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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.

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

CONTINUING CONNECTED TRANSACTIONS
COOPERATION AGREEMENT
REGARDING CIVIL COMMUNICATION BUSINESS
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 19 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 Thursday, 19 June 2025 at 3:30 p.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. Tuesday, 17 June 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.

29 May 2025

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 19 December 2024 in relation to, among other matters, the Cooperation Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Beijing Subway”	the transit rail network that serves the urban and suburban districts of Beijing municipality which is owned by the city of Beijing
“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
“BII Zhuoyue”	北京京投卓越科技發展有限公司 (BII Technology Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company 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

DEFINITIONS

“Cooperation Agreement”	the cooperation agreement dated 19 December 2024 and entered into between BII Zhuoyue and BII in relation to the provision of the Resources for the civil communication transmission systems in the subway lines of the Beijing Subway
“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
“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 Cooperation Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the Cooperation 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 Cooperation Agreement and the related proposed annual cap
“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 Cooperation Agreement and the related proposed annual caps

DEFINITIONS

“Independent Shareholder(s)”	the Shareholder(s) other than BII and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Latest Practicable Date”	26 May 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information
“PRC”	the People’s Republic of China
“Resources”	the relevant civil communication server room space and utilities support (such as provision of power supply, air-conditioning and chutes)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* For identification purposes only

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of HK\$1 to RMB0.92526.

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

29 May 2025

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
COOPERATION AGREEMENT
REGARDING CIVIL COMMUNICATION BUSINESS**

1. INTRODUCTION

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

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

2. THE COOPERATION AGREEMENT

Background

References are made to (i) the circular of the Company dated 8 August 2014; (ii) the circular of the Company dated 27 July 2015; and (iii) the circular of the Company dated 14 October 2016 in relation to, among others, the acquisition of civil communication transmission systems of various underground stations in the Beijing Subway and the respective income rights (“**Civil Communication Assets**”). Subsequent to the acquisition of the Civil Communication Asset between 2014 and 2016, the Group has been generating revenue from the civil communication business.

Since the acquisition of the Civil Communication Assets in 2014, the Group has been utilising the relevant civil communication server room space and utilities support (such as provision of power supply, air-conditioning and chutes) in the underground stations in the Beijing Subway for the development of the Group’s civil communications business. Since 2014 and up to late November 2024, the Group had never received any notice from BII requiring the Group to pay any fees for its utilisation of the Resources. During such period, there was no formal or informal agreement entered into between the Group and BII regarding the utilisation of the Resources, hence, the Group did not have any obligation to pay fees for its utilisation of the Resources. The Board was then not aware of any Listing Rules implications arising from its utilisation of the Resources which is free of charge since the acquisition of the Civil Communication Assets until signing of the Cooperation Agreement. The Directors consider that the free utilisation of the Resources since the acquisition of the Civil Communication Assets until the signing of the Cooperation Agreement was more favourable than normal commercial terms.

In late November 2024, the Group received a notice from BII stipulating that commencing from 1 January 2024, the Group would be charged for its utilisation of the Resources. As far as the Directors are aware, such notice was issued based on BII’s internal decision-making process. Upon receiving such notice, the Group was of the view that the utilisation of the Resources is crucial to the Group’s operation and development of its civil communication business, and that the Group’s civil communication business might be adversely impacted without utilising the Resources, which would adversely affect the interests of the Shareholders. As such, after numerous rounds of discussions and negotiations between the management of the Company and BII, the Group entered into the Cooperation Agreement with BII to ensure the utilisation of the Resources, and accordingly, the stability and continuity of the Group’s operation of its civil communication business, which is in the interests of the Company and the Shareholders as a whole.

After becoming aware of the above situation, the Directors made specific enquiries with the senior management of the Company and BII as to the arrangements between the Group and BII and/or its associates, and confirm that save for the utilisation of the Resources, there are no other circumstances in which

LETTER FROM THE BOARD

the Group has provided, received or shared services with BII and/or its associates without entering into a written agreement. The Directors further confirm that, based on current circumstances, this is a one-off incident and undertake that similar circumstances shall not arise in future.

The Cooperation Agreement

On 19 December 2024, BII Zhuoyue entered into the Cooperation Agreement with BII in relation to the provision of the Resources by BII for the civil communication transmission business in the subway lines of the Beijing Subway.

The principal terms of the Cooperation Agreement are set out as follows:

Date

19 December 2024

Parties

- (i) BII Zhuoyue; and
- (ii) BII

The civil communication business

BII Zhuoyue receives income from renting and licensing the use of the civil communication transmission systems of the subway lines of the Beijing Subway. The civil communication transmission systems are rented and licensed to mobile telecommunications operators for their provision of voice and data services for mobile devices in the Beijing Subway.

Scope of cooperation

Pursuant to the Cooperation Agreement, BII is responsible for providing the relevant civil communication server room space and utilities support (such as provision of power supply, air-conditioning and chutes) (i.e. the “Resources”) 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. The scope of cooperation includes the 255 underground stations in operation as at 31 December 2023 and the underground stations pending to be in operation during the term of the Cooperation Agreement.

LETTER FROM THE BOARD

Term

The Cooperation Agreement is effective upon fulfilment of the following conditions precedent:

- (i) the parties having obtained all necessary consents and approvals in respect of the Cooperation Agreement and the transactions contemplated thereunder, including but not limited to board approvals and shareholders' approvals;
- (ii) the Company having obtained the consents and approvals from the relevant governmental authorities or regulatory bodies in respect of the Cooperation Agreement and the transactions contemplated hereunder; and
- (iii) the relevant resolutions in respect of the Cooperation Agreement and the transactions contemplated thereunder having been passed at the EGM.

Subject to the fulfilment of the above conditions precedent, the term of the Cooperation Agreement shall be three years starting from 1 January 2024 to 31 December 2026.

Pricing principles

In respect of the 255 underground stations in operation, revenue contracts had been entered into between BII Zhuoyue and mobile telecommunications operators. Among such 255 underground stations, revenue contracts regarding 2G, 4G and 5G mobile networks had been entered into in respect of 209 underground stations; and revenue contracts regarding 4G mobile networks had only been entered into in respect of 46 underground stations.

It is expected that BII Zhuoyue will enter into further revenue contracts with mobile telecommunications operators regarding 2G and 5G mobile networks for the abovementioned 46 underground stations during the term of the Cooperation Agreement.

For the underground stations pending to be in operation during the term of the Cooperation Agreement, it is expected that BII Zhuoyue will enter into various revenue contracts with mobile telecommunications operators.

The fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement regarding (i) the 255 underground stations in operation; (ii) the 46 underground stations, where further revenue contracts are expected to be entered into; and (iii) the underground stations pending to be in operation as mentioned above, shall be determined between the parties after arm's length negotiation, taking into account BII Zhuoyue's revenue

LETTER FROM THE BOARD

from its civil communication business during the term of the Cooperation Agreement, the amount invested by BII regarding the Resources and the amount invested by BII Zhuoyue regarding the civil communication transmission systems.

In particular, the fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement are determined with reference to BII's share in BII Zhuoyue's earnings from the civil communication business ("**BII's Share**"), where:

$$BII's\ Share = Projected\ EBITDA \times share\ ratio$$

Notes:

- (a) Projected EBITDA = BII Zhuoyue's earnings from renting and licensing the use of the civil communication transmission systems in the relevant underground station – relevant maintenance costs, spare parts costs, labour costs and management costs;
- (b) Share ratio = Original value of investment costs of BII ÷ (original value of investment costs of BII Zhuoyue + original value of investment costs of BII);
- (c) Original value of investment costs of BII mainly includes BII's investments in the civil communication server room (including relevant equipment); while original value of investment costs of BII Zhuoyue mainly includes BII Zhuoyue's investments in the civil communication transmission systems. In particular, the original value of investment costs of BII is calculated as BII's investment costs in the Resources, multiplied by the ratio of the area of engine room space used by BII Zhuoyue to the total area of each railway station; and
- (d) For the avoidance of doubt, the Projected EBITDA only represents a provisional projection of BII Zhuoyue's earnings under its civil communication business, and does not constitute a profit forecast under Rule 14.61 of the Listing Rules.

In accordance with the above calculation, the share ratio is:

- (a) with respect to the 255 underground stations (and the 46 underground stations (among the 255 underground stations)), 49.29%; and
- (b) with respect to the 44 underground stations which are expected to be pending to be in operation, depending on the underground station, between 43.25% and 61.25%.

The proposed annual caps (as detailed below) represent the maximum fees payable by BII Zhuoyue during the term of the Cooperation Agreement.

LETTER FROM THE BOARD

Settlement method

The 255 underground stations

In respect of the 255 underground stations in operation as at 31 December 2023, the fees payable by BII Zhuoyue for the three years ending 31 December 2026 will be approximately RMB35.8 million, RMB38.4 million and RMB43.6 million, respectively (equivalent to HK\$38.7 million, HK\$41.5 million and HK\$47.1 million, respectively).

The fees in respect of the 255 underground stations in operation shall be paid by BII Zhuoyue in the following manner:

- (i) approximately RMB35.8 million shall be payable within 20 working days after the Cooperation Agreement becoming effective and after BII Zhuoyue receiving the relevant value-added tax invoice;
- (ii) approximately RMB38.4 million shall be payable by 11 August 2025; and
- (iii) approximately RMB43.6 million shall be payable by 1 November 2026.

Adjustment to the fees in respect of the 255 underground stations

The fees payable for the 255 underground stations stipulated under the Cooperation Agreement are based on Projected EBITDA, which are determined with reference to revenue contracts that had been entered into. It is the parties' intention that the fees payable for the 255 underground stations for each of 2024, 2025 and 2026 will be adjusted for once after 31 December 2026 according to actual earnings derived from the revenue contracts at the end of 2026 after arm's length negotiation. Notwithstanding that the fees payable will be adjusted for once after 31 December 2026, the Company will calculate and keep meticulous records of the estimated adjustment to the fees payable for the 255 underground stations based on the actual earnings derived from the revenue contracts and make relevant provisions in its financial statements each financial year, resulting in adjustments to the fees in respect of the 255 underground stations (if any) being booked in the audited financial statements of the Group for each financial year (i.e. the year ended 31 December 2024 and the two years ending 31 December 2026). It is the parties' intention that the settlement of the balance or receipt of reimbursement after adjustment to the fees in respect of the 255 underground stations be effected for once after the end of 2026.

For the avoidance of doubt, the Company will re-comply with the applicable requirements under the Listing Rules if and as required under the Listing Rules in the circumstances where the annual caps for any financial year is exceeded, including re-complying with the announcement and shareholders' approval requirements.

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In addition, pursuant to the Cooperation Agreement, in case of charging policy reasons (收費政策) (i.e. government policies that may result in adjustments of the fees charged in civil communications) or force majeure events (collectively “**Policy Reasons**”), BII Zhuoyue and BII shall determine whether the fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement may be adjusted.

The 46 underground stations and underground stations pending to be in operation

The parties shall enter into supplemental agreement(s) regarding the amount of fees payable and settlement method for (i) the 46 underground stations (among the 255 underground stations in operation as at 31 December 2023), where further revenue contracts regarding 2G and 5G mobile networks services are expected to be entered into; and (ii) the underground stations pending to be in operation, where various revenue contracts are expected to be entered into.

Adjustment to the fees in respect of the 46 underground stations and the underground stations pending to be in operation

The fees payable for the 46 underground stations and the underground stations pending to be in operation shall be determined between the parties to the Cooperation Agreement after arm’s length negotiations with reference to actual earnings derived from the revenue contracts. As such fees payable are based on actual earnings derived, there will be no adjustments unless Policy Reasons arise.

The proposed annual caps

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 million, RMB56 million and RMB64 million, respectively (equivalent to HK\$47.6 million, HK\$60.5 million and HK\$69.2 million, respectively).

Notwithstanding that the Cooperation Agreement is yet to become effective, pursuant to IFRS (International Financial Reporting Standards) 15, the fees payable under the Cooperation Agreement in respect of the 255 underground stations in operation for the year ended 31 December 2024 (i.e. approximately RMB35.8 million) has been booked in note 31(b) of the notes to the consolidated financial statements in the annual report of the Company for the year ended 31 December 2024 under the category headed “Purchases of goods and service” in the sub-section headed “Transactions with ultimate holding company and its affiliates” even though such fees have not been paid to BII, as the Resources have been utilised by the Company during the year ended 31 December 2024. For the avoidance of doubt, as the Cooperation Agreement was signed near the end of 2024, resulting in the fees payable for the year ended 31 December 2024 being effectively calculated and finalised in

LETTER FROM THE BOARD

accordance with BII Zhuoyue's revenue from its civil communication business for the year ended 31 December 2024, and the fact that the actual costs incurred by BII Zhuoyue was identical to the estimated costs incurred by BII Zhuoyue, resulting in the Projected EBITDA being equivalent to BII Zhuoyue's actual earnings, no adjustments to the fees payable in respect of the 255 underground stations have been made.

The Company acknowledges that the transactions contemplated under the Cooperation Agreement are subject to annual review by the independent non-executive Directors and auditors of the Company as required under Rules 14A.55 and 14A.56 of the Listing Rules. Accordingly, if the Cooperation Agreement becomes effective, as the term of the Cooperation Agreement has begun in the financial year ended 31 December 2024, the transactions contemplated under the Cooperation Agreement has been subject to annual review by the independent non-executive Directors and auditors of the Company for the year ended 31 December 2024 as required under Rules 14A.55 and 14A.56 of the Listing Rules.

Auditor's and independent non-executive Directors' views on the fees payable under the Cooperation Agreement in respect of the 255 underground stations in operation for the year ended 31 December 2024 being booked in the audited financial statements for the year ended 31 December 2024

Auditor's view:

BII Zhuoyue and BII entered into the Cooperation Agreement pursuant to which BII is responsible for provision of the Resources (i.e. the relevant civil communication server room space and utilities support (such as provision of power supply, air-conditioning and chutes), 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. Subject to the fulfillment of certain conditions, the term of the Cooperation Agreement shall be three years starting from 1 January 2024 to 31 December 2026. Such conditions include, among others, the relevant resolutions in respect of the Cooperation Agreement and the transactions contemplated thereunder having been passed at the EGM.

Considering the actual utilisation of the relevant civil communication server room space and utilities support throughout the Group's operation of the civil communication transmission systems business during the year ended 31 December 2024, and for prudence, the management of the Company booked the fee of approximately RMB35.8 million in the financial statements of the Company for the year ended 31 December 2024 as if the Cooperation Agreement was effective. This was also in line with the timing of revenue recognition of the Group's civil communication transmission systems business in accordance with International Financial Reporting Standard 15 (IFRS 15) – Revenue from Contracts with Customers.

LETTER FROM THE BOARD

Based on the above and the fact that the transactions have been approved by the Board, the auditor of the Company concurred with such accounting treatment.

Independent non-executive Directors' views:

As disclosed in the annual report of the Company for the year ended 31 December 2024, the independent non-executive Directors have carried out an annual review of the continuing connected transactions of the Company for the year ended 31 December 2024. The independent non-executive Directors did not raise any requisitions regarding the management of the Company's decision to book the fees payable under the Cooperation Agreement in respect of the 255 underground stations in operation for the year ended 31 December 2024 in the audited financial statements of the Group for the year ended 31 December 2024.

Basis of the proposed annual caps

The proposed annual caps for the Cooperation Agreement for the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 consist of the following:

- (i) the fees payable by BII Zhuoyue in respect of the 255 underground stations in operation as at 31 December 2023, amounting to approximately RMB35.8 million, RMB38.4 million and RMB43.6 million, respectively (equivalent to approximately HK\$38.7 million, HK\$41.5 million and HK\$47.1 million, respectively) for the three years ending 31 December 2026;
- (ii) the fees payable by BII Zhuoyue in respect of the 46 underground stations (among the 255 underground stations in operation as at 31 December 2023) amounting to approximately RMB5.0 million, RMB5.0 million and RMB5.0 million, respectively (equivalent to approximately HK\$5.4 million, HK\$5.4 million and HK\$5.4 million, respectively) for the three years ending 31 December 2026), which will be stipulated under supplemental agreement(s); and
- (iii) the fees payable by BII Zhuoyue in respect of the 44 underground stations which are expected to be pending to be in operation during the term of the Cooperation Agreement amounting to approximately RMB0, RMB12.6 million and RMB15.5 million, respectively (equivalent to approximately HK\$0, HK\$13.7 million and HK\$16.8 million, respectively) for the three years ending 31 December 2026), which will be stipulated under supplemental agreement.

LETTER FROM THE BOARD

The proposed annual caps represent the maximum fees payable by BII Zhuoyue during the term of the Cooperation Agreement in respect of (i) the 255 underground stations in operation as at 31 December 2023, where the amount of fees payable was stipulated in the Cooperation Agreement; (ii) the 46 underground stations (among the 255 underground stations in operation as at 31 December 2023), where the amount of fees payable will be stipulated under supplemental agreement(s); and (iii) the underground stations pending to be in operation during the term of the Cooperation Agreement, where the amount of fees payable will be stipulated under supplemental agreement(s).

Pursuant to Rule 14A.54 of the Listing Rules, if any of the proposed annual caps is exceeded during the term of the Cooperation Agreement, the revised or new cap(s) will be used to calculate the percentage ratios for classifying the continuing connected transaction. The Company will comply with the relevant Listing Rules as and when appropriate.

Internal control measures

To ensure that (i) the terms of the transactions and the pricing mechanisms under the Cooperation Agreement are fair and reasonable; (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 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 Group has adopted the following measures:

1. designated staff from the finance department of the Group will closely monitor and perform review of the respective total transaction amount of the transactions conducted under the Cooperation Agreement on a monthly basis, including reviewing the latest management accounts and the fees payable pursuant to the Cooperation Agreement, to ensure that the respective proposed annual caps will not be exceeded. Such designated staff will also keep meticulous records of the estimated adjustment to the fees payable based on the pricing principles of the Cooperation Agreement and inform management of such estimated adjustments in a timely manner;
2. the management of the Company will continuously monitor the fees payable by BII Zhuoyue to ensure that the fees payable thereof are derived in accordance with the pricing principles under the Cooperation Agreement. The Company has established communication channels with BII for the purposes of informing them of the estimated adjustments to the fees in respect of the 255 underground stations when necessary;

LETTER FROM THE BOARD

3. in the event that the respective total transaction amount of the transactions conducted under the Cooperation Agreement incurred or to be incurred is expected to reach or exceed the respective proposed annual caps, the finance department of the Company will follow up by reporting to the senior management of the Company, 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
4. the continuing connected transaction of the Group will also be subject to annual review by the independent non-executive Directors and auditors in accordance with the Listing Rules.

Fallback position on the Cooperation Agreement

If the Cooperation Agreement is not approved at the EGM, in order to maintain transparency and effective communications with the Independent Shareholders, the Company will collect, review and analyse the views and opinions of the Independent Shareholders to facilitate discussions with BII for further arrangement.

As the Cooperation Agreement only becomes effective upon fulfillment of the conditions precedent, which include, but is not limited to, the obtaining of Independent Shareholders' approval, BII Zhuoyue will not be liable to pay the relevant fees payable under the Cooperation Agreement if such is not approved by the Independent Shareholders.

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 date of this announcement. 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 Cooperation Agreement

The utilisation of the Resources is crucial to the Group's operation and development of its civil communication business, and the Group's civil communication business might be adversely impacted without utilising the Resources, which would adversely affect the interests of the Shareholders. As such, after numerous rounds of discussions and negotiations between the management of the Company and BII, the Group entered into the Cooperation Agreement with BII to ensure the utilisation of the Resources, and accordingly, the stability and continuity of the Group's operation of its civil communication business, which the Directors consider is in the interests of the Company and the Shareholders as a whole.

Payment arrangement under the Cooperation Agreement

As (a) the Company is able to utilise the Resources on an on-going basis; and (b) it is difficult for BII to suspend the provision of the Resources, after numerous rounds of discussions and negotiations between the management of the Company and BII, the settlement dates for the fees in respect of the 255 underground stations in operation were agreed to be (i) within 20 working days after the Cooperation Agreement becoming effective and after BII Zhuoyue receiving the relevant value-added tax invoice; (ii) 11 August 2025; and (iii) 1 November 2026. As the Company is able to continuously utilise the Resources on an on-going basis, and the Company in turn delays payment for the utilisation of the Resources for approximately seven months in 2025 and ten months in 2026, the Directors consider the payment arrangement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Settlement of adjusted fees in respect of the 255 underground stations

As to the fees in respect of the 255 underground stations, it is the parties' intention that the fees payable for the 255 underground stations for each of 2024, 2025 and 2026 be adjusted for once after 31 December 2026. As (i) the pricing policy under the Cooperation Agreement remains unchanged on settlement of adjusted fees in respect of the 255 underground stations; (ii) the Company continuously monitors the estimated adjustment to the fees payable based on the actual earnings derived from the revenue contracts, and will communicate with BII on estimated adjustments when necessary; and (iii) one-off settlement of the adjusted fees will minimise the required administrative tasks, and thus enable efficient settlement of adjusted fees, the Directors consider that the arrangement for settlement of adjusted fees in respect of the 255 underground stations is in the interests of the Company and the Shareholders as a whole.

General

Further, as (i) BII has been the ultimate controlling Shareholder of the Company; and (ii) there has been a long-standing business relationship between BII and the Group, the Directors consider BII a reliable business partner and the cooperation between the parties will be beneficial to the Group's long-term and stable operation and development of its civil communication business.

Taking into account the above factors, the Directors consider that, although the transactions contemplated under the Cooperation Agreement are not in the ordinary and usual course of business of the Group:

- (i) the terms and conditions of the Cooperation 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 Cooperation Agreement for the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 are fair and reasonable; and
- (iii) the transactions contemplated under the Cooperation 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 Cooperation Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As one of the applicable percentage ratios of the transactions contemplated under the Cooperation Agreement is more than 5% and the annual caps in respect of the transactions contemplated under the Cooperation 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 Cooperation Agreement and the related proposed annual caps for the the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 at the EGM.

As at the Latest Practicable Date, Mr. Ren Yuhang, a non-executive Director, is the vice general manager of BII. Accordingly, Mr. Ren Yuhang is considered to have a material interest in the transactions contemplated under the Cooperation Agreement by virtue of his management position held in BII, and had abstained from voting on the board resolution(s) approving the transactions contemplated under the Cooperation Agreement. Save as disclosed above, none of the Directors has abstained from voting on the board resolution(s) approving the transactions contemplated under the Cooperation Agreement. Save as disclosed above, there were no Directors who were also a director or employee of any substantial shareholder of the Company.

6. FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF GRAM CAPITAL

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 Cooperation Agreement and the related proposed annual caps. The Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Cooperation 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 Thursday, 19 June 2025 at 3:30 p.m., during which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Cooperation Agreement and the transactions contemplated thereunder by way of poll, the results of which will be announced after the EGM.

LETTER FROM THE BOARD

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 Monday, 16 June 2025 to Thursday, 19 June 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 Friday, 13 June 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 Cooperation 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 transactions contemplated under the Cooperation Agreement and the transactions contemplated thereunder and will be required to abstain from voting on the resolution(s) to approve the Cooperation 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.

LETTER FROM THE BOARD

9. RECOMMENDATIONS

The Directors are of the opinion that the terms of Cooperation 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 Cooperation Agreement and the transactions contemplated thereunder and the related proposed annual caps, and Gram Capital 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 Gram Capital containing its recommendation in respect of the Cooperation Agreement and the transactions contemplated thereunder and the related proposed annual caps are set out on pages 22 to 35 of this circular.

10. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 20 to 21 of this circular, the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 22 to 35 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)

29 May 2025

To the Independent Shareholders

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS
COOPERATION AGREEMENT
REGARDING CIVIL COMMUNICATION BUSINESS

We refer to the circular of the Company to the Shareholders dated 29 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 Cooperation 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 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 22 to 35 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 Cooperation Agreement and the transactions contemplated thereunder and the advice of Gram Capital, we consider that although the transactions contemplated under the Cooperation Agreement are not in the ordinary and usual course of business of the Group:

- (i) the terms and conditions of the Cooperation 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 Cooperation Agreement for the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 are fair and reasonable; and
- (iii) the transactions contemplated under the Cooperation Agreement are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Cooperation 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 GRAM CAPITAL

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

29 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 COOPERATION AGREEMENT REGARDING CIVIL COMMUNICATION BUSINESS

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 Cooperation 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 29 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 19 December 2024, BII Zhuoyue entered into the Cooperation Agreement with BII in relation to the provision of Resources by BII for the civil communication transmission business in the subway lines of the Beijing Subway (the “**Civil Communication Transmission Business**”). 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

LETTER FROM GRAM CAPITAL

Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

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 circular dated 8 May 2025. 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 GRAM CAPITAL

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 GRAM CAPITAL

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
– Intelligent passenger information services	755,912	770,937	(1.95)
– Data and integration services	515,589	577,432	(10.71)
– Intelligent infrastructure (the "Intelligent Infrastructure Segment")	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 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.

As depicted from the above table, the Intelligent Infrastructure Segment revenue represented approximately 18% and 23% of the Group's total revenue for FY2023 and FY2024 respectively. Based on the information provided by the Company, revenue generated from the Civil Communication Transmission Business (i) has been included in the Intelligent Infrastructure Segment revenue; and (ii) represented approximately 12% and 13% of the Group's total revenue for FY2023 and FY2024 respectively.

LETTER FROM GRAM CAPITAL

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.

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:

- (a) Since the acquisition of the Civil Communication Assets in 2014, the Group has been utilising the Resources for the development of the Civil Communication Transmission Business. BII Zhuoyue receives income from renting and licensing the use of the civil communication transmission systems (the “**Systems**”) of the subway lines of the Beijing Subway (i.e. the Civil Communication Transmission Business). The Systems are rented and licenced to mobile telecommunications operators for their provision of voice and data services for mobile devices in the Beijing Subway.
- (b) Since 2014 and up to late November 2024, the Group had never received any notice from BII requiring the Group to pay any fees for its utilisation of the Resources. In late November 2024, the Group received a notice from BII stipulating that commencing from 1 January 2024, the Group would be charged for its utilisation of the Resources. Upon receiving such notice, the Group was of the view that the utilisation of the Resources is crucial to the Group’s operation and development of the Civil Communication Transmission Business, and that the Civil Communication Transmission Business might be adversely impacted without utilising the Resources, which would adversely affect the interests of the Shareholders. As such, after numerous rounds of discussions and negotiations between the management and BII, the Group entered into the Cooperation Agreement with BII to ensure the utilisation of the Resources, and accordingly, the stability and continuity of the Group’s operation of the Civil Communication Transmission Business, which is in the interests of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

- (c) As (i) BII has been the ultimate controlling Shareholder of the Company; and (ii) there has been a long-standing business relationship between BII and the Group, the Directors consider BII a reliable business partner and the cooperation between the parties will be beneficial to the Group's long-term and stable operation and development of the Civil Communication Transmission Business.
- (d) Pursuant to the Cooperation Agreement, BII is responsible for providing the Resources for the operation and development of the Systems in the subway lines of the Beijing Subway.

As aforementioned, the Intelligent Infrastructure Segment revenue represented approximately 18% and 23% of the Group's total revenue for FY2023 and FY2024 respectively. Based on the information provided by the Company, revenue generated from the Civil Communication Transmission Business (i) has been included in the Intelligent Infrastructure Segment revenue; and (ii) represented approximately 12% and 13% of the Group's total revenue for FY2023 and FY2024 respectively.

According to the 2024 Annual Report, the reportable segment profit of the Intelligent Infrastructure Segment was approximately HK\$160 million for FY2023 and approximately HK\$193 million for FY2024.

As confirmed by the Directors, the Transaction is conducted in the ordinary and usual course of business of the Group to support the operation of the Civil Communication Transmission Business. As the Civil Communication Transmission Business involves renting and licensing the use of the Systems of the subway lines of the Beijing Subway to mobile telecommunications operators for their provision of voice and data services for mobile devices in the Beijing Subway, it is necessary for the Group to utilise the Resources for the development of the Civil Communication Transmission Business. BII is the only subway provider in Beijing and the sole owner of the Beijing Subway. Therefore, by being the sole owner of the underground stations in the Beijing Subway, BII is the sole provider of the Resources.

As aforementioned, the Group has been utilising the Resources for the development of the Civil Communication Transmission Business since 2014. Nevertheless, since 2014 and up to late November 2024, the Group had never received any notice from BII requiring the Group to pay any fees for its utilisation of the Resources. It is justifiable for BII to charge the Group for utilisation of the Resources commencing from 1 January 2024.

Having considered that the Civil Communication Transmission Business contributed substantial portion to the Group's total revenue for FY2022, FY2023 and 1H2024 and the reportable segment profit of the Intelligent Infrastructure Segment increased from FY2022 to FY2023 and from 1H2023 to 1H2024, we are of the view that the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

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 COOPERATION AGREEMENT” of the Board Letter:

Agreement date

19 December 2024

Parties

- (1) BII Zhuoyue; and
- (2) BII.

Term

Subject to the fulfilment of the conditions precedent as set out under the section headed “2. THE COOPERATION AGREEMENT” of the Board Letter, the term of the Cooperation Agreement shall be three years starting from 1 January 2024 to 31 December 2026.

Scope of cooperation

Pursuant to the Cooperation Agreement, BII is responsible for providing the Resources for the operation and development of the Systems of the underground stations in the subway lines of the Beijing Subway. The scope of cooperation includes the 255 underground stations in operation as at 31 December 2023 and the underground stations pending to be in operation during the term of the Cooperation Agreement.

Pricing principles

In respect of the 255 underground stations in operation, revenue contracts had been entered into between BII Zhuoyue and mobile telecommunications operators. Among such 255 underground stations, revenue contracts regarding 2G, 4G and 5G mobile networks had been entered into in respect of 209 underground stations; and revenue contracts regarding 4G mobile networks only had been entered into in respect of 46 underground stations.

It is expected that BII Zhuoyue will enter into further revenue contracts with mobile telecommunications operators regarding 2G and 5G mobile networks for the abovementioned 46 underground stations during the term of the Cooperation Agreement.

LETTER FROM GRAM CAPITAL

For the underground stations pending to be in operation during the term of the Cooperation Agreement, it is expected that BII Zhuoyue will enter into various revenue contracts with mobile telecommunications operators.

The fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement regarding (i) the 255 underground stations in operation; (ii) the 46 underground stations, where further revenue contracts are expected to be entered into; and (iii) the underground stations pending to be in operation as mentioned above, shall be determined between the parties after arm's length negotiation, taking into account BII Zhuoyue's revenue from the Civil Communication Transmission Business during the term of the Cooperation Agreement, the amount invested by BII regarding the Resources and the amount invested by BII Zhuoyue regarding the Systems. In particular, the fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement are determined with reference to BII's share in BII Zhuoyue's earnings from the Civil Communication Transmission Business (i.e. the BII's Share). The BII's Share is based on the share ratio as determined by: " $\text{BII's original value of investment cost (the "BII Investment Cost")} \div (\text{BII Zhuoyue's original value of investment cost (the "BII Zhuoyue Investment Cost")} + \text{The BII Investment Cost})$ ". Further details of the BII's Share are set out under the sub-section headed "Pricing principles" of the Board Letter.

We consider the aforesaid pricing principles to be justifiable after considering the following:

- (i) The significance of the Resources to the Civil Communication Transmission Business and the significance of the Civil Communication Transmission Business to the Group (revenue generated from the Civil Communication Transmission Business represented approximately 12% and 13% of the Group's total revenue for FY2023 and FY2024 respectively).
- (ii) As BII is the sole owner of the underground stations in the Beijing Subway and the sole provider of the Resources, it is reasonable for BII to charge the fees for the use of the Resources on a "split distribution basis" according to the proportion between the BII Investment Cost and the BII Zhuoyue Investment Cost.
- (iii) As compared to fixed rent, fees charge on "split distribution basis" may mitigate the Group's risks under the circumstance that the Group could not generate sufficient revenue from the Civil Communication Transmission Business to cover relevant cost (including the fixed rent).
- (iv) We noted certain business invitation announcements on a business invitation platform website operated by 國鐵物資有限公司 (China Railway Materials Co., Ltd.*) ("**CRMC**"), namely, 國鐵招商 (State Railway Business Invitation*) (the "**SR Business**").

LETTER FROM GRAM CAPITAL

Invitation Website”). According to the SR Business Invitation Website, CRMC professional service organization for material procurement and supply of the China State Railway Group Co., Ltd.* (中國國家鐵路集團有限公司). We noted from the aforesaid business invitation announcements that, “variable rent” on different bases, including “fixed guaranteed rent or percentage on sales amount, whichever is higher” and “percentage on sales amount only”, would be charged for the entities who utilize the space/area associated with railway stations to conduct their business (such as retail shop, food and beverage and vending machine).

Settlement method

In respect of the 255 underground stations in operation as at 31 December 2023, the fees payable by BII Zhuoyue (the “**Pre-determined Fees**”) will be approximately RMB35.8 million for the year ended 31 December 2024 (“**FY2024**”), RMB38.4 million for the year ending 31 December 2025 (“**FY2025**”) and RMB43.6 million for the year ending 31 December 2026 (“**FY2026**”) (equivalent to HK\$38.7 million, HK\$41.5 million and HK\$47.1 million, respectively).

The fees in respect of the 255 underground stations in operation shall be paid by BII Zhuoyue in the following manner:

- (i) approximately RMB35.8 million (for FY2024) shall be payable within 20 working days after the Cooperation Agreement becoming effective and after BII Zhuoyue receiving the relevant value-added tax invoice;
- (ii) approximately RMB38.4 million (for FY2025) shall be payable by 11 August 2025; and
- (iii) approximately RMB43.6 million (for FY2026) shall be payable by 1 November 2026.

As FY2024 had passed, it is reasonable to pay the fees payable for FY2024 within 20 working days after the Cooperation Agreement becoming effective and after BII Zhuoyue receiving the relevant value-added tax invoice. As more than a half of FY2025 has already passed by 11 August 2025, it is reasonable to pay the fees payable for FY2025 by that date. As more than a half of FY2026 has already passed by 1 November 2026, it is reasonable to pay the fees payable for FY2026 by that date. In other words, (a) during more than half of each of FY2025 and FY2026, BII Zhouyue will be using the Resources without paying fees; and (b) during less than half of each of FY2025 and FY2026, BII Zhouyue will pay in advance for using the Resources.

LETTER FROM GRAM CAPITAL

The parties shall enter into supplemental agreement(s) regarding the amount of fees payable (the “**Undetermined Fees**”) and settlement method for (i) the 46 underground stations (among the 255 underground stations in operation as at 31 December 2023), where further revenue contracts regarding 2G and 5G mobile networks are expected to be entered into; and (ii) the underground stations pending to be in operation, where various revenue contracts are expected to be entered into.

Further details of the settlement method are set out under the sub-section headed “Settlement method” of the Board Letter.

With reference to the Board Letter and as confirmed by the Directors:

- (i) The Pre-determined Fees were determined with reference to, among others, revenue contracts that had been entered into. It is the intention of BII Zhuoyue and BII that the Pre-determined Fees payable for each of 2024, 2025 and 2026 will be adjusted for once after 31 December 2026 according to actual earnings derived from the revenue contracts at the end of 2026 after arm’s length negotiation. In addition, pursuant to the Cooperation Agreement, in case of Policy Reasons, BII Zhuoyue and BII shall determine whether the fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement may be adjusted.
- (ii) As the Undetermined Fees shall be determined between BII Zhuoyue and BII after arm’s length negotiations with reference to actual earnings derived from the revenue contracts, there will be no adjustment unless Policy Reasons arise.

We consider that the above possible adjustments to be justifiable as they will align fees payable with actual earnings derived from the revenue contracts and cater possible Policy Reasons (if any).

Proposed annual caps

Set out below are the proposed annual caps in respect of the Transaction (the “**Proposed Cap(s)**”) for the three years ended/ending 31 December 2026:

	For the year ended 31 December 2024 <i>RMB million</i>	For the year ending 31 December 2025 <i>RMB million</i>	For the year ending 31 December 2026 <i>RMB million</i>
Proposed Caps	44	56	64

LETTER FROM GRAM CAPITAL

With reference the Board Letter, the Proposed Caps consist of the following:

- (i) the fees payable by BII Zhuoyue in respect of the 255 underground stations in operation as at 31 December 2023, amounting to approximately RMB35.8 million, RMB38.4 million and RMB43.6 million, respectively for the three years ended/ending 31 December 2026 ("**Fees I**");
- (ii) the fees payable by BII Zhuoyue in respect of the 46 underground stations (among the 255 underground stations in operation as at 31 December 2023), which will be stipulated under supplemental agreement(s) ("**Fees II**"); and
- (iii) the fees payable by BII Zhuoyue in respect of the 44 underground stations which are expected to be pending to be in operation during the term of the Cooperation Agreement, which will be stipulated under supplemental agreement ("**Fees III**", together with Fee I and Fee II, the "**Fees Payable**").

For our due diligence purpose, we obtained the calculation of the Proposed Caps (the "**Calculation**") from the Company, which is consistent with the above basis of the Proposed Caps.

Under the Calculation, the Proposed Cap for each of the three years ended/ending 31 December 2026 was estimated based on (a) the sum of Fees I, Fees II and Fees III payable (if any) for that year; and (b) buffer of approximately 8% for FY2024 only (the "**2024 Buffer**").

Fees Payable

Under the Calculation, the Fees Payable (including Fees I, Fees II and Fees III) was estimated based on:

- (i) the estimated revenue to be generated under corresponding revenue contracts entered/to be entered into between BII Zhuoyue and mobile telecommunications operators;
- (ii) estimated operating costs to be incurred for the operation under the revenue contracts as mentioned in (i) above (the "**Estimated Operating Costs**");
- (iii) the proportion between the BII Investment Cost and the BII Zhuoyue Investment Cost (the "**Proportion**");
- (iv) distribution of "(i) – (ii)" above according to the Proportion; and
- (v) applying a discount for Fees I.

LETTER FROM GRAM CAPITAL

As aforementioned, we consider that it is reasonable for BII to charge the fees for the use of the Resources on a “split distribution basis” according to the proportion between the BII Investment Cost and the BII Zhuoyue Investment Cost. Accordingly, we consider the aforesaid calculation for the Fees Payable is justifiable.

For our due diligence purpose, we obtained the following documents/information which substantiate and support the figures adopted in the Calculation for estimating the Fees Payable (including Fees I, Fees II and Fees III):

- (i) Copies of all revenue contracts entered into between BII Zhuoyue and mobile telecommunications operators (the “**Executed Revenue Contracts**”), which substantiated the estimated revenue for calculation of Fees I. We also noticed that the Company made reference to the relevant fees charged by BII Zhuoyue to mobile telecommunications operators for specific types of business (i.e. 2G/4G/5G) pursuant to the Executed Revenue Contracts when estimating revenue for calculation of Fees II and Fees III.
- (ii) Copies of maintenance contracts entered into between BII Zhuoyue and its maintenance service providers for maintenance of the Systems (which substantiated approximately 67% of relevant maintenance cost) and records of other operating costs which support the calculation of the Estimated Operating Costs.
- (iii) Breakdown of the BII Investment Cost incurred/to be incurred for the Resources and breakdown of the BII Zhouyue Investment Cost incurred/to be incurred for the Systems, which support the determination of the Proportion under the Calculation.

Based on the Calculation, the BII Investment Cost incurred/to be incurred for the Resources was determined by BII’s total investment costs associated with the construction of each railway station (along with the utility support for each railway station), multiplied by the ratio of the area of the engine room space utilized by BII Zhuoyue to the total area of each railway station. This helps to apportion costs based on the actual space utilized by BII Zhuoyue.

As advised by the Company, BII Zhuoyue Investment Cost incurred/to be incurred for the Systems involves various hardware and software with substantial investment, and the technical design of which requires certain level of expertise.

LETTER FROM GRAM CAPITAL

2024 Buffer

Upon our enquiry, the Directors advised us that the 2024 Buffer was incorporated to cater for unforeseeable circumstances as FY2024 is the first year of the term of the Transaction. We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions published during the period from 1 December 2024 to 19 December 2024 (being the date of the announcement in relation to the Transaction) that 12 out of 35 circulars published during the said period contained continuing connected transactions that incorporated buffer of 10% in determining their annual caps. The incorporation of buffer of 10% in determining proposed annual caps is not uncommon among Hong Kong listed companies. Accordingly, we consider the 2024 Buffer, which is lower than 10%, to be reasonable.

Having considered the above, we are of the view that the Proposed Caps for the three years ended/ending 31 December 2026 are fair and reasonable.

In light of the above, we consider that the terms of the Transaction (including the Proposed 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 Proposed Caps for the period concerned under the Cooperation Agreement; (ii) the terms of the Transaction (including the Proposed 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 Proposed 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 Proposed Caps. In the event that the total amounts of the Transaction are anticipated to exceed the Proposed Caps, or that there is any proposed material amendment to the terms of the Cooperation 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.

LETTER FROM GRAM CAPITAL

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.

* For identification purpose only

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 Cooperation Agreement;
- (b) the letter from Gram Capital 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 Gram Capital 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 Thursday, 19 June 2025 at 3:30 p.m., to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

“THAT:

1. (a) the cooperation agreement dated 19 December 2024 between the Company and BII (the “**Cooperation Agreement**”) (a copy of Cooperation 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 Cooperation Agreement for the year ended 31 December 2024 and the two years ending 31 December 2025 and 2026 as shown in the Company’s circular dated 29 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 Cooperation 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 Cooperation Agreement and any other transactions contemplated under or incidental to Cooperation Agreement”.

By order of the Board

BII Railway Transportation Technology Holdings Company Limited

Liu Yu

Executive Director

Chief Executive Officer

Hong Kong, 29 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 3:30 p.m. on Tuesday, 17 June 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 Monday, 16 June 2025 to Thursday, 19 June 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 Friday, 13 June 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.