Amount represent approximately 96% and 4% of the total estimated transaction amount respectively; and
- (iv) round-up buffers ranging from approximately 3% to 6% of the total estimated transaction amount for each year.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the Project-based Amount, the Directors advised us that such amount was estimated based on (i) Potential Projects in which the Group is expected to engage; (ii) corresponding project items that the Group is required to procure; and (iii) cost estimation for corresponding project items that the Group is required to procure. The Company also provided us certain supporting documents/information in respect of the aforesaid cost estimation.

As advised by the Directors, (i) the Potential Projects are expected to be commenced and/or conducted during the three years ending 31 December 2027; (ii) the Group had been engaged as a service provider for one of the Potential Projects (the “**Engaged Project**”); and (iii) the Group is expected to be engaged in the other Potential Projects, subject to successful tenders or internal approval procedures of the customers. We noted from the Calculation that the Engaged Project requires two of the Business Orders, the aggregated amount of which represented approximately 73% and 30% of the Project-based Amount for FY2025 and FY2026 respectively.

For our due diligence purpose, we obtained from the Company (i) copies of the notice of service provider selection and engagement contract regarding the Engaged Project; and (ii) the Group’s internal tender record for one of the Business Orders required for the Engaged Project (as advised by the Directors, the Group has not commenced procurement procedures for the other Business Order required for the Engaged Project) which followed the Market Price Pricing Principle.

In respect of the Other Operational Maintenance Amount, the Directors advised us that such amount was estimated based on relevant historical amount and expected business expansion of the Group in the PRC (including Beijing along with the development of Beijing metro lines).

In respect of the round-up buffers ranging from approximately 3% to 6% of the total estimated transaction amount for each of the three years ending 31 December 2027, we noted from other Hong Kong listed companies’ circulars regarding continuing connected transactions published during the period from 1 February 2025 to 26 February 2025 (being the date of the announcement in relation to the Transaction) that 4 out of 8 circulars published during the said period contained continuing connected transactions which incorporated buffer of 10% or less in determining their annual caps. The incorporation of buffer of less than 10% in determining proposed annual caps is not uncommon among Hong Kong listed companies. Accordingly, we consider the aforesaid round-up buffers, which are lower than 10%, to be reasonable.

Having considered the above, we are of the view that the proposed annual caps for the three years ending 31 December 2027 are fair and reasonable.

Shareholders should note that the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of costs to be incurred from the Transaction. Consequently, we express no opinion as to how closely the actual costs to be incurred from the Transaction will correspond with the proposed annual caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In light of the above, we consider that the terms of the Transaction (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

Listing Rules implications

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transaction must be restricted by the annual caps for the period concerned under the Procurement Services Framework Agreement; (ii) the terms of the Transaction (including the annual caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transaction (including the annual caps) must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) has not been approved by the Board; (ii) was not, in all material respects, in accordance with the pricing policies of the Group; (iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) has exceeded the annual caps. In the event that the total amounts of the Transaction are anticipated to exceed the annual caps, or that there is any proposed material amendment to the terms of the Procurement Services Framework Agreement, as confirmed by the Directors, the Company shall re-comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations, as defined in Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO") and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Director	Long/Short position	Capacity	Number of Shares	Approximate percentage of the issued Shares held as at the Latest Practicable Date
Mr. Cao Mingda ^{Note} ("Mr. Cao")	Long position	Founder of a discretionary trust who can influence how the trustees exercises its discretion	244,657,815	11.66%

Note: Mr. Cao is the founder of a discretionary trust and is interested in 244,657,815 Shares through Trident Trust Company (Cayman) Limited, the trustee of the trust, through its controlled company, More Legend Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates had any interests and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code.

(b) Substantial Shareholders' interests

As at the Latest Practicable Date, the following persons had interests of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Long/Short position	Capacity	Number of Shares	Approximate percentage of the issued Shares held as at the Latest Practicable Date
BII HK	Long position	Beneficial owner ^(Note 1)	1,157,634,900	55.20%
BII	Long position	Interest of controlled corporation ^(Note 1)	1,157,634,900	55.20%
More Legend Limited	Long position	Beneficial owner ^(Note 2)	244,657,815	11.66%
Toplight Management Limited	Long position	Interest of controlled corporation ^(Note 2)	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Long position	Trustee ^(Note 2)	244,657,815	11.66%
Ms. Pang Ziqian	Long position	Interest of spouse ^(Note 3)	244,657,815	11.66%

Notes:

1. BII HK is a wholly-owned subsidiary of BII, a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. By virtue of the SFO, BII is deemed to be interested in the 1,157,634,900 Shares owned by BII HK.
2. More Legend Limited is a wholly-owned subsidiary of Toplight Management Limited, and Trident Trust Company (Cayman) Limited is interested in all the shares in Toplight Management Limited as trustee of the trust. By virtue of the SFO, Toplight Management Limited and Trident Trust Company (Cayman) Limited are deemed to be interested in 244,657,815 Shares owned by More Legend Limited.
3. Ms. Pang Ziqian is the spouse of Mr. Cao and by virtue of the SFO, is deemed to be interested in the 244,657,815 Shares which Mr. Cao is interested in.

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other person having any interests or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2024, the date of which the latest published and audited consolidated financial statements of the Company were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who had given its opinions or advice or statements as contained in this circular:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.biitt.cn>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Procurement Services Framework Agreement;
- (b) the letter from Independent Financial Adviser as set out in this circular;
- (c) the letter from the Independent Board Committee as set out in this circular;
- (d) the written consent from the Independent Financial Adviser referred to in the paragraph headed “Qualification and consent of expert” in this Appendix;
and
- (e) this circular.

NOTICE OF EGM

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of BII Railway Transportation Technology Holdings Company Limited (the “**Company**”) will be physically held at Conference Room, 15/F, Tower 2, Fusheng Building, No. 4 Huixin East Street, Chaoyang District, Beijing, the People’s Republic of China on Monday, 26 May 2025 at 11:00 a.m., to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

“THAT:

1. (a) the framework agreement dated 26 February 2025 between the Company and BII (the “**Procurement Services Framework Agreement**”) (a copy of Procurement Services Framework Agreement has been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purpose), the terms and conditions thereof and the transactions contemplated thereunder, and the relevant proposed annual cap amounts of the transactions contemplated under the Procurement Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 as shown in the Company’s circular dated 8 May 2025 be and are hereby approved, confirmed and ratified; and
- (b) Mr. Liu Yu (an executive director of the Company (the “**Director**”)) be and is hereby authorised to do all such acts and things and to sign and execute all such other documents or instrument for and on behalf of the Company (including the affixation of the common seal of the Company where required) as he may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to the Procurement Services Framework Agreement and to implement the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the Procurement Services Framework Agreement and any other transactions contemplated under or incidental to Procurement Services Framework Agreement.”

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

Hong Kong, 8 May 2025

NOTICE OF EGM

Notes:

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or, if holding two or more shares of the Company, more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

On a show of hands, every shareholder of the Company who is present in person (or being a corporation, is present by a duly authorised representative), shall have one vote provided that where a proxy or more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such person shall have one vote on a show of hands. In the case of a poll, every shareholder of the Company present in person or by proxy or, in the case of a shareholder being a corporation, by a duly authorised representative shall be entitled to one vote for each share held by him/her.

2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 11:00 a.m. on Saturday, 24 May 2025 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 May 2025 (Hong Kong time).
4. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands.
5. Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website (www.biitt.cn) and on the website of the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the postponed meeting.
6. The form of proxy for use at the EGM is enclosed herewith.

As at the date of this notice, the executive Directors are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive Directors are Mr. Ren Yuhang, Ms. Sun Fang, Mr. Cao Mingda and Mr. Fang Zhiwei; and the independent non-executive Directors are Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia.