
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Beijing Urban Construction Design & Development Group Co., Limited, you should at once hand this circular together with the accompanying proxy form for the extraordinary general meeting to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



北京城建设计发展集团股份有限公司
BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited

北京城建设计发展集团股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1599)

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE GENERAL MEETING**
- (3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE BOARD OF DIRECTORS**
- (4) PROPOSED MAJOR AND CONNECTED TRANSACTION ENTERED INTO
WITH A SUBSIDIARY OF BEIJING INVESTMENT COMPANY
AND**
- (5) NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders in relation to
the Joint Venture Agreement and the transactions contemplated thereunder**



The EGM of the Company is to be held at Conference Room 501, 5/F, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Thursday, 15 August 2019. A letter from the Board is set out on pages 1 to 13 of this circular. A notice convening the EGM is set out on pages 76 to 77 of this circular.

A letter from the Independent Board Committee containing their advice and recommendation to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Opus Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 29 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy form should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in hand or by post not less than 24 hours before the time stipulated for convening the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish.

30 June 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
LETTER FROM THE INDEPENDENT BOARD COMMITTEE.	14
LETTER FROM OPUS CAPITAL.	16
APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION	30
APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING	51
APPENDIX III COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS	58
APPENDIX IV FINANCIAL INFORMATION OF THE GROUP.	66
APPENDIX V GENERAL INFORMATION.	68
NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING.	76

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as amended, modified or supplemented from time to time
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Beijing Investment Company”	Beijing Infrastructure Investment Co., Ltd., a substantial shareholder of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1599)
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as enacted and adopted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective from 1 July 1994, as amended, supplemented and otherwise modified from time to time
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holder(s) of Domestic Shares

DEFINITIONS

“EGM”	the 2019 First Extraordinary General Meeting of the Company to be convened on Thursday, 15 August 2019
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huangshan Railway Company”	Huangshan Railway Investment Co., Ltd.
“Huangshan T1 Line Project”	Phase I Project and relevant auxiliary resources development projects of Huangshan Urban Tourism Railway T1 Line implemented by the Joint Venture Company as authorized by Huangshan Municipal Government under the ABO (Authorize-Build-Operate) model. Phase I Project of Huangshan Urban Tourism Railway T1 Line is a core railway line with Huangshan North Station as the transportation hub and gateway, and northbound to the south gate and east gate of Huangshan Scenic Area. The total length of Phase I Project of Huangshan Urban Tourism Railway T1 Line is approximately 50.6 km, with a total of 9 stations (from Huangshan North Station to Tanjiaqiao Station). The investment amount of the project is approximately RMB12 billion
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Mr. Wang Dexing, Dr. Yim Fung, Mr. Sun Maozhu, Mr. Liang Qinghuai and Mr. Qin Guisheng, which was established to advise the Independent Shareholders in relation to the terms of the Joint Venture Agreement proposed to be entered into

DEFINITIONS

“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of Joint Venture Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those required by the Listing Rules to abstain from voting on the resolution to be proposed at the EGM in relation to the proposed major and connected transaction entered into with a subsidiary of Beijing Investment Company
“Jingtou Investment Company”	Beijing Jingtou Investment Co., Ltd., a wholly-owned subsidiary of Beijing Investment Company
“Joint Venture Agreement”	the joint venture agreement entered into among the Company, Jingtou Investment Company and Huangshan Railway Company for the establishment of the Joint Venture Company
“Joint Venture Company”	the project company of Huangshan T1 Line Project, a company with limited liability to be incorporated in the PRC by the Company, Jingtou Investment Company and Huangshan Railway Company pursuant to the Joint Venture Agreement entered into
“Latest Practicable Date”	28 June 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular only, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for the Board of Directors”	the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, as amended, modified and supplemented from time to time

DEFINITIONS

“Rules of Procedure for the General Meeting”	the Rules of Procedure for the General Meeting of Beijing Urban Construction Design & Development Group Co., Limited, as amended, modified and supplemented from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	H Share(s) and Domestic Share(s) of the Company
“Shareholder(s)”	holders of the Shares of the Company
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules

LETTER FROM THE BOARD



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited

北京城建設計發展集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1599)

Members of the Board:

Executive Directors:

Wang Hanjun

Li Guoqing

Non-executive Directors:

Shi Yubin (*Chairman*)

Tang Shuchang

Wu Donghui

Guan Jifa

Ren Yuhang

Su Bin

Yu Xiaojun

Ren Chong

Registered office:

5 Fuchengmen North Street

Xicheng District

Beijing

PRC

Principal place of business in Hong Kong:

40th Floor, Sunlight Tower

No. 248 Queen's Road East

Wanchai

Hong Kong

Independent non-executive Directors:

Wang Dexing

Yim Fung

Sun Maozhu

Liang Qinghuai

Qin Guisheng

30 June 2019

To the Shareholders:

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE GENERAL MEETING
(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE BOARD OF DIRECTORS
(4) PROPOSED MAJOR AND CONNECTED TRANSACTION ENTERED INTO
WITH A SUBSIDIARY OF BEIJING INVESTMENT COMPANY
AND
(5) NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

On behalf of the Board, I invite you to attend the EGM to be held at Conference Room 501, 5/F, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Thursday, 15 August 2019.

References are made to the announcement of the Company dated 12 May 2019 in relation to proposed major and connected transaction entered into with a subsidiary of Beijing Investment Company and the announcement of the Company dated 10 June 2019 in relation to the proposed amendments to the Articles of Association. The purpose of this circular is to provide you with, among other things:

- (a) details on the proposed amendments to the Articles of Association;
- (b) details on the proposed amendments to the Rules of Procedure for the General Meeting;
- (c) details on the proposed amendments to the Rules of Procedure for the Board of Directors;
- (d) details on the Joint Venture Agreement and the transactions contemplated thereunder;
- (e) a letter from the Independent Board Committee, which sets out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the terms of the Joint Venture Agreement and the transactions contemplated thereunder;
- (f) a letter from Opus Capital, which sets out the advice and recommendation of Opus Capital to the Independent Board Committee and Independent Shareholders in relation to the Joint Venture Agreement and the transactions contemplated thereunder; and
- (g) notice of the EGM.

to enable you to make an informed decision on whether to vote for or against each of the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 10 June 2019 in relation to the proposed amendments to the Articles of Association.

In view of the actual needs of the Company, and in accordance with the Company Law and the Guidance for the Articles of Association of Listed Companies (《上市公司章程指引》), the Company proposes to amend the prevailing Articles of Association (the “**Prevailing Articles of Association**”) (the “**Amendments**”).

References are made to the announcements of the Company dated 15 August 2018, 25 October 2018, 29 March 2019 and 29 May 2019, and the circulars dated 9 October 2018 and 10 May 2019 in relation to, among others, the proposed amendments to the Prevailing Articles of Association (“**Such Amendments**”). In view of Such Amendments and the Amendments to the Prevailing Articles of Association, the Company proposes to amend the applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) upon the initial public offering and listing of A Shares of the Company accordingly (the “**Articles of Association (Draft)**”).

Details on the proposed amendments to the Articles of Association are set out in Appendix I of the circular. Due to the addition and deletion of chapters, articles and provisions, the numbering referred to in relevant chapters, articles and provisions as well as the cross-references as set out in the Articles of Association shall also be adjusted accordingly.

The amended Prevailing Articles of Association shall be subject to the approval at the EGM and shall take effect and be implemented from the date of consideration and approval at the EGM. The amended Articles of Association (Draft) shall be subject to the approval at the EGM and shall take effect and be implemented from the date of the initial public offering of A shares of the Company on the Shanghai Stock Exchange. Prior to the approval of the relevant resolutions at the EGM, the Prevailing Articles of Association shall remain valid.

III. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Integrating the actual needs of the Company, the Company proposes to amend the prevailing Rules of Procedure for the General Meeting (the “**Prevailing Rules of Procedure for the General Meeting**”) in accordance with relevant requirements of the Company Law and the Guidance for the Articles of Association of Listed Companies. At the same time, in view of the amendments to the Prevailing Rules of Procedure for the General Meeting, the Company proposes to amend the applicable Rules of Procedure for the General Meeting upon the initial public offering and listing of A Shares of the Company accordingly (the “**Rules of Procedure for the General Meeting (A Shares + H Shares)**”).

LETTER FROM THE BOARD

Details on the proposed amendments to the Rules of Procedure for the General Meeting are set out in Appendix II of the circular. Except for the proposed amendments set out in Appendix II, other terms in the Rules of Procedure for the General Meeting remain unchanged.

The amended Prevailing Rules of Procedure for the General Meeting shall be subject to the approval at the EGM and shall take effect and be implemented from the date of consideration and approval at the EGM. The amended Rules of Procedure for the General Meeting (A Shares + H Shares) shall be subject to the approval at the EGM and shall take effect and be implemented from the date of the initial public offering of A shares of the Company on the Shanghai Stock Exchange. Prior to the approval of the relevant resolutions at the EGM, the Prevailing Rules of Procedure for the General Meeting shall remain valid.

IV. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

Integrating the actual needs of the Company, the Company proposes to amend the Rules of Procedure for the Board of Directors (the “**Prevailing Rules of Procedure for the Board of Directors**”) in accordance with relevant requirements of the Company Law and the Guidance for the Articles of Association of Listed Companies (the “**Amendments to the Rules of Procedure for the Board of Directors**”).

References are made to the announcements of the Company dated 29 March 2019 and 29 May 2019, and the circular dated 10 May 2019, in relation to, among others, the proposed amendments to the Rules of Procedure for the Board of Directors (“**Previous Amendments**”). In view of the Previous Amendments and the Amendments to the Rules of Procedure for the Board of Directors, the Company proposes to amend the applicable Rules of Procedure for the Board of Directors upon the initial public offering and listing of A Shares of the Company accordingly (the “**Rules of Procedure for the Board of Directors (A Shares + H Shares)**”).

Details on the proposed amendments to the Rules of Procedure for the Board of Directors are set out in Appendix III of the circular. Except for the proposed amendments set out in Appendix III, other terms in the Rules of Procedure for the Board of Directors remain unchanged.

The amended Prevailing Rules of Procedure for the Board of Directors shall be subject to the approval at the EGM and shall take effect and be implemented from the date of consideration and approval at the EGM. The amended Rules of Procedure for the Board of Directors (A Shares + H Shares) shall be subject to the approval at the EGM and shall take effect and be implemented from the date of the initial public offering of A shares of the Company on the Shanghai Stock Exchange. Prior to the approval of the relevant resolutions at the EGM, the Prevailing Rules of Procedure for the Board of Directors shall remain valid.

LETTER FROM THE BOARD

V. PROPOSED MAJOR AND CONNECTED TRANSACTION ENTERED INTO WITH A SUBSIDIARY OF BEIJING INVESTMENT COMPANY

Reference is made to the announcement of the Company dated 12 May 2019 in relation to the Joint Venture Agreement entered into among the Company, Jingtou Investment Company and Huangshan Railway Company. Details of the transaction are as follows:

1. Background

On 12 May 2019, the Company entered into the Joint Venture Agreement with Jingtou Investment Company and Huangshan Railway Company to jointly establish a Joint Venture Company to implement the Huangshan T1 Line Project.

According to the Joint Venture Agreement entered into, the registered capital of the Joint Venture Company amounted to RMB1 billion, among which, the Company, Jingtou Investment Company and Huangshan Railway Company will contribute RMB240 million, RMB240 million and RMB520 million and will own 24%, 24% and 52% of the equity interest in the Joint Venture Company, respectively.

2. The Joint Venture Agreement Entered into

The principal terms of the Joint Venture Agreement entered into among the Company, Jingtou Investment Company and Huangshan Railway Company are summarised as follows:

Parties

The Company;

Jingtou Investment Company; and

Huangshan Railway Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Huangshan Railway Company and its ultimate beneficial owner (i.e. the State-owned Assets Supervision and Administration Commission of Huangshan Municipal People's Government) are third parties independent of the Company and its connected persons.

LETTER FROM THE BOARD

Scope of Business

The scope of business of the Joint Venture Company mainly includes: project applications, surveying and design, investment and financing, engineering construction, operation and management, development of the land along the line and surrounding the stations, development of the vehicle section and parking lots, operation of the advertisement and naming right along the line, as well as construction of the industrial zone, tourism project development of the Huangshan T1 Line Project and other businesses as approved by the government. The final scope of business will be subject to the registration of the industrial and commercial authority.

Registered Capital

The registered capital of the Joint Venture Company amounted to RMB1 billion. The contribution will be made by installments based on development progress of Huangshan T1 Line Project. The first installment of capital contribution of the Joint Venture Company amounts to RMB50 million, which will be contributed by each party in cash on a pro rata basis and will be used as the expense for the commencement of construction of Huangshan T1 Line Project at the early stage. The remaining capital contribution will be contributed by each party on a pro rata basis. As of the Latest Practicable Date, none of the parties has made any capital contribution to the Joint Venture Company.

The capital contribution to be made by the Company, Jingtou Investment Company and Huangshan Railway Company under the Joint Venture Agreement have been determined after arm's length negotiations among each party, with reference to the proposed capital requirement of Huangshan T1 Line Project and the equity interest of each party in the Joint Venture Company. Taking into account the leading position of Huangshan Municipal People's Government in Huangshan T1 Line Project, Huangshan Railway Company, the representative of the government, will contribute RMB520 million and hold 52% equity interest in the Joint Venture Company. And in order to leverage on the advantage of social capital and realise risk sharing, the rest of the registered capital will be contributed by the Company and Jingtou Investment Company equally, that is RMB240 million to be contributed and holding 24% equity interest respectively by the Company and Jingtou Investment Company. The capital contribution of the Company under the Joint Venture Agreement are from its self-raised funds and part of its self-owned funds.

LETTER FROM THE BOARD

Shareholding Structure

- (1) RMB240 million to be contributed in cash by the Company, holding 24% equity interest in the Joint Venture Company;
- (2) RMB240 million to be contributed in cash by Jingtou Investment Company, holding 24% equity interest in the Joint Venture Company; and
- (3) RMB520 million to be contributed by way of capital injection in cash or with land use right as the consideration as determined after arm's length negotiation among the parties by Huangshan Railway Company, holding 52% equity interest in the Joint Venture Company. Considering the actual circumstances, Huangshan Railway Company may or may not make its capital contribution with land use right as the consideration in the future. If Huangshan Railway Company proposes to make its capital contribution with land use right as the consideration in the future, the Company will negotiate and may come up with a fair and reasonable valuation process with other parties to ensure the fairness and reasonableness in the capital contribution, such as a valuation performed by an independent valuer and procedures for approval by relevant regulatory authorities.

Profit Distribution

The profit after tax of the Joint Venture Company after making up the losses and withdrawing the provident fund shall be distributed to the Company, Jingtou Investment Company and Huangshan Railway Company in proportion to their respective shareholding.

Structure of Organization

The board of directors of the Joint Venture Company consists of five members, of which three directors will be appointed by Huangshan Railway Company, while Jingtou Investment Company and the Company will appoint one director, respectively. The board of directors of the Joint Venture Company shall consist of one chairman, who shall be a director as appointed by Huangshan Railway Company. The term of office of a director is three years. A director may be re-elected upon the expiry of the term of office.

LETTER FROM THE BOARD

The board of supervisors of the Joint Venture Company consists of three supervisors, and the candidates for the employee supervisor will be recommended by Huangshan Railway Company, among which one employee supervisor will be elected by the employees of the Joint Venture Company through the employee representative meeting, the employee meeting or other forms of democratic election; while the remaining two supervisors will be appointed by Jingtou Investment Company and the Company, respectively. The board of supervisors of the Joint Venture Company shall consist of one chairman, which will be assumed by the employee supervisor. The directors and the management of the Joint Venture Company shall not concurrently take the position of supervisors. The term of office of a supervisor is three years and he/she may be re-elected upon the expiry of the term of office.

The management of the Joint Venture Company consists of one general manager, two deputy general managers and one chief financial officer, among which the general manager will be appointed by the Company, the two deputy general managers will be appointed by Huangshan Railway Company and Jingtou Investment Company respectively, and the chief financial officer will be appointed by Jingtou Investment Company.

Future Financing

Capital requirements beyond the registered capital will be financed from its shareholders by the Joint Venture Company, as the financing entity, by way of debt financing or financed by way of equity financing through capital increase and share expansion by consensus among the Company, Jingtou Investment Company and Huangshan Railway Company.

As of the Latest Practicable Date, the Joint Venture Company did not have any specific future investment or financing plans. Save as disclosed in this circular, the Company had no other capital commitments to the Joint Venture Company. Should there be any further capital contribution or other investment arrangements made by the Company, Jingtou Investment Company or Huangshan Railway Company, the Company will further comply with all the applicable requirements under Chapters 14 and 14A of the Listing Rules.

3. Reasons for and Benefits of Entering into the Joint Venture Agreement

The country is innovatively promoting the ABO (Authorise-Build-Operate) investing and financing model in alignment with market development trends and based on local development needs. Entering into the Joint Venture Agreement will (1) help the Company to have in-depth engagement in urban infrastructure construction in the capacity of both

LETTER FROM THE BOARD

“owner” and “entrusted operator”, thus laying the foundation for expanding the Company’s market share; (2) boost the synergetic development of the business segments of the Company through investments, including planning, surveying, design, construction general contracting, industrialisation and operational management, therefore enhancing the comprehensive strength and improving the service quality; and (3) help the Company to realise the new goal of “developing the new field of urban railway market and establishing new standards for urban railway system” and to become the leader of tourism city railway construction.

The Directors (including the independent non-executive Directors) are of the view that the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Company and on normal commercial terms after arm’s length negotiations among the parties, and the terms and conditions of the agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

4. Financial Effects of Establishment of the Joint Venture Company

The Company will contribute RMB240 million and own 24% equity interest in the Joint Venture Company. It is expected that the Company does not require financing from external borrowings to fulfill the contribution, and the cash and bank balances of the Company will decrease by RMB240 million upon completion of the injection of registered capital of the Joint Venture Company. The Group’s investments in the Joint Venture Company are stated in the statement of financial position at the Company’s share of net assets under the equity method of accounting, less any impairment losses. The comprehensive impact of the transactions on the future earnings of the Company will depend on the return to be generated from the projects the Joint Venture Company will invest in.

5. Information Regarding the Huangshan T1 Line Project

Huangshan T1 Line Project refers to the Phase I Project and relevant auxiliary resources development projects of Huangshan Urban Tourism Railway T1 Line implemented by the Joint Venture Company as authorized by Huangshan Municipal Government under the ABO (Authorize-Build-Operate) model. Phase I Project of Huangshan Urban Tourism Railway T1 Line is a core railway line with Huangshan North Station as the transportation hub and gateway, and northbound to the south gate and east gate of Huangshan Scenic Area. The total length of Phase I Project of Huangshan Urban Tourism Railway T1 Line is approximately 50.6 km, with a total of 9 stations (from Huangshan North Station to Tanjiaqiao Station). The investment amount of the project is approximately RMB12 billion.

LETTER FROM THE BOARD

ABO (Authorize-Build-Operate) model refers to the cooperation model that the local government will authorize relevant companies as the project owner through a competitive bidding procedure or by directly entering into an agreement, and in turn, the project owner will provide investment and financing, construction and operation services of the project to the local government. Upon the expiry of the cooperation under ABO model, the project facilities will be handed over to the government and it will offer certain financial support based on the agreement.

6. Information on the Parties

The Company is mainly engaged in design, survey and consultancy business for urban rail transit engineering, industrial and civil construction and municipal engineering as well as construction contracting business for urban rail transit engineering.

Jingtou Investment Company is a wholly-owned subsidiary of Beijing Investment Company, which is principally engaged in project investment and investment management.

The principal businesses of Huangshan Railway Company include railway project investment, real estate development and logistics services in Huangshan City; investment, development, construction and operational management of integrated transport projects including provincial railways, urban railways, rail transit, hub stations and supporting facilities, parking stations and logistic parks; development and construction of lands surrounding rail transit stations and lands allocated by the government; design, production, agency and release of advertisement across the country; other businesses approved by the government. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Huangshan Railway Company and its beneficial owners are third parties independent of the Group and its connected persons.

7. Implications of the Listing Rules

As of the Latest Practicable Date, the Domestic Shares and H Shares of the Company held by Beijing Investment Company in aggregate accounted for 11.57% of the total issued Shares of the Company. Beijing Investment Company is one of the substantial shareholders of the Company. Jingtou Investment Company is a wholly-owned subsidiary of Beijing Investment Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The transactions between Jingtou Investment Company and the Company constitute connected transactions under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Joint Venture Agreement constitute connected transactions of the Company.

LETTER FROM THE BOARD

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and be treated as if they were one transaction if they were all entered into within a 12-month period or are otherwise related. References are made to the announcement of the Company dated 29 March 2019 and the circular of the Company dated 10 May 2019, in relation to, among others, the joint venture agreement entered into among the Company, Beijing Investment Company and its subsidiaries. In such agreement and the agreement entered into this time, the counterparties of the Company are Beijing Investment Company or its subsidiaries, and the nature of these transactions is the same. Accordingly, such transactions shall be aggregated. As the highest percentage ratio applicable to such transactions upon aggregation is more than 5%, this transaction shall be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the highest percentage ratio applicable to such transactions upon aggregation is more than 25% but less than 75%, this transaction constitutes a major transaction of the Company and shall be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Mr. Guan Jifa serves as the deputy general manager of Beijing Investment Company and Mr. Ren Yuhang serves as the secretary to the board of directors and the general manager of the investment and development department of Beijing Investment Company, they are deemed to be materially interested in the Joint Venture Agreement, and therefore, they have abstained from voting on the relevant resolutions at the Board meeting. Save as mentioned above, none of the other Directors has material interests in the above agreement and thus is required to abstain from voting on the relevant resolutions at the Board meeting.

VI. EGM

The EGM will be held at Conference Room 501, 5/F, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Thursday, 15 August 2019, to consider and approve (i) the proposed amendments to the Articles of Association; (ii) the proposed amendments to the Rules of Procedure for the General Meeting; (iii) the proposed amendments to the Rules of Procedure for the Board of Directors; and (iv) the proposed major and connected transaction entered into with a subsidiary of Beijing Investment Company. A notice convening the EGM is set out on pages 76 to 77 of this circular.

LETTER FROM THE BOARD

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy form should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in hand or by post not less than 24 hours before the time stipulated for convening the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish.

The register of members of the Company will be closed from Tuesday, 16 July 2019 to Thursday, 15 August 2019 (both days inclusive) for the purpose of determining Shareholders who will be entitled to attend and vote at the EGM, during which no transfer of Shares will be registered.

For the purposes of ascertaining Shareholders' entitlement to attend and vote at the EGM, all transfer documents together with the relevant share certificates must be lodged to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Shareholders) or the registered address of the Company (for Domestic Shareholders) for registration not later than 4:30 p.m. on Monday, 15 July 2019. Shareholders whose names appear on the register of members of the Company on Thursday, 15 August 2019, will be entitled to attend the EGM and to vote thereat.

VII. VOTES BY WAY OF POLL

According to the Listing Rules and the Articles of Association, the resolutions set out in the notice of the EGM will be voted on by way of poll. Poll results will be posted on the website of the Company at www.bjucd.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the conclusion of the EGM.

Pursuant to the Listing Rules, Beijing Investment Company, its subsidiaries and/or associates are required to abstain from voting on the resolution of the connected transaction contemplated under the Joint Venture Agreement at the EGM. As at the Latest Practicable Date, the number of Domestic Shares and H Shares of the Company held by Beijing Investment Company are 87,850,942 and 68,222,000 respectively, representing 11.57% of the total issued Shares of the Company in aggregation.

To the best of the Directors' knowledge, having made all reasonable enquiries, none of the other Shareholders has a material interest in the above resolutions and is required to abstain from voting on the relevant resolution at EGM besides Beijing Investment Company, its subsidiaries and/or associates.

LETTER FROM THE BOARD

VIII. RECOMMENDATION

Your attention is drawn to: (a) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which sets out its recommendation to the Independent Shareholders in relation to the terms of the Joint Venture Agreement entered into; (b) the letter from Opus Capital set out on pages 16 to 29 of this circular which sets out its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Joint Venture Agreement and the transactions contemplated thereunder; and (c) other information set out in the appendices to this circular.

The Board (including the independent non-executive Directors) is of the view that the resolutions in relation to (i) the proposed amendments to the Articles of Association; (ii) the proposed amendments to the Rules of Procedure for the General Meeting; (iii) the proposed amendments to the Rules of Procedure for the Board of Directors; and (iv) the proposed major and connected transaction entered into with a subsidiary of Beijing Investment Company are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above resolutions. The Independent Board Committee's view on the proposed major and connected transaction entered into with a subsidiary of Beijing Investment Company is set out in the section headed "Letter from the Independent Board Committee" in this circular.

Yours faithfully,

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Shi Yubin

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited

北京城建設計發展集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1599)

Independent non-executive Directors:

Wang Dexing

Yim Fung

Sun Maozhu

Liang Qinghuai

Qin Guisheng

30 June 2019

To the Independent Shareholders:

Dear Sir or Madam,

PROPOSED MAJOR AND CONNECTED TRANSACTION ENTERED INTO WITH A SUBSIDIARY OF BEIJING INVESTMENT COMPANY

Reference is made to the circular of the Company dated 30 June 2019 (the “**Circular**”, of which this letter forms a part). Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed as the members of the Independent Board Committee to consider and advise the Independent Shareholders on whether the terms of the Joint Venture Agreement are fair and reasonable and are on normal commercial terms so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Opus Capital has been appointed by the Board as the Independent Financial Adviser to give advice and recommendation to the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Joint Venture Agreement. Details of the advice from Opus Capital, together with the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 16 to 29 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Your attention is also drawn to the letter from the Board set out on pages 1 to 13 of the Circular and the additional information set out in the Appendices.

Having considered (i) the terms of the Joint Venture Agreement entered into; and (ii) the advice and recommendation of Opus Capital as well as the principal factors and reasons considered by Opus Capital, we are of the opinion that the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Group based on normal commercial terms, and the terms and conditions therein are fair and reasonable and on normal commercial terms so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Therefore, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Joint Venture Agreement.

Yours faithfully,

For and on behalf of the Independent Board Committee

Wang Dexing

Yim Fung

Sun Maozhu

Liang Qinghuai

Qin Guisheng

Independent non-executive Directors

LETTER FROM OPUS CAPITAL

Set out below is the text of a letter received from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Joint Venture Agreement for the purpose of inclusion in this circular.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

30 June 2019

To: The Independent Board Committee and the Independent Shareholders of Beijing Urban Construction Design & Development Group Co., Limited

Dear Sir or Madam,

PROPOSED MAJOR AND CONNECTED TRANSACTION ENTERED INTO WITH A SUBSIDIARY OF BEIJING INVESTMENT COMPANY

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the entering into a Joint Venture Agreement by the Company, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 30 June 2019 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 12 May 2019, the Company entered into a Joint Venture Agreement with Jingtou Investment Company and Huangshan Railway Company (together with the Company, the “**Joint Venture Partners**”) to jointly establish a Joint Venture Company to implement the Huangshan T1 Line Project.

As of the Latest Practicable Date, the Domestic Shares and H shares of the Company held by Beijing Investment Company in aggregate accounted for 11.57% of the total issued Shares of the Company. Beijing Investment Company is one of the substantial shareholders of the Company. Jingtou Investment Company is a wholly-owned subsidiary of Beijing Investment Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The transactions between Jingtou Investment Company and the Company constitute connected transactions under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Joint Venture Agreement constitute a connected transaction of the Company.

LETTER FROM OPUS CAPITAL

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treat them as if they were one transaction if they were all entered into within a 12-month period or are otherwise related. Reference is made to the announcement of the Company dated 29 March 2019 and the circular of the Company dated 10 May 2019, in relation to, among others, the Joint Venture Agreement entered into among the Company, Beijing Investment Company and its subsidiaries. In such agreement and the agreement entered into this time, the counterparties of the Company are Beijing Investment Company or its subsidiaries, and the nature of these transactions is the same. Accordingly, such transactions shall be aggregated. As the highest percentage ratio applicable to such transactions upon aggregation is more than 5%, this transaction shall be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the highest percentage ratio applicable to such transactions upon aggregation is more than 25% but less than 75%, which constitute a major transaction of the Company, this transaction shall be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Mr. Guan Jifa serves as the deputy general manager of Beijing Investment Company and Mr. Ren Yuhang serves as the secretary to the board of directors and the general manager of the investment and development department of Beijing Investment Company, they are deemed to be materially interested in the Joint Venture Agreement, and therefore, they have abstained from voting on the relevant resolutions at the Board meeting. Save as mentioned above, none of the other Directors has material interests in the above agreement and thus is required to abstain from voting on the relevant resolutions at the Board meeting.

Pursuant to the Listing Rules, Beijing Investment Company, its subsidiaries and/or associates are required to abstain from voting on the resolution of the connect transaction contemplated under the Joint Venture Agreement at the EGM. As at the Latest Practicable Date, the number of Domestic Shares and H Shares held by Beijing Investment Company were 87,850,942 and 68,222,000 respectively, which in aggregate, represented approximately 11.57% of the total issued Shares.

To the best of the Directors' knowledge, having made all reasonable enquiries, none of the other Shareholders has a material interest in the above resolutions and is required to abstain from voting on the relevant resolution at the EGM besides Beijing Investment Company, its subsidiaries and/or associates.

LETTER FROM OPUS CAPITAL

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee of the Company comprising Mr. Wang Dexing, Dr. Yim Fung, Mr. Sun Maozhu, Mr. Liang Qinghuai and Mr. Qin Guisheng., all being independent non-executive Directors, has been established to advise the Independent Shareholders on: (i) whether the terms of the Joint Venture Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; (ii) whether the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect to the relevant resolutions to be proposed at the EGM to approve the Joint Venture Agreement and the transactions contemplated thereunder.

Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in the same respect has been approved by the Independent Board Committee pursuant to the Rule 13.84 of the Listing Rules.

OUR INDEPENDENCE

We were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of the Company in respect of a set of continuing connected transactions under the integrated service framework agreement entered into between the Company and Beijing Investment Company on 15 August 2018 (the “**Previous Appointment**”), which is set out in the circular of the Company dated 9 October 2018. Such continuing connected transactions are independent of the transactions contemplated under the Joint Venture Agreement.

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, Jingtou Investment Company, Huangshan Railway Company or other parties that could reasonably be regarded as relevant to our independence. Apart from normal independent financial advisory fee paid or payable to us in connection with the Previous Appointment and this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider ourselves independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM OPUS CAPITAL

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Company's annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”);
- (ii) the Joint Venture Agreement; and
- (iii) other information as set out in the circular of the Company dated 30 June 2019.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the circular, the omission of which make any such statement contained in the circular misleading. We have no reason to suspect that any relevant information has 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 Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the Joint Venture Agreement, and except for its inclusion in the circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

LETTER FROM OPUS CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Joint Venture Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Principal activities and business strategy of the Group

The Group is principally engaged in the design, survey and consultancy businesses for urban rail transit engineering, industrial and civil construction and municipal engineering as well as construction contracting business for urban rail transit engineering.

The following is a summary of the financial results of the Group for each of the two years ended 31 December (“FY”) 2017 and 2018, as extracted from the 2018 Annual Report:

Table 1: Highlight of the financial results of the Group

	Audited	
	FY2018	FY2017
	(RMB' million)	(RMB' million)
Revenue	7,186.1	6,972.5
Gross profit	1,423.8	1,343.2
Profit before tax	686.9	608.8
Profit for the year attributable to the Shareholders	562.4	495.9
Gross margin (%)	19.8	19.3
Profit margin (%)	7.8	7.1

Sources: the 2018 Annual Report

During FY2018, the Group experienced a healthy business expansion with an increase in revenue of approximately RMB213.6 million from approximately RMB6,972.5 million for FY2017 to approximately RMB7,186.1 million for FY2018, representing a growth of approximately 3.1%. During FY2018, approximately 48.9% and 51.1% of the revenue were generated from the design, survey and consultancy (the “DSC”) business and the construction general contracting (the “CGC”) business, respectively. We noted that the revenue generated from the CGC business was approximately RMB3,672.0 million during FY2018, the corresponding segment profit was approximately RMB168.4 million, representing a margin of approximately 4.6%. As disclosed in the 2018 Annual Report, the gross profit attributable to the CGC business decreased by approximately 19.9% in FY2018 compared to FY2017, such decline was mainly attributable to the increased proportion of the revenue generating from traditional engineering project with lower gross margin in engineering segment as compared to FY2017. Meanwhile, the DSC business became the

LETTER FROM OPUS CAPITAL

major contributor to the Group's overall profitability which contributed approximately 71.5% of the total profit before income tax and unallocated interest income in FY2018. The revenue generated from DSC business was approximately RMB3,579.3 million and the corresponding segment profit was approximately RMB482.6 million, representing a margin of approximately 13.5%. We noted both gross margin and profit margin of the Group improved, the gross margin increased from approximately 19.3% for FY2017 to approximately 19.8% for FY2018 and the profit margin increase from approximately 7.1% for FY2017 to approximately 7.8% for FY2018. As stated in the 2018 Annual Report, the increase in the gross margin was mainly attributable to the increased proportion in the DSC business which the high gross margin of approximately 30.8% offset the decrease in gross margin of CGC business. As a result, the Group recorded an approximately 13.3% growth in the net profit attributable to Shareholders compared to FY2017.

Table 2: Highlight of the financial position of the Group

	Audited	
	As at 31 December	
	2018	2017
	<i>(RMB' million)</i>	<i>(RMB' million)</i>
Non-current assets	5,795.5	4,982.5
Current assets	10,606.8	9,359.3
Non-current liabilities	4,499.3	3,436.6
Current liabilities	7,319.9	6,721.9
Net asset value (the "NAV")	4,583.1	4,183.3
NAV attributable to the Shareholders	4,317.9	3,920.6
Bank balances and cash	3,892.6	3,381.9

Sources: the 2018 Annual Report

As at 31 December 2018, the total assets and liabilities were approximately RMB16,402.3 million and RMB11,819.2 million respectively, representing increases of approximately RMB2,060.5 million or approximately 12.6% and approximately RMB1,660.7 million or approximately 16.3%, compared to total assets and liabilities of approximately RMB14,341.8 million and approximately RMB10,158.5 million as at 31 December 2017 respectively. The Group also recorded an increase in the NAV as at 31 December 2018 for approximately RMB397.3 million or 10.1% compared to the NAV as at 31 December 2017.

LETTER FROM OPUS CAPITAL

The bank balances and cash of the Group increased to approximately RMB3,892.6 million as at 31 December 2018 from approximately RMB3,381.9 million as at 31 December 2017, representing an increase of approximately RMB510.7 million or approximately 15.1%. The capital contribution of RMB240 million to be made by the Company for holding 24% equity interest in the Joint Venture Company represents approximately 6.2% of the Group's bank balances and cash. We are of the view that the settlement of the capital contribution by way of cash would not significantly affect the liquidity of the Group.

2. Reasons for and benefits of the entering into the Joint Venture Agreement

Information Regarding the Huangshan T1 Line Project

Huangshan T1 Line Project refers to the Phase I Project and relevant auxiliary resources development projects of Huangshan Urban Tourism Railway T1 Line implemented by the Joint Venture Company as authorized by Huangshan Municipal Government under Authorise-Build-Operate (“ABO”) model. Phase I Project of Huangshan Urban Tourism Railway T1 Line is a core railway line with Huangshan North Station as the transportation hub and gateway, and northbound to the south gate and east gate of Huangshan Scenic Area. The total length of Phase I Project of Huangshan Urban Tourism Railway T1 Line is approximately 50.6 km, with a total of 9 stations (from Huangshan North Station to Tanjiaqiao Station). The investment amount of the project is approximately RMB12 billion.

ABO model refers to a cooperation model that the local government will authorize relevant companies as the project owner through a competitive bidding procedure or by directly entering into an agreement, and in turn, the project owner will provide for the relevant investment and financing, construction and operation services to the local government. Upon the expiry of the cooperation under ABO model, the project facilities will be handed over to the government and the government will offer certain financial support based on the agreement.

Business expansion

As stated in the Letter from the Board, the PRC government is promoting the ABO investing and financing model to align with market development trends and to cater for local development needs. Entering into the Joint Venture Agreement will: (i) help the Company to have in-depth engagement in urban infrastructure construction in the capacity of both “owner” and “entrusted operator”, thus laying the foundation for expanding the Company’s market share; (ii) boost the synergetic development of business segments of the Company, including planning, surveying, design, construction general contracting, industrialisation, operational management, through investments, therefore enhancing the comprehensive strength and improving the service quality; and (iii) help the Company to realise the new goal “developing the new field of urban railway market and establishing new standards for urban railway system” and to become the leader of tourism city railway construction.

According to the 2018 Annual Report, the Management expected the domestic economic situation would remain stable with changes expected ahead, but would be subject to great downward pressure. Investment in urban rail transit tends to slow down, and domestic markets still remain stagnant in 2019. To tackle such severe market circumstance, the Group will be required to develop into new markets and promote upgrading of management. The entering into the Joint Venture Agreement will enable the Group to expand its market share to Huangshan Urban Tourism Railway T1 Line and the relevant auxiliary resources development projects, maintaining its leading position of urban rail transit design and vigorously expanding the new urban railway market.

We further noted signs of the Group’s business expansion through the establishment of joint venture companies by the Group, which was conducted three times in the preceding five years. Details of such similar transactions can be traced to the announcements of the Company dated 22 September 2014, 24 February 2017 and 29 March 2019 respectively. As advised by the Management, the establishment of joint venture companies enables the Group to seize the development opportunity in the new market and leverage its advantages of technologies and resources in the project, while it also serves as a firewall, mitigating the risk bore by the Group. In addition, the establishment of the Joint Venture Company allows the Group to share the profit of the project in the future as a shareholder instead of a fixed and one-off fee received as a service provider. Such in-depth cooperation will enhance the market share of the Group in that area and its leading position in the industry. The Management considers such business model is suitable to the Group’s development plan which the Group can play out its strengths through the Joint Venture Company while expanding into new markets.

Taking into account the above business analysis, we concur with the Directors’ view on the rationale and that the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Group.

The PRC tourism industry and influential factors

As at 21 August 2014, the State Council of the PRC (中華人民共和國國務院*) (the “**State Council**”) published a notice headed “Several Opinions of the State Council on Promoting the Reform and Development of the Tourism Industry” (國務院關於促進旅遊業改革發展的若干意見*). The State Council listed out several opinions guiding the various government departments on the reform and development of tourism industry in PRC with respect to: (i) the establishment of new development concept and the transformation of development methods; (ii) the enhancement in the tourism development motivation; (iii) the expansion in the tourism area; (iv) the optimisation of the tourism’s developing environment; and (v) the improvement on the tourism development policy. The State Council stated the tourism industry had a significant impact on the stable growth of the economy and improvement on the ecosystem and was the core component of the modern consumer service industry. The State Council would highly value the development work in the transformation of the tourism industry.

According to “2018 Tourism Market Basic Information” (2018年旅遊市場基本情況*) published by the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部*), the total number of domestic tourists and the inbound tourists were approximately 5.5 billion and 291 million in 2018 respectively, increased by approximately 10.8% and 7.8% respectively compared to 2017. The total revenue generated from the tourism industry was approximately RMB5.97 trillion, representing a growth of approximately 10.5% compared to 2017. Based on the preliminary estimation, approximately 11.0% of the gross domestic product was attributable to the tourism industry.

Huangshan tourism industry and government policies

According to the website of Huangshan Scenic Area Management Committee (黃山風景區管理委員會*), Mount Huangshan is one of the World Cultural and Natural Heritage, World Geoparks and the World Biosphere Reserve. It is a national 5A-level tourist attraction in PRC. As disclosed in the Thirteenth-Five Years Development Plan of Huangshan Scenic Area (黃山風景區“十三五”發展規劃*) (the “**Development Plan**”), the number of tourists visiting Mount Huangshan was approximately 14.7 million from 2011 to 2015, the aggregate revenue amounted approximately RMB10.7 billion, representing a growth of approximately 33.61% and 64.24% respectively compared to the five years from 2006 to 2010.

LETTER FROM OPUS CAPITAL

Although the number of visiting tourists increased at approximately 4.79% annually from 2011 to 2015, the Development Plan revealed that both the total number of and the growth in the number of Huangshan tourists were lower than the Mount Tai (泰山*), the Jiuzhai Valley National Park (九寨溝國家公園*) or the Zhangjiajie (張家界*). Observing the slow development in the tourism industry in previous years, the Development Plan listed out a series of improvements to be made, including the transportation system, during 2016 to 2020 to catch up the development pace of other tourist attractions.

The Huangshan City Municipal Government (黃山市人民政府*) targeted to increase the number of visiting tourists to over 17.7 million during the five years from 2016 to 2020 and maintain the growth at approximately 4.68% annually. The municipal government forecasted the number of tourists visiting the Mount Huangshan would be approximately 4 million in 2020 along with the revenue generated of approximately RMB10 billion. In order to achieve such target, the Huangshan City Municipal Government is currently increasing the number of tourist attractions by acquisition of well-developed tourist attraction and construction of new tourist attractions.

Our View

Having considered: (i) the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Group; (ii) the aforesaid supporting PRC government policies; (iii) the prosperous tourism industry in China; and (iv) the increasing number of Huangshan tourists and the revenue growth in Huangshan, we are of the view that the prospect of Huangshan tourism industry is promising and the Joint Venture Agreement was entered in the interests of the Company and its Shareholders as a whole.

3. Principal Terms of the Joint Venture Agreement

We have reviewed the Joint Venture Agreement. Set out below is a summary and our commentary on the selected principal terms of the Joint Venture Agreement.

A. Scope of business

The scope of business of the Joint Venture Company mainly includes: project applications, surveying and design, investment and financing, engineering construction, operation and management, development of the land along the line and surrounding the stations, development of the vehicle section and parking lots, operation of the advertisement and naming right along the line, as well as construction of the industrial zone, tourism project development of the Huangshan T1 Line Project and other businesses as approved by the government. The final scope of business will be subject to the registration of the industrial and commercial authority. We note that the scope of business of the Joint Venture Company is common for the business of commissioning infrastructure project(s).

LETTER FROM OPUS CAPITAL

B. Registered capital and shareholding of each Joint Venture Partners

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company is RMB1 billion. The Company, Jingtou Investment Company and Huangshan Railway Company would each be contributing 24%, 24% and 52%, respectively, of the aforesaid registered capital by way of capital injection in the form of cash or land use rights (as the case maybe) and each will be entitled to 24%, 24% and 52%, respectively, in the equity interest of the Joint Venture Company. The contribution will be made by installments based on development progress of the Huangshan T1 Line Project. The first installment of capital contribution of the Joint Venture Company amounts to RMB50 million, which will be contributed by each party to the Joint Venture Agreement in cash on a pro rata basis and will be used as the expense of the commencement of construction of Huangshan T1 Line Project at the early stage. The remaining capital contribution will be contributed by each party to the Joint Venture Agreement on a pro rata basis. As of the Latest Practicable Date, none of the parties to the Joint Venture Agreement has made any capital contribution to the Joint Venture Company.

The abovesaid capital contribution to be made has been determined after arm's length negotiations among each Joint Venture Partner, with reference to the proposed capital requirement of the Huangshan T1 Line Project and the equity interest of each Joint Venture Partner in the Joint Venture Company. Taking into account the leading position of Huangshan Municipal People's Government in Huangshan T1 Line Project, Huangshan Railway Company, the representative of the local government, will contribute RMB520 million and hold 52% equity interest in the Joint Venture Company. And in order to leverage on the advantage of social capital and realise risk sharing, the rest of the registered capital will be contributed by the Company and Jingtou Investment Company equally, that is RMB240 million to be contributed and holding 24% equity interest respectively by the Company and Jingtou Investment Company. The capital contribution of the Company under the Joint Venture Agreement are from its self-raised funds and part of its self-owned funds. We note that under the terms of the Joint Venture Agreement, the Company will own 24% equity interest of the Joint Venture Company. The Joint Venture Company will therefore be accounted for as an associate of the Company in the financial statements of the Company under the equity accounting method.

LETTER FROM OPUS CAPITAL

Based on our research, the Company had a history of jointly establishing of joint venture companies with local state-owned enterprises, the relevant announcements were published by the Company on 24 February 2017 and 29 March 2019, respectively. According to both announcements, the local state-owned enterprise usually holds the largest equity interest in the joint venture company. As it was also mentioned in the section headed “2. Reasons for and benefits of the entering into the Joint Venture Agreement”, the establishment of the Joint Venture Company holding serves as a firewall to mitigate the risk born by the Group. Therefore, we consider it a normal market practice that Huangshan Railway Company holds the majority interest in the Joint Venture Company in China and that it is fair and reasonable the Company holds 24% equity interest, a minority stake of 24% instead of a control position, in the Joint Venture Company upon completion of the capital contribution.

Considering the actual circumstances, Huangshan Railway Company may or may not make its capital contribution with land use right as the consideration in the future. If Huangshan Railway Company proposes to make its capital contribution with land use right as the consideration in the future, the Company will negotiate and may come up with a fair and reasonable valuation process with other parties to the Joint Venture Agreement to ensure the fairness and reasonableness in the capital contribution, such as a valuation performed by an independent valuer and procedures for approval by relevant regulatory authorities.

C. Profit distribution

The profit after tax of the Joint Venture Company after making up the losses and withdrawing the provident fund shall be distributed to each Joint Venture Partner in proportion to their respective shareholding.

D. Structure of organization

The board of directors of the Joint Venture Company consists of five members, of which three directors will be appointed by Huangshan Railway Company, while Jingtou Investment Company and the Company will appoint one director, respectively. The board of directors of the Joint Venture Company shall consist of one chairman, who shall be a director as appointed by Huangshan Railway Company. The term of office of a director is three years. A director may be re-elected upon the expiry of the term of office. We note that the right of each Joint Venture Partner to appoint director(s) of the Joint Venture Company resembles the proportion of their respective shareholding with Huangshan Railway Company takes the role as the controlling shareholder and each of Jingtou Investment Company and the Company takes the role of the substantial shareholder of the Joint Venture Company.

LETTER FROM OPUS CAPITAL

The board of supervisors of the Joint Venture Company consists of three supervisors, and the candidates for the employee supervisor will be recommended by Huangshan Railway Company, among which one employee supervisor will be elected by the employees of the Joint Venture Company through the employee representative meeting, the employee meeting or other forms of democratic election; while the remaining two supervisors will be appointed by Jingtou Investment Company and the Company, respectively. The board of supervisors of the Joint Venture Company shall consist of one chairman, which will be assumed by the employee supervisor. The directors and the management of the Joint Venture Company shall not concurrently take the position of supervisors. The term of office of a supervisor is three years and he/she may be re-elected upon the expiry of the term of office.

The management of the Joint Venture Company consists of one general manager, two deputy general managers and one chief financial officer, among which the general manager will be appointed by the Company, the two deputy general managers will be appointed by Huangshan Railway Company and Jingtou Investment Company respectively, and the chief financial officer will be appointed by Jingtou Investment Company.

E. Future financing

Capital requirements beyond the registered capital will be financed from its shareholders by the Joint Venture Company, as the financing entity, by way of debt financing or financed by way of equity financing through capital increase and share expansion by consensus among the Joint Venture Partners. As set out in the Letter from the Board, the investment amount of the Huangshan T1 Line Project is approximately RMB12 billion.

As of the Latest Practicable Date, the Joint Venture Company did not have any specific future investment or financing plans. Save as disclosed in the Circular, the Company had no other capital commitments to the Joint Venture Company. Should there be any further capital contribution or other investment arrangements made by the Company, Jingtou Investment Company or Huangshan Railway Company, the Company will further comply with all the applicable requirements under Chapters 14 and 14A of the Listing Rules.

LETTER FROM OPUS CAPITAL

4. Financial effects of the entering into the Joint Venture Agreement

Upon completion of the registered capital injection into the Joint Venture Company, there will be a re-classification of cash and bank balances of RMB240 million (equivalent to an interest in an associate of the Group). After the establishment of the Joint Venture Company, the investment in the Joint Venture Company will be accounted for in the consolidated financial statements of the Group by way of equity accounting, less any impairment losses, and the Group's share of the profit and loss of the Joint Venture Company will be included in the consolidated financial statements of the Group. The comprehensive impact of the transactions on the future earnings of the Company will depend on the return to be generated from the projects the Joint Venture Company will invest in.

RECOMMENDATION

Based on the above, we are of the view that the Joint Venture Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution approving the transactions contemplated under the Joint Venture Agreement at the EGM.

Yours faithfully,

For and on behalf of

Opus Capital Limited

Koh Kwai Yim *Cheung On Kit Andrew*
Executive Director **Director**

Ms. Koh Kwai Yim is the Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 18 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

Mr. Cheung On Kit Andrew is a Director of Opus Capital and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheung has over 10 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.

* For identification purpose only

**Comparison Table of Amendments to the Articles of Association of Beijing Urban
Construction Design & Development Group Co., Limited**

Existing Articles	Amended Articles
CHAPTER IV CAPITAL REDUCTION AND REPURCHASE OF SHARES	CHAPTER IV CAPITAL REDUCTION AND REPURCHASE OF SHARES
Article 28. The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares in issue under the following circumstances:	Article 28. The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares in issue under the following circumstances:
(1) cancellation of shares for the purposes of reducing its capital;	(1) cancellation of shares for the purposes of reducing its capital;
(2) merging with another company that holds shares in the Company; and	(2) merging with another company that holds shares in the Company; and
(3) granting shares to employees of the Company as incentives;	(3) <u>granting shares to employees of the Company as incentives using the shares for the purpose of employee stock ownership plan or as equity incentives;</u>
(4) acquiring the shares of dissident shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company; or	(4) acquiring the shares of dissident shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company; or
(5) such other circumstances as permitted by the laws and administrative regulations.	(5) <u>using the shares for conversion of corporate bonds which are convertible into shares issued by the Company;</u>
	(6) <u>such circumstances that are necessary for the Company to safeguard its value and the interests of its shareholders; and</u>
	(57) such other circumstances as permitted by the laws and administrative regulations.
	<u>Where the Company repurchases shares under the circumstances as required in paragraphs (1) and (2) above in the Articles of Association, it shall be subject to resolution at the shareholders' general meeting. Where the Company repurchases shares under the circumstances as required in paragraphs (3), (5) and (6) set out above, it shall be subject to resolution at the board meeting with over two-thirds of the directors present.</u>
	<u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the repurchase of shares, such provisions shall prevail.</u>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
<p>Article 29. Repurchase of shares by the Company upon the approval of the competent authority of the State may be conducted by one of the following means:</p> <p>(1) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(2) repurchase through public dealings on stock exchanges;</p> <p>(3) to repurchase by agreements outside stock exchanges; or</p> <p>(4) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority.</p>	<p>Article 29. Repurchase of shares by the Company upon the approval of the competent authority of the State may be conducted by one of the following means:</p> <p>(1) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(2) repurchase through public dealings on stock exchanges;</p> <p>(3) to repurchase by agreements outside stock exchanges; or</p> <p>(4) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority.</p> <p><u>Where the Company repurchases shares under the circumstances as required in paragraphs (3), (5) and (6) of Article 28 of the Articles of Association, it shall be conducted through open and centralized trading.</u></p> <p><u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the repurchase of shares, such provisions shall prevail.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
<p>Article 31. Shares which have been repurchased by the Company according to paragraphs (1), (2) and (4) of Article 28 shall be cancelled within the period prescribed by the laws and administrative regulations. The Company shall apply to the original company registration authorities for registration of the change in its registered capital and make relevant announcements. Shares which have been repurchased according to paragraph (3) of Article 28 shall be transferred to the employees within the period prescribed by the laws and administrative regulations.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p>Article 31. After the Company has repurchased its sShares which have been repurchased by the Company according to paragraphs (1), (2) and (4) <u>provision 1</u> of Article 28 shall be cancelled within the period prescribed by the laws and administrative regulations. The Company shall apply to the original company registration authorities for registration of the change in its registered capital and make relevant announcements. Shares which have been repurchased according to paragraph (3) of Article 28 shall be transferred to the employees within the period prescribed by the laws and administrative regulations. <u>the shares repurchased under the circumstances as required in paragraph (1) shall be cancelled within ten days from the date of repurchase; the shares repurchased under the circumstances as required in paragraphs (2) and (4) shall be transferred or cancelled within six months; where the shares have been repurchased under the circumstances as required in paragraphs (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.</u></p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> <p><u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the cancellation of repurchased shares, such provisions shall prevail.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER XI BOARD OF DIRECTORS	CHAPTER XI BOARD OF DIRECTORS
<p>Article 99. Any director who leaves his/her office without authorization prior to the expiration of his term of office, thereby incurring a loss to the Company, shall be liable for compensation of such loss.</p> <p>The shareholders' general meeting may, by way of an ordinary resolution, dismiss any director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors may propose to replace such director at the general meeting.</p>	<p>Article 99. Any director who leaves his/her office without authorization prior to the expiration of his/<u>her</u> term of office, thereby incurring a loss to the Company, shall be liable for compensation of such loss.</p> <p>The shareholders' general meeting may, by way of an ordinary resolution, release dismiss any director from his/her duties whose term of office has not yet expired before expiration of his/her term of office, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors may propose to replace such director at the general meeting.</p>
<p>Article 103. The board of directors shall establish special committees, such as audit committee, remuneration committee and nomination committee and other special committees which the board of directors deem necessary. Each of the special committees, under the leadership of the board of directors, shall provide recommendation and advices to the board of directors. The rules of work for each committee shall be formulated by the board of directors.</p>	<p>Article 103. The board of directors shall establish special committees, such as audit committee, remuneration committee and, nomination committee and overseas risk control committee and other special committees which the board of directors deem necessary. Each of the special committees, under the leadership of the board of directors, shall provide recommendation and advices to the board of directors. <u>Special committees shall be responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposal shall be submitted to the board of directors for consideration and decision. All members of the special committees shall be directors, of which independent directors shall account for the majority of members of the audit committee, nomination committee and remuneration committee, and shall serve as the convener. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for the formulation of the rules of procedure of the special committees and the standardization of operation of the special committees.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER XV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER, AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY	CHAPTER XV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER, AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY
Article 136. A person may not serve as a director, supervisor, general manager, or any other senior management member of the Company if any of the following circumstances applies:	Article 136. A person may not serve as a director, supervisor, general manager, or any other senior management member of the Company if any of the following circumstances applies:
(1) a person without civil capacity or with restricted civil capacity;	(1) a person without civil capacity or with restricted civil capacity;
(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;	(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
(3) a person who is a former director, factory manager or general manager (manager) of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;	(3) a person who is a former director, factory manager or general manager (manager) of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three years has elapsed since the date of the revocation of the business licence;	(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three years has elapsed since the date of the revocation of the business licence;

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid;	(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid;
(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;	(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;
(7) the person is not eligible for acting in the leadership of a company or an enterprise according to the laws or administrative regulations;	(7) the person is not eligible for acting in the leadership of a company or an enterprise according to the laws or administrative regulations;
(8) the person is not a natural person;	(8) the person is not a natural person;
(9) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;	(9) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;
(10) other circumstances as prescribed by the laws and regulations of the place of listing of the Company's shares.	<p>(10) other circumstances as prescribed by the laws and regulations of the place of listing of the Company's shares.</p> <p><u>Persons who hold other executive positions, other than directors or supervisors, in any entity of the controlling shareholder of the Company shall not assume the office of senior management of the Company.</u></p>

Comparison Table of Amendments to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (Draft)

Existing Articles	Amended Articles
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
<p>Article 1. To safeguard the legal interests of Beijing Urban Construction Design & Development Group Co., Limited (the “Company”), its shareholders and creditors and to regulate the organization and behaviour of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), Securities Law of the People’s Republic of China (中華人民共和國證券法), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Circular regarding Opinions on Supplements and Amendments of Articles of Association of Companies to be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of the Stock Exchange”), the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (the “Listing Rules of the SSE”), the Guidance for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidance for the Articles of Association”) and other relevant regulations.</p>	<p>Article 1. To safeguard the legal interests of Beijing Urban Construction Design & Development Group Co., Limited (the “Company”), its shareholders and creditors and to regulate the organization and behaviour of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), Securities Law of the People’s Republic of China (中華人民共和國證券法), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Circular regarding Opinions on Supplements and Amendments of Articles of Association of Companies to be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of the Stock Exchange”), the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (the “Listing Rules of the SSE”), the Guidance for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidance for the Articles of Association”), <u>the Constitution of the Communist Party of China (中國共產黨章程) (the “Constitution”)</u> and other relevant regulations.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
Nil	<p><u>Article 11. In accordance with the provisions of the Constitution, the Company shall establish an organization of the Communist Party of China (hereinafter referred to as the “Party organization”). The Party organization shall play a role of the leadership core and the political core of the Company, setting the right direction, keeping in mind the big picture, ensuring the implementation of Party policies and principles. The working organ of the Party shall be established to carry out Party activities.</u></p> <p><u>The Company shall provide necessary conditions for the Party organization to implement its normal activities, including the establishment of the Party organization and staffing of Party members into the enterprise’s management organization, staffing, and inclusion of the Party organization’s work funding into the Company’s management budget.</u></p>
Nil	<p><u>Article 12. According to the Constitution of the People’s Republic of China and other relevant laws, the Company exercises democratic management. The Company shall establish the trade union in accordance with the law, carry out trade union activities and safeguard the legal rights of employees. The Company shall provide necessary conditions for the activities of its trade union.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS	CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS
<p>Article 12. The scope of business of the Company shall be based on the items approved by the examination and approval department subject to the examination and approval by the administration authority for industry and commerce.</p> <p>The Company's scope of business includes: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; Internet information services; Foreign labour service cooperation; General contractor, specialist contractor, and labour subcontractor; Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management; Import and export of goods and technology; Agency for import and export; design, manufacture, agency and advertising. (After obtaining such license, an administrative approval shall be obtained from the housing and urban-rural construction committee. Enterprise is allowed to choose the business to be engaged in and carry out such business activities pursuant to laws. For business items for which approvals are required under the laws, they can be carried out after obtaining approval from relevant authorities. No business activities which are prohibited and restricted by the industrial policies of the municipality shall be carried out.)</p> <p>The Company may, pursuant to the demand of the domestic and international markets, its own development capabilities and business needs, change the scope of business in accordance with the laws.</p>	<p>Article 14². The scope of business of the Company shall be based on the items approved by the examination and approval department subject to the examination and approval by the administration authority for industry and commerce.</p> <p>The Company's scope of business includes: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; Internet information services; Foreign labour service cooperation; General contractor, specialist contractor, and labour subcontractor; Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management; Import and export of goods and technology; Agency for import and export; design, manufacture, agency and advertising; <u>Educational consultation; Organization of technical exchange activities; Hosting exhibition and presentation activities; Conference services; Economic and trade consultation; Product design; R&D, design, repair, sales, leasing and technical services for railway rolling stock (including Electric Multiple Units), urban rail transit vehicles, engineering machinery, various types of electromechanical equipment, electronic equipment and parts, electronic appliances and environmental protection equipment products.</u> (After obtaining such license, an administrative approval shall be obtained from the housing and urban-rural construction committee. Enterprise is allowed to choose the business to be engaged in and carry out such business activities pursuant to laws. For business items for which approvals are required under the laws, they can be carried out after obtaining approval from relevant authorities. No business activities which are prohibited and restricted by the industrial policies of the municipality shall be carried out.)</p> <p>The Company may, pursuant to the demand of the domestic and international markets, its own development capabilities and business needs, change the scope of business in accordance with the laws.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER IV CAPITAL REDUCTION AND REPURCHASE OF SHARES	CHAPTER IV CAPITAL REDUCTION AND REPURCHASE OF SHARES
<p>Article 26. The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares in issue under the following circumstances:</p> <ol style="list-style-type: none"> (1) cancellation of shares for the purposes of reducing its capital; (2) merging with another company that holds shares in the Company; and (3) granting shares to employees of the Company as incentives; (4) acquiring the shares of dissident shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company; or (5) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority. <p>Apart from the above, the Company is not allowed to engage in trading the shares of the Company. The Company shall repurchase its issued shares in accordance with laws, administrative regulations, department rules and requirements under Articles 27 to 30 of the Articles of Association.</p>	<p>Article 26<u>28</u>6. The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares in issue under the following circumstances:</p> <ol style="list-style-type: none"> (1) cancellation of shares for the purposes of reducing its capital; (2) merging with another company that holds shares in the Company; and (3) granting shares to employees of the Company as incentives <u>using the shares for the purpose of employee stock ownership plan or as equity incentives;</u> (4) acquiring the shares of dissident shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company; or (5) <u>using the shares for conversion of corporate bonds which are convertible into shares issued by the Company;</u> (6) <u>such circumstances that are necessary for the Company to safeguard its value and the interests of its shareholders; and</u> (5<u>7</u>) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority. <p><u>Where the Company repurchases shares under the circumstances as required in paragraphs (1) and (2) above in the Articles of Association, it shall be subject to resolution at the shareholders' general meeting. Where the Company repurchases shares under the circumstances as required in paragraphs (3), (5) and (6) set out above, it shall be subject to resolution at the Board meeting with over two-thirds of directors present.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
	<p>Apart from the above, the Company is not allowed to engage in trading the shares of the Company. The Company shall repurchase its issued shares in accordance with laws, administrative regulations, department rules and requirements under Articles 29⁷ to 32⁰ of the Articles of Association.</p> <p><u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the repurchase of shares, such provisions shall prevail.</u></p>
<p>Article 27. Repurchase of shares by the Company upon the approval of the competent authority of the State may be conducted by one of the following means:</p> <p>(1) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(2) repurchase through public dealings on stock exchanges;</p> <p>(3) to repurchase by agreements outside stock exchanges; or</p> <p>(4) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority.</p>	<p>Article 29⁷. Repurchase of shares by the Company upon the approval of the competent authority of the State may be conducted by one of the following means:</p> <p>(1) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(2) repurchase through public dealings on stock exchanges;</p> <p>(3) to repurchase by agreements outside stock exchanges; or</p> <p>(4) such other circumstances as permitted by the laws and administrative regulations and approved by the regulatory authority.</p> <p><u>Where the Company repurchases shares under the circumstances as required in paragraphs (3), (5) and (6) of Article 28 of the Articles of Association, it shall be conducted through open and centralized trading.</u></p> <p><u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the repurchase of shares, such provisions shall prevail.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
<p>Article 29. Where the Company acquires its shares for the reasons of paragraphs (1) to (3) of Article 26 of the Articles of Association, it shall be subject to the resolution at the shareholders' general meeting. After the Company acquires its shares in accordance with the provisions of Article 26, the shares acquired under the circumstances of paragraph (1) shall be cancelled within ten days from the date of acquisition; the shares acquired under circumstances of paragraphs (2) and (4) shall be transferred or cancelled within six months.</p> <p>The shares acquired by the Company in accordance with paragraph (3) of Article 26 of the Articles of Association shall not exceed 5% of the total issued shares of the Company; the funds used for the acquisition shall be paid out of the Company's after-tax profits; the acquired shares shall be transferred to employees within one year.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p>Article 3129. Where the Company acquires its shares for the reasons of paragraphs (1) to (3) <u>according to provision 1</u> of Article 2628 of the Articles of Association, <u>the shares acquired under the circumstances as required in paragraph (1) shall be cancelled within ten days from the date of acquisition; the shares acquired under the circumstances as required in paragraphs (2) and (4) shall be transferred or cancelled within six months; where the shares have been acquired under the circumstances as required in paragraphs (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.</u> it shall be subject to the resolution at the shareholders' general meeting. After the Company acquires its shares in accordance with the provisions of Article 26, the shares acquired under the circumstances of paragraph (1) shall be cancelled within ten days from the date of acquisition; the shares acquired under circumstances of paragraphs (2) and (4) shall be transferred or cancelled within six months.</p> <p>The shares acquired by the Company in accordance with paragraph (3) of Article 26 of the Articles of Association shall not exceed 5% of the total issued shares of the Company; the funds used for the acquisition shall be paid out of the Company's after-tax profits; the acquired shares shall be transferred to employees within one year.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> <p><u>Where the relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the cancellation of repurchased shares, such provisions shall prevail.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER VIII SHAREHOLDERS' GENERAL MEETING	CHAPTER VIII SHAREHOLDERS' GENERAL MEETING
<p>Article 63. The venue of a shareholders' general meeting of the Company shall be either the domicile of the Company or such other venue as specified in the notice of such shareholders' general meeting.</p> <p>A venue shall be set for the general meeting which shall be convened on-site. For the convenience of shareholders, the Company shall provide secure, cost-efficient and accessible online and other channels for participation in shareholders' general meetings in accordance with laws, administrative regulations, requirements of competent securities regulatory authority under the State Council or the Articles of Association. If the Company intends to convene the general Committee via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of shareholders' general meeting. Any shareholder who participates in the meeting in the aforesaid manner shall be deemed as present. Online internet voting is not applicable to the holders of overseas listed foreign shares.</p>	<p>Article 65³. The venue of a shareholders' general meeting of the Company shall be either the domicile of the Company or such other venue as specified in the notice of such shareholders' general meeting.</p> <p>A venue shall be set for the general meeting which shall be convened on-site. For the convenience of shareholders, the Company shall provide secure, cost-efficient and accessible online and other channels for participation in shareholders' general meetings in accordance with laws, administrative regulations, requirements of competent securities regulatory authority under the State Council or the Articles of Association. If the Company intends to convene the general Committee via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of shareholders' general meeting. Any shareholder who participates in the meeting in the aforesaid manner shall be deemed as present. Online internet voting is not applicable to the holders of overseas listed foreign shares.</p> <p><u>After issuance of the notice of the shareholders' general meeting, the venue of shareholders' general meeting shall not be changed without proper reasons. Where such change is necessary, the convener shall make an announcement giving reasons at least 2 working days prior to the date on which the meeting was scheduled.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
	CHAPTER X PARTY COMMITTEE
Nil	<p><u>Article 130. The Company shall establish the committee of the Party of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “Party Committee of the Company”) and the commission for discipline inspection of the Party of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “Commission for Discipline Inspection of the Company”). The secretary of the Party Committee of the Company shall be assumed by a specialist.</u></p> <p><u>The number of positions of secretary, deputy secretary and committee members of the Party Committee of the Company and the Commission for Discipline Inspection of the Company shall be established in accordance with the reply given by the superior Party committee, and members for all positions shall be selected by election. During the adjournment of the Party representative congress, the superior Party committee may appoint the secretary, deputy secretary and members of the Party Committee of the Company and the secretary of the Commission for Discipline Inspection of the Company as necessary.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
Nil	<p><u>Article 131. The Party Committee of the Company is an organic composition of the corporate governance structure of the Company, insisting on the implementation and optimization of the leadership system of “Two-way Entry, Cross-Appointment”. Eligible members of the Party Committee of the Company may be considered and appointed as members of the board of directors, the board of supervisors and the management through legal procedures. Eligible members in the board of directors, the board of supervisors and the management who are members of the Party may be considered and appointed as members of the Party Committee of the Company in accordance with relevant requirements and procedures.</u></p>
Nil	<p><u>Article 132. The Party Committee of the Company has established a working organization of the Party; Commission for Discipline Inspection of the Company has established a discipline inspection organization and meanwhile, established mass organizations, such as Labour Union and Youth League Committee. The Company insists on simultaneous planning of Party construction during its reforms and development, simultaneous establishment of Party organisations and working organs, simultaneous allocation of person in charge of the Party organization and staff for Party affairs as well as simultaneous proceeding of Party work.</u></p>
Nil	<p><u>Article 133. The Party Committee of the Company shall uphold political leadership, ideological leadership and organizational leadership, and perform its duties in accordance with the Constitution and other internal rules of the Party:</u></p> <p>(1) <u>To ensure and supervise the thorough implementation of the guidelines and policies of the Party and the State as well as the decisions and deployment made by the superior Party committee throughout the Company.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
	<p>(2) <u>To adhere to the principle of the Party exercising leadership over officials, the selection of operating managers by the board of directors, and the exercise of power as regards the right of officials' appointment by the operating managers in accordance with laws. The Party Committee of the Company shall recommend nominees to the board of directors or the general manager, or deliberate and give opinions on the candidates nominated by the board of directors or the general manager. The Party Committee of the Company, together with the board of directors, shall observe the proposed candidates and discuss jointly to provide opinions and suggestions thereon. To discharge duties of talents management of the Party and implement the strategy of prospering the enterprise by relying on talents.</u></p> <p>(3) <u>To study and discuss stable reform and development, substantial operational and management issues of the Company as well as material issues related to the interests of our staff, and provide advice and recommendations in this regard.</u></p> <p>(4) <u>To undertake the main responsibility of exercising strict self-governance of the Party in every respect, lead the Company's ideological and political work, united front work, spiritual civilization construction as well as corporate culture construction, and lead mass organizations such as the trade union and the Communist Youth League. Play a leading role in the construction of the Party conduct and of a clean and honest administration, and support the Commission for Discipline Inspection of the Company in fulfilling its responsibility of supervision in practice.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER X BOARD OF DIRECTORS	CHAPTER XI BOARD OF DIRECTORS
<p>Article 132. Any director who leaves his/her office without authorization prior to the expiration of his term of office, thereby incurring a loss to the Company, shall be liable for compensation of such loss.</p> <p>The shareholders' general meeting may, by way of an ordinary resolution, dismiss any director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors shall propose to replace such director at the general meeting.</p> <p>If an independent (non-executive) director fails to attend the meeting of the Board of Directors for 3 consecutive times, the Board of Directors shall propose to the shareholders' general meeting to remove such independent director. Except in that case or any other cases specified by the Company Law for removal of independent directors, an independent (non-executive) director shall not be removed without good reason prior to the expiration of his term of office. In the case of any early removal, the Company shall make a special disclosure thereof. Any removed independent (non-executive) director who thinks that the Company has not any proper reason to remove him may make public statement.</p>	<p>Article 1382. Any director who leaves his/her office without authorization prior to the expiration of his/<u>her</u> term of office, thereby incurring a loss to the Company, shall be liable for compensation of such loss.</p> <p>The shareholders' general meeting may, by way of an ordinary resolution, release dismiss any director from his/her duties <u>whose term of office has not yet expired before expiration of his/her term of office</u>, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors shall propose to replace such director at the general meeting.</p> <p>If an independent (non-executive) director fails to attend the meeting of the Board of Directors for 3 consecutive times, the Board of Directors shall propose to the shareholders' general meeting to remove such independent director. Except in that case or any other cases specified by the Company Law for removal of independent directors, an independent (non-executive) director shall not be removed without good reason prior to the expiration of his term of office. In the case of any early removal, the Company shall make a special disclosure thereof. Any removed independent (non-executive) director who thinks that the Company has not any proper reason to remove him may make public statement.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
<p>Article 141. The board of directors shall establish special committees, such as strategy and investment committee, audit committee, remuneration committee and nomination committee and other special committees which the board of directors deem necessary. Each of the special committees, under the leadership of the board of directors, shall provide recommendation and advices to the board of directors. The rules of work for each committee shall be formulated by the board of directors.</p>	<p>Article 147^f. The board of directors shall establish special committees, such as strategy and investment committee, audit committee, remuneration committee and, nomination committee <u>and overseas risk control committee</u> and other special committees which the board of directors deem necessary. Each of the special committees, under the leadership of the board of directors, shall provide recommendation and advices to the board of directors. The rules of work for each committee shall be formulated by the board of directors. <u>Special committees shall be responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposal shall be submitted to the board of directors for consideration and decision. All members of the special committees shall be directors, of which independent directors shall account for the majority of members of the audit committee, nomination committee and remuneration committee, and shall serve as the convener. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for the formulation of the rules of procedure of the special committees and the standardization of operation of the special committees.</u></p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
<p>Article 145. The board of directors shall hold at least four regular meetings each year. Board meeting shall be convened by the chairman of the board of directors. Notice of meeting will be served to all directors, supervisors and other persons presented at least fourteen days before the meeting is held. Notice of extraordinary board meetings will be served to all directors, supervisors and other persons presented five days before the meeting is held.</p>	<p>Article 15145. The board of directors shall hold at least four regular meetings each year. Board meeting shall be convened by the chairman of the board of directors. Notice of meeting will be served to all directors, supervisors and other persons presented at least fourteen days before the meeting is held. Notice of extraordinary board meetings will be served to all directors, supervisors and other persons presented five days before the meeting is held.</p>
<p>The Company shall hold an annual meeting of non-executive directors only (including independent non-executive directors) that the chairman shall preside over to review the operational conditions of the Company independently.</p>	<p>The Company shall hold an annual meeting of non-executive directors only (including independent non-executive directors) only that the chairman shall preside over to review the operational conditions of the Company independently.</p>
<p>Extraordinary board meetings may be convened under one of the following circumstances:</p>	<p>Extraordinary board meetings may be convened under one of the following circumstances:</p>
<p>(1) the chairman of the board of directors deems necessary;</p>	<p>(1) the chairman of the board of directors deems necessary;</p>
<p>(2) jointly demanded by more than one-third of the directors;</p>	<p>(2) jointly demanded by more than one-third of the directors;</p>
<p>(3) demanded by the supervisory board;</p>	<p>(3) demanded by the supervisory board;</p>
<p>(4) demanded by the shareholders representing more than one-tenth of the voting rights;</p>	<p>(4) demanded by the shareholders representing more than one-tenth of the voting rights;</p>
<p>(5) demanded by more than one-half of the independent (non-executive) directors;</p>	<p>(5) demanded by more than one-half of the independent (non-executive) directors;</p>
<p>(6) demanded by the general manager;</p>	<p>(6) demanded by the general manager;</p>
<p>(7) demanded by securities regulatory authority;</p>	<p>(7) demanded by securities regulatory authority;</p>
<p>(8) other circumstances as stipulated in the Articles of Association.</p>	<p><u>(8) demanded by the Party Committee (Standing Committee);</u></p>
<p>The chairman of the board of directors shall convene and preside over a board meeting within ten days upon receipt of any demand.</p>	<p><u>(98)</u> other circumstances as stipulated in the Articles of Association.</p> <p>The chairman of the board of directors shall convene and preside over a board meeting within ten days upon receipt of any demand.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
CHAPTER XIV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER, AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY	CHAPTER XIV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER, AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY
Article 176. A person may not serve as a director, supervisor, general manager, or any other senior management member of the Company if any of the following circumstances applies:	Article 182 ⁷⁶ . A person may not serve as a director, supervisor, general manager, or any other senior management member of the Company if any of the following circumstances applies:
(1) a person without civil capacity or with restricted civil capacity;	(1) a person without civil capacity or with restricted civil capacity;
(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;	(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
(3) a person who is a former director, factory manager or general manager (manager) of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;	(3) a person who is a former director, factory manager or general manager (manager) of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three years has elapsed since the date of the revocation of the business licence;	(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three years has elapsed since the date of the revocation of the business licence;

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Amended Articles
(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid;	(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid;
(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;	(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;
(7) the person is not eligible for acting in the leadership of a company or an enterprise according to the laws or administrative regulations;	(7) the person is not eligible for acting in the leadership of a company or an enterprise according to the laws or administrative regulations;
(8) the person is not a natural person;	(8) the person is not a natural person;
(9) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;	(9) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;
(10) person who is barred from entry into the securities market by the competent securities regulatory authority of the State Council for a certain period and such period has not elapsed;	(10) person who is barred from entry into the securities market by the competent securities regulatory authority of the State Council for a certain period and such period has not elapsed;
(11) other circumstances as stipulated by relevant laws, administrative regulations, departmental rules and normative documents of the place of listing of the Company's shares.	(11) other circumstances as stipulated by relevant laws, administrative regulations, departmental rules and normative documents of the place of listing of the Company's shares.
Any election, designation of Directors and Supervisors, or appointment of the general manager or other senior management in violation of this provision shall be invalid. The Company shall dismiss the Director, Supervisor, the general manager or other senior management if they are involved in the said circumstances during their respective term of office.	<p><u>Persons who hold other executive positions, other than directors or supervisors, in any entity of the controlling shareholder of the Company shall not assume the office of senior management of the Company.</u></p> <p>Any election, designation of Directors and Supervisors, or appointment of the general manager or other senior management in violation of this provision shall be invalid. The Company shall dismiss the Director, Supervisor, the general manager or other senior management if they are involved in the said circumstances during their respective term of office.</p>

Note: If there is any inconsistency between the Chinese and English versions of this appendix, the Chinese version shall prevail.

**Comparison Table of Amendments to the Rules of Procedure for the General Meeting of Beijing
Urban Construction Design & Development Group Co., Limited**

Existing Articles	Amended Articles
Article 5 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:	Article 5 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:
(1) to decide the Company's operational policies and investment plans;	(1) to decide the Company's operational policies and investment plans;
(2) to elect and replace directors and decide on the matters relating to the remuneration of the relevant directors;	(2) to elect and replace directors and decide on the matters relating to the remuneration of the relevant directors;
(3) to elect and replace supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;	(3) to elect and replace supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;
(4) to consider and approve the reports of the board of directors;	(4) to consider and approve the reports of the board of directors;
(5) to consider and approve the reports of the supervisory board;	(5) to consider and approve the reports of the supervisory board;
(6) to consider and approve the Company's proposed annual budgets and final accounts;	(6) to consider and approve the Company's proposed annual budgets and final accounts;
(7) to consider and approve the Company's profit distribution plans and loss recovery plans;	(7) to consider and approve the Company's profit distribution plans and loss recovery plans;
(8) to resolve on matters over the increase or reduction of the Company's registered capital;	(8) to resolve on matters over the increase or reduction of the Company's registered capital;
(9) to resolve on matters over the merger, division, dissolution or liquidation of the Company or change of the Company's form;	(9) to resolve on matters over the merger, division, dissolution or liquidation of the Company or change of the Company's form;
(10) to resolve on the issue of bonds, other securities and listing of the Company;	(10) to resolve on the issue of bonds, other securities and listing of the Company;

APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Existing Articles	Amended Articles
(11) to resolve on the appointment, dismissal or non-reappointment of accounting firms;	(11) to resolve on the appointment, dismissal or non-reappointment of accounting firms;
(12) to amend the Articles of Association;	(12) to amend the Articles of Association;
(13) to consider and review the resolution proposed by any shareholder who holds, alone or in aggregate, 3% or more of the shares with voting rights of the Company;	(13) to consider and review the resolution proposed by any shareholder who holds, alone or in aggregate, 3% or more of the shares with voting rights of the Company;
(14) to resolve on other matters which are required to be resolved at general meetings under the laws, administrative regulations, and the Articles of Association;	(14) <u>to resolve on matters over the repurchase of the Company's shares as stipulated in paragraphs (1) and (2) of Article 28 of the Articles of Association;</u>
(15) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto.	(14 5) to resolve on other matters which are required to be resolved at general meetings under the laws, administrative regulations, and the Articles of Association;
	(15 6) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto.
Article 10 Except as otherwise required by relevant laws, regulations and the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association, when the Company convenes a general meeting, a written notice of the meeting shall be given 45 days before the date of the meeting to notify all shareholders whose names appear in the register of members of the matters to be considered at and the date and place of the meeting.	Article 10 Except as otherwise required by relevant laws, regulations and the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association, when the Company convenes a general meeting, a written notice of the meeting shall be given 45 days before the date of the meeting to notify all shareholders whose names appear in the register of members of the matters to be considered at and the date and place of the meeting.
The number of days calculated for the issuance of notices shall not include the day of the meeting. In relations to the issuance of the notice under this Article, the date of issuance of notice represents the date that the Company or the share registrar as appointed by the Company delivers the relevant notice at the post office for posting.	The number of days calculated for the issuance of notices shall not include the day of the meeting. In relations to the issuance of the notice under this Article, the date of issuance of notice represents the date that the Company or the share registrar as appointed by the Company delivers the relevant notice at the post office for posting.

APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Existing Articles	Amended Articles
	<p><u>The Company shall hold general meetings at its domicile or other location as notified in the notice of the general meeting. A meeting venue will be established for general meetings and meetings shall be held on site. The Company will also enable shareholders to have access to the general meeting by online voting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. After issuance of the notice of the shareholders' general meeting, the venue of shareholders' general meeting shall not be changed without proper reasons. Where such change is necessary, the convener shall make an announcement giving reasons at least 2 working days prior to the date on which the meeting was scheduled.</u></p>
<p>Article 41 The following matters proposed shall be passed at a general meeting by way of special resolution with more than two-third of voting rights represented by shareholders attending the general meeting:</p> <p>(1) increase or reduction in the Company's share capital and issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance of corporate bonds;</p> <p>(3) division, merger, dissolution or liquidation of the Company or change of the Company's form;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) other matters approved at a general meeting by way of ordinary resolution that are of material significance to the Company and needed to be approved by way of special resolution; and</p> <p>(6) such other matters to be resolved by special resolutions as required by the Articles of Association and the listing rules of the stock exchange on which shares of the Company are listed.</p>	<p>Article 41 The following matters proposed shall be passed at a general meeting by way of special resolution with more than two-third of voting rights represented by shareholders attending the general meeting:</p> <p>(1) increase or reduction in the Company's share capital and issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance of corporate bonds;</p> <p>(3) division, merger, dissolution or liquidation of the Company or change of the Company's form;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) <u>repurchase of the Company's shares as stipulated in items (1) and (2) of Article 28 of the Articles of Association;</u></p> <p>(56) other matters approved at a general meeting by way of ordinary resolution that are of material significance to the Company and needed to be approved by way of special resolution; and</p> <p>(67) such other matters to be resolved by special resolutions as required by the the Articles of Association and the listing rules of the stock exchange on which shares of the Company are listed.</p>

**Comparison Table of Amendments to the Applicable Rules of Procedure for the General Meeting of
Beijing Urban Construction Design & Development Group Co., Limited
upon the Initial Public Offering and Listing of A Shares**

Existing Articles	Amended Articles
Article 7 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:	Article 7 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:
(1) to decide on business operation plans and investment proposals of the Company;	(1) to decide on business operation plans and investment proposals of the Company;
(2) to elect and replace directors and decide on matters concerning the remuneration of directors;	(2) to elect and replace directors and decide on matters concerning the remuneration of directors;
(3) to elect and replace supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;	(3) to elect and replace supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;
(4) to consider and approve the reports of the board of directors;	(4) to consider and approve the reports of the board of directors;
(5) to consider and approve the reports of the supervisory board;	(5) to consider and approve the reports of the supervisory board;
(6) to consider and approve the Company's proposed annual budgets and final accounts;	(6) to consider and approve the Company's proposed annual budgets and final accounts;
(7) to consider and approve the Company's profit distribution plans and loss recovery plans;	(7) to consider and approve the Company's profit distribution plans and loss recovery plans;
(8) to resolve on matters over the increase or reduction of the Company's registered capital;	(8) to resolve on matters over the increase or reduction of the Company's registered capital;
(9) to resolve on matters over the merger, division, dissolution or liquidation of the Company or change of the Company's form;	(9) to resolve on matters over the merger, division, dissolution or liquidation of the Company or change of the Company's form;
(10) to resolve on the issue of bonds, other securities and listing of the Company;	(10) to resolve on the issue of bonds, other securities and listing of the Company;

APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Existing Articles	Amended Articles
(11) to resolve on the appointment, dismissal or non-reappointment of accounting firms;	(11) to resolve on the appointment, dismissal or non-reappointment of accounting firms;
(12) to amend the Articles of Association;	(12) to amend the Articles of Association;
(13) to consider and review the resolution proposed by any shareholder who holds, alone or in aggregate, 3% of the shares with voting rights of the Company;	(13) to consider and review the resolution proposed by any shareholder who holds, alone or in aggregate, 3% of the shares with voting rights of the Company;
(14) to resolve matters relating to external guarantees which require approval at the general meeting as required by the laws, administrative regulations, department rules and the Articles of Association;	(14) to resolve matters relating to external guarantees which require approval at the general meeting as required by the laws, administrative regulations, department rules and the Articles of Association;
(15) to consider and review matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;	(15) to consider and review matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
(16) to consider and approve matters relating to the change of use of proceeds;	(16) to consider and approve matters relating to the change of use of proceeds;
(17) to consider and review share option scheme;	(17) to consider and review share option scheme;
(18) to consider and review the connected transaction which are required to be considered and approved by general meetings under the laws, administrative regulations, department rules, relevant rules required by the stock exchange on which shares of the Company are listed and the Articles of Association;	(18) to consider and review the connected transaction which are required to be considered and approved by general meetings under the laws, administrative regulations, department rules, relevant rules required by the stock exchange on which shares of the Company are listed and the Articles of Association;

APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Existing Articles	Amended Articles
<p>(19) to consider and approve the transactions stipulated in Article 9 of the Rules;</p> <p>(20) Other matters which are required to be resolved at the general meetings under the laws, administrative regulations, department rules, relevant rules required by the stock exchange on which shares of the Company are listed and the Articles of Association.</p> <p>.....</p>	<p>(19) to consider and approve the transactions stipulated in Article 9 of the Rules;</p> <p>(20) <u>to resolve on the repurchase of shares of the Company in accordance with circumstances as required in item (1) and (2) of Article 28 of the Articles of Association;</u></p> <p><u>(21)</u> Other matters which are required to be resolved at the general meetings under the laws, administrative regulations, department rules, relevant rules required by the stock exchange on which shares of the Company are listed and the Articles of Association.</p> <p>.....</p>
<p>Article 24 The location for convening the general meeting of the Company shall be the place where the Company's domicile is or other locations set out in the notice of the general meeting.</p> <p>A venue shall be set for the general meeting which shall be convened on-site. The Company may facilitate shareholders at the general meeting by offering safe, economic and convenient network or other means in accordance with requirements of laws, administrative regulations, competent securities authorities of the State Council and the Articles of Association. If the Company intends to convene the general meeting via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. The holders of overseas listed foreign Shares will not be provided with online voting access.</p>	<p>Article 24 The location for convening the general meeting of the Company shall be the place where the Company's domicile is or other locations set out in the notice of the general meeting.</p> <p>A venue shall be set for the general meeting which shall be convened on-site. The Company may facilitate shareholders at the general meeting by offering safe, economic and convenient network or other means in accordance with requirements of laws, administrative regulations, competent securities authorities of the State Council and the Articles of Association. If the Company intends to convene the general meeting via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. The holders of overseas listed foreign Shares will not be provided with online voting access.</p> <p><u>After issuance of the notice of the shareholders' general meeting, the venue of shareholders' general meeting shall not be changed without proper reasons. Where such change is necessary, the convener shall make an announcement giving reasons at least 2 working days prior to the date on which the meeting was scheduled.</u></p>

APPENDIX II COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Existing Articles	Amended Articles
Article 57 The following matters proposed shall be passed at a general meeting by way of special resolution:	Article 57 The following matters proposed shall be passed at a general meeting by way of special resolution:
(1) increase or reduction in the Company's share capital and issuance of any class of shares, warrants and other similar securities;	(1) increase or reduction in the Company's share capital and issuance of any class of shares, warrants and other similar securities;
(2) the issuance of corporate bonds;	(2) the issuance of corporate bonds;
(3) division, merger, dissolution or liquidation of the Company or change of the Company's form;	(3) division, merger, dissolution or liquidation of the Company or change of the Company's form;
(4) amendments to the Articles of Association;	(4) amendments to the Articles of Association;
(5) major assets purchased and disposed by the Company within one year exceeding 30% of the audited total assets of the Company during the latest period;	(5) major assets purchased and disposed by the Company within one year exceeding 30% of the audited total assets of the Company during the latest period;
(6) guarantees exceeding 30% of the audited total assets of the Company during the latest period, when aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;	(6) guarantees exceeding 30% of the audited total assets of the Company during the latest period, when aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;
(7) share incentive scheme;	(7) share incentive scheme;
(8) other matters approved in a shareholders' general meeting by way of ordinary resolution that are of material significance to the Company and needed to be approved by way of special resolution; and	(8) <u>repurchase of shares of the Company in accordance with circumstances as required in item (1) and (2) of Article 28 of the Articles of Association;</u>
(9) such other matters to be resolved by special resolutions as required by laws, administrative rules, the listing rules of stock exchange where the shares of the Company are listed or the Articles of Association.	(89) other matters approved in a shareholders' general meeting by way of ordinary resolution that are of material significance to the Company and needed to be approved by way of special resolution; and
	(910) such other matters to be resolved by special resolutions as required by laws, administrative rules, the listing rules of stock exchange where the shares of the Company are listed or the Articles of Association.

Note: If there is any inconsistency between the Chinese and English versions of this appendix, the Chinese version shall prevail.

**Comparison Table of Amendments to the Rules of Procedure for the Board of Directors of
Beijing Urban Construction Design & Development Group Co., Limited**

Existing Articles	Amended Articles
Article 5 The board of directors is accountable to the shareholders' general meeting and exercises the following powers and functions:	Article 5 The board of directors is accountable to the shareholders' general meeting and exercises the following powers and functions:
(1) to be responsible for the convening of general meetings and report its work at the general meetings;	(1) to be responsible for the convening of general meetings and report its work at the general meetings;
(2) to execute resolutions passed at the general meetings;	(2) to execute resolutions passed at the general meetings;
(3) to decide on business operation plans and investment proposals as well as major asset disposal and reorganization schemes of the Company;	(3) to decide on business operation plans and investment proposals as well as major asset disposal and reorganization schemes of the Company;
(4) to prepare the annual financial budget and final accounts of the Company;	(4) to prepare the annual financial budget and final accounts of the Company;
(5) to prepare proposals for profit distribution and recovery of losses of the Company;	(5) to prepare proposals for profit distribution and recovery of losses of the Company;
(6) to formulate proposals for increase or reduction in the Company's registered capital and the issue of corporate bonds;	(6) to formulate proposals for increase or reduction in the Company's registered capital and the issue of corporate bonds;
(7) to formulate proposals for merger, division, dissolution or change of the Company's form;	(7) to formulate proposals for merger, division, dissolution or change of the Company's form;
(8) to decide on the establishment of an internal management department of the Company;	(8) to decide on the establishment of an internal management department of the Company;
(9) to appoint or dismiss general manager and board secretary of the Company; to appoint or dismiss the deputy general manager, chief accountant and other senior management members of the Company based on the nomination by the general manager and decide on the matters relating to their remuneration;	(9) to appoint or dismiss general manager and board secretary of the Company; to appoint or dismiss the deputy general manager, chief accountant and other senior management members of the Company based on the nomination by the general manager and decide on the matters relating to their remuneration;

Existing Articles	Amended Articles
<p>(10) to formulate the fundamental management system of the Company;</p> <p>(11) to draft amendments of the Articles of Association;</p> <p>(12) to manage the information disclosure matters of the Company;</p> <p>(13) to submit a resolution on appointment or replacement of the accounting firm responsible for the audit work of the Company at the shareholders' general meeting;</p> <p>(14) other powers and functions conferred by the laws, regulations and rules of listing of securities of the stock exchanges where the Company has its shares listed, at the general meeting or under the Articles of Association.</p> <p>Resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors with the exception of resolutions on matters referred to in items (6),(7) and (11), which shall require the affirmative vote of more than two-thirds of the directors. The board of directors shall perform its duties in accordance with the State's laws, administrative regulations, the Articles of Association and resolutions of the shareholders' general meeting.</p>	<p>(10) to formulate the fundamental management system of the Company;</p> <p>(11) to draft amendments of the Articles of Association;</p> <p>(12) to manage the information disclosure matters of the Company;</p> <p>(13) to submit a resolution on appointment or replacement of the accounting firm responsible for the audit work of the Company at the shareholders' general meeting;</p> <p>(14) <u>to formulate the plan for the repurchase of shares of the Company in accordance with circumstances as required in item (1) and (2) of Article 28 of the Articles of Association; Pursuant to the Articles of Association or the grant of the general meeting, to decide on the repurchase of shares of the Company in accordance with circumstances as required in item (3), (5) and (6) of Article 28 of the Articles of Association;</u></p> <p>(145) other powers and functions conferred by the laws, regulations and rules of listing of securities of the stock exchanges where the Company has its shares listed, at the general meeting or under the Articles of Association.</p> <p>Resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors with the exception of resolutions on matters referred to in items (6),(7), and (11) and (14), which shall require the affirmative vote of more than two-thirds of the directors. The board of directors shall perform its duties in accordance with the State's laws, administrative regulations, the Articles of Association and resolutions of the shareholders' general meeting.</p>

Existing Articles	Amended Articles
Article 6 The Board of Directors has set up special committees including audit committee, remuneration committee and nomination committee, and other special committees the Board of Directors deems as necessary. Independent non-executive directors must make up the majority in each special committee. Led uniformly by the Board of Directors, special committees provide suggestions and advisory opinion for the decision-making of the Board of Directors and make proposals for the Board of Directors.	Article 6 The Board of Directors has set up special committees including audit committee, remuneration committee and , nomination committee; <u>and overseas risk control committee</u> , and other special committees the Board of Directors deems as necessary. Independent non-executive directors must make up the majority in each special committee. Led uniformly by the Board of Directors, special committees provide suggestions and advisory opinion for the decision-making of the Board of Directors and make proposals for the Board of Directors. <u>Special committees shall be responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposal shall be submitted to the board of directors for consideration and decision. All members of the special committees shall be directors, of which independent directors shall account for the majority of members of the audit committee, nomination committee and remuneration committee, and shall serve as the convener. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for the formulation of the rules of procedure of the special committees and the standardization of operation of the special committees.</u>

Comparison Table of Amendments to the Applicable Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited upon the Initial Public Offering and Listing of A Shares of the Company

Existing Articles	Amended Articles
Article 5 The board of directors shall be accountable to the general meeting and exercise the following functions and powers: (1) to be responsible for the convening of general meetings and report its work at the general meetings; (2) to execute resolutions passed at the general meetings; (3) to decide on business operation plans and investment proposals as well as major asset disposal and reorganization schemes of the Company;	Article 5 The board of directors shall be accountable to the general meeting and exercise the following functions and powers: (1) to be responsible for the convening of general meetings and report its work at the general meetings; (2) to execute resolutions passed at the general meetings; (3) to decide on business operation plans and investment proposals as well as major asset disposal and reorganization schemes of the Company;

Existing Articles	Amended Articles
(4) to formulate the annual financial budget plans and final accounting plans of the Company;	(4) to formulate the annual financial budget plans and final accounting plans of the Company;
(5) to formulate the profit distribution plans and loss recovery plans of the Company;	(5) to formulate the profit distribution plans and loss recovery plans of the Company;
(6) to formulate the plans for increasing or reducing registered capital and plans for issuing corporate bonds or other securities and listing of the Company;	(6) to formulate the plans for increasing or reducing registered capital and plans for issuing corporate bonds or other securities and listing of the Company;
(7) to draw up the plans for major acquisitions and the purchase of the Company's stocks;	(7) to draw up the plans for major acquisitions and the purchase of the Company's stocks;
(8) to formulate proposals for merger, division, dissolution or change of the Company's form;	(8) to formulate proposals for merger, division, dissolution or change of the Company's form;
(9) to determine other external guarantee matters which shall not be approved by the general meeting of shareholders, according to laws, administrative regulations and the Articles of Association;	(9) to determine other external guarantee matters which shall not be approved by the general meeting of shareholders, according to laws, administrative regulations and the Articles of Association;
(10) to determine the matters authorized by the general meeting of shareholders, including the Company's external investment, acquisitions and sales of assets, pledge of assets, entrusted wealth management and related (connected) transactions;	(10) to determine the matters authorized by the general meeting of shareholders, including the Company's external investment, acquisitions and sales of assets, pledge of assets, entrusted wealth management and related (connected) transactions;
(11) to decide on the establishment of an internal management department of the Company;	(11) to decide on the establishment of an internal management department of the Company;
(12) to appoint or dismiss the general manager and the secretary of the Board of Directors of the Company; according to the nomination of the general manager, to appoint or dismiss other senior management of the Company including the vice general manager and general accountant and determine their remuneration or reward and punishment matters;	(12) to appoint or dismiss the general manager and the secretary of the Board of Directors of the Company; according to the nomination of the general manager, to appoint or dismiss other senior management of the Company including the vice general manager and general accountant and determine their remuneration or reward and punishment matters;

Existing Articles	Amended Articles
(13) to formulate the fundamental management system of the Company;	(13) to formulate the fundamental management system of the Company;
(14) to formulate the amendment plan of the Articles of Association;	(14) to formulate the amendment plan of the Articles of Association;
(15) to manage the information disclosure matters of the Company;	(15) to manage the information disclosure matters of the Company;
(16) to submit a resolution on appointment or replacement of the accounting firm responsible for the audit work of the Company at the shareholders' general meeting;	(16) to submit a resolution on appointment or replacement of the accounting firm responsible for the audit work of the Company at the shareholders' general meeting;
(17) to hear working reports from the Company's general manager and check his/her work; and	(17) to hear working reports from the Company's general manager and check his/her work; and
(18) other functions and powers stipulated in laws, administrative regulations, departmental regulations, relevant regulations of the securities exchange where the Company's shares are listed or regulations in the Articles of Association, and others authorized by the general meeting of shareholders.	(18) <u>to formulate the plan for the repurchase of shares of the Company in accordance with circumstances as required in item (1) and (2) of Article 28 of the Articles of Association; pursuant to the Articles of Association or the authorization of the general meeting, to decide on the repurchase of shares of the Company in accordance with circumstances as required in item (3), (5) and (6) of Article 28 of the Articles of Association; and</u>

Existing Articles	Amended Articles
<p>Matters, which are beyond the authorization of the general meeting of shareholders, shall be submitted to and considered at the general meeting of shareholders.</p> <p>In the above resolutions made by the Board of Directors, except the items (6), (7), (8) and (14) that must be voted and approved by at least 2/3 of all directors, other resolutions shall be voted and approved by more than half of all directors (of which, the item (9) shall be approved by more than 2/3 of directors who are attending the meeting of the Board of Directors). The Board of Directors shall perform its duties according to the national laws, administrative regulations, the Articles of Association and the resolutions of shareholders</p>	<p><u>(19)</u> other functions and powers stipulated in laws, administrative regulations, departmental regulations, relevant regulations of the securities exchange where the Company's shares are listed or regulations in the Articles of Association, and others authorized by the general meeting of shareholders.</p> <p>Matters, which are beyond the authorization of the general meeting of shareholders, shall be submitted to and considered at the general meeting of shareholders.</p> <p>In the above resolutions made by the Board of Directors, except the items (6), (7), (8), and (14) and (18) that must be voted and approved by at least 2/3 of all directors, other resolutions shall be voted and approved by more than half of all directors (of which, the item (9) shall be approved by more than 2/3 of directors who are attending the meeting of the Board of Directors). The Board of Directors shall perform its duties according to the national laws, administrative regulations, the Articles of Association and the resolutions of shareholders</p>
<p>Article 7 The Board of Directors has set up special committees including strategy and investment committee, audit committee, remuneration committee and nomination committee, and other special committees the Board of Directors deems as necessary. Independent (non-executive) directors must make up the majority in audit committee, remuneration committee and nomination committee. Led uniformly by the Board of Directors, special committees provide suggestions and advisory opinion for the decision-making of the Board of Directors and make proposals for the Board of Directors.</p>	<p>Article 7 The Board of Directors has set up special committees including strategy and investment committee, audit committee, remuneration committee and, nomination committee; <u>and overseas risk control committee</u>, and other special committees the Board of Directors deems as necessary. Independent (non-executive) directors must make up the majority in audit committee, remuneration committee and nomination committee. Led uniformly by the Board of Directors, special committees provide suggestions and advisory opinion for the decision-making of the Board of Directors and make proposals for the Board of Directors. <u>Special committees shall be responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposal shall be submitted to the board of directors for consideration and decision. All members of the special committees shall be directors, of which independent non-executive directors shall account for the majority of members of the audit committee, nomination committee and remuneration committee, and shall serve as the convener. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for the formulation of the rules of procedure of the special committees and the standardization of operation of the special committees.</u></p>

Existing Articles	Amended Articles
<p>Article 19 The meetings of the Board of Directors are classified into periodic and temporary meetings. The Board of Directors has at least four periodic meetings each year. The written notices of the periodic and temporary meetings sealed by the seal of the Board of Directors shall be sent to all directors, supervisors and other attendees by hand, email or fax within 14 days and 5 days respectively before the convening of the meetings. The notices delivered by email and fax shall be confirmed and recorded by telephone. If emergency calls for the convening of the temporary meetings, the notices shall be sent by telephone or other oral ways at any time, but the convener shall make explanation at the temporary meeting and get approval by directors who are attending the temporary meeting on the exemption of notice period of the temporary meeting.</p> <p>The notice of the meeting of the Board of Directors shall include the following contents:</p> <p>(I) Date, time and place of the meeting;</p> <p>(II) The ways of convening the meeting;</p> <p>(III) The duration of the meeting;</p> <p>(IV) Reasons for the convening of the meeting and matters to be considered (meeting proposals);</p> <p>(V) The convener and host of the meeting, and the proposer and written proposal of temporary meeting;</p> <p>(VI) Meeting materials necessary for the resolution of directors;</p>	<p>Article 19 The meetings of the Board of Directors are classified into periodic and temporary meetings. The Board of Directors has at least four periodic meetings each year. The written notices of the periodic and temporary meetings sealed by the seal of the Board of Directors shall be sent to all directors, supervisors and other attendees by hand, email or fax within 14 days and 5 days respectively before the convening of the meetings. The notices delivered by email and fax shall be confirmed and recorded by telephone. If emergency calls for the convening of the temporary meetings, the notices shall be sent by telephone or other oral ways at any time, but the convener shall make explanation at the temporary meeting and get approval by directors who are attending the temporary meeting on the exemption of notice period of the temporary meeting.</p> <p>The notice of the meeting of the Board of Directors shall include the following contents:</p> <p>(I) Date, time and place of the meeting;</p> <p>(II) The ways of convening the meeting;</p> <p>(III) The duration of the meeting;</p> <p>(IV) Reasons for the convening of the meeting and matters to be considered (meeting proposals);</p> <p>(V) The convener and host of the meeting, and the proposer and written proposal of temporary meeting;</p> <p>(VI) Meeting materials necessary for the resolution of directors;</p>

Existing Articles	Amended Articles
(VII) The requirements that directors shall attend in person or entrust other directors to attend on behalf;	(VII) The requirements that directors shall attend in person or entrust other directors to attend on behalf;
(VIII) Contact person and contact ways; and	(VIII) Contact person and contact ways; and
(IX) The date of the delivery of notice.	(IX) The date of the delivery of notice.
Oral notice shall include the content in items (I) and (II) and the explanation of the temporary meeting called by emergency.	Oral notice shall include the content in items (I) and (II) and the explanation of the temporary meeting called by emergency.
The Board of Directors shall notify all directors in advance according to the required time, and provide enough materials including relevant background materials of meeting topics, and information and data that help the directors understand the business progress of the Company. When 2 or above independent (non-executive) directors remark inadequate materials or unclear demonstration, they shall jointly suggest the delay of the convening of the meeting of the Board of Directors or delay of the consideration of the matter with written form. The Board of Directors shall accept the delay.	The Board of Directors shall notify all directors in advance according to the required time, and provide enough materials including relevant background materials of meeting topics, and information and data that help the directors understand the business progress of the Company. When 2 or above independent (non-executive) directors remark inadequate materials or unclear demonstration, they shall jointly suggest the delay of the convening of the meeting of the Board of Directors or delay of the consideration of the matter with written form. The Board of Directors shall accept the delay.
The Company shall convene a meeting that be hosted by the chairman of the Board of Directors and only be attended by non-executive directors (including independent (non-executive) directors) each year to independently audit the operating conditions of the Company.	The Company shall convene a meeting that be hosted by the chairman of the Board of Directors and only be attended by non-executive directors <u>independent non-executive directors</u> each year to independently audit the operating conditions of the Company.

Note: If there is any inconsistency between the Chinese and English versions of this appendix, the Chinese version shall prevail.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 have been disclosed from page 120 to page 236 of the annual report for the year ended 31 December 2016, from page 114 to page 252 of the annual report for the year ended 31 December 2017, and from page 118 to page 286 of the annual report of the Company for the year ended 31 December 2018, respectively. These reports have been published and are available on the website of Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bjucd.com).

- The 2016 annual report of the Company for the year ended 31 December 2016 (available on: <http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0418/LTN20170418701.pdf>);
- The 2017 annual report of the Company for the year ended 31 December 2017 (available on: <http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0426/LTN201804261469.pdf>); and
- The 2018 annual report of the Company for the year ended 31 December 2018 (available on: <http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0423/LTN20190423355.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2019, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this circular, the indebtedness of the Group was as follows:

Borrowings

As at the close of business on 30 April 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following outstanding borrowings:

	Secured <i>RMB'000</i>	Unsecured <i>RMB'000</i>	Total <i>RMB'000</i>
Borrowings from related parties	–	538,400	538,400
Bank loans	4,066,782	–	4,066,782
Other borrowings	–	200,000	200,000
	<u>4,066,782</u>	<u>738,400</u>	<u>4,805,182</u>

Contingencies

The Group had total contingent liabilities of RMB280,000,000. Details of which are as follows:

RMB'000

Guarantees given to banks in connection with bank loans granted to:

A joint venture

280,000

Save as aforesaid and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 30 April 2019, the Group did not have other debt securities issued and outstanding, and authorized or otherwise created but unissued, outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or material contingent liabilities.

As at the Latest Practicable Date, the Directors were not aware of any or any material adverse change in the indebtedness position of the Group since 30 April 2019.

3. WORKING CAPITAL

As at the Latest Practicable Date, having made careful enquiries and taking into account of the internal resources of and credit facilities available to the Group as well as the transactions contemplated under the Joint Venture Agreement, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this circular.

4. FINANCIAL AND OPERATING PROSPECTS

In the second half of the year, it is expected that under the guidance of the policies of the central government, the rail transit industry will continue to adhere to the direction of “orderly development within capabilities”, while the construction of urban rail transit has shifted from a high-speed growth phase to a high-quality development phase according to the idea of “there is urban rail transit demand in a city, where the government can afford the construction, the potential passenger flow is sufficient and it is easy to do data statistics”.

Currently, there are 58 cities under operation and construction of rail transit, and the number of cities for the planned construction rail transit in the future is expected to be 70, extending from tier-1 cities to tier-3 and tier-4 cities. The Company, as the leader in the field of design and consultation of urban rail transit, will benefit from the bonus of development from the rail transit industry in a long run, while history, branding, technology, market share and service are the guarantee of sustainable development of the Company.

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 Group. 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 appendix or this circular misleading.

2. DISCLOSURE OF INTERESTS

Substantial Shareholders' Interests in Securities

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors, Supervisors and the chief executive of the Company) had interests and short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Domestic Shares

Name of Shareholder	Capacity	Number of		Approximate	Approximate
		Domestic	Nature of	percentage	percentage
		Shares	interests	of total issued	of total issued
				Domestic	share capital
				Share capital	share capital
Beijing Urban Construction Group Co., Ltd. ¹	Beneficial owner	571,031,118	Long position	59.44%	42.34%
Beijing Infrastructure Investment Co., Ltd. ²	Beneficial owner	87,850,942	Long position	9.14%	6.51%
Beijing Chengtong Enterprise Management Center (General Partnership)	Beneficial owner	76,000,000 ³	Long position	7.91%	5.64%

Notes:

1. Beijing Urban Construction Group Co., Ltd. was incorporated by the Beijing Municipal Government.
2. Beijing Infrastructure Investment Co., Ltd. is a wholly state-owned enterprise established and funded by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.
3. Among which, 18,270,000 Domestic Shares were issued for connected subscriptions. For further details, please refer to the circular published by the Company on 7 December 2017 and the announcement published by the Company on 5 February 2018.

H Shares

Name of Shareholder	Capacity	Number of H Shares	Nature of interests	Approximate percentage of total issued H Share capital	Approximate percentage of total issued share capital
Amundi Asset Management	Investment Manager	62,037,000	Long position	15.99%	4.60%
Amundi Ireland Ltd.	Investment Manager	81,494,000	Long position	21.01%	6.04%
Beijing Infrastructure Investment Co., Ltd. ¹	Interest of controlled corporations	68,222,000	Long position	17.59%	5.06%
Beijing Infrastructure Investment (Hong Kong) Limited ¹	Beneficial Owner	68,222,000	Long position	17.59%	5.06%
Pioneer Investment Management Limited	Investment Manager	66,028,000	Long position	17.02%	4.90%
Pioneer Asset Management S.A.	Investment Manager	52,777,000	Long position	13.60%	3.91%
CRRC Group	Interest of controlled corporations ²	26,222,000	Long position	6.76%	1.94%

Notes:

- 1 Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司) indirectly holds long positions in 68,222,000 H Shares of the Company through its wholly-owned subsidiary, Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司).
- 2 CRRC Group (formerly known as CSR Group Limited) holds interests in 26,222,000 H Shares through its controlled corporations, CRRC Corporation Limited (formerly known as CSR Corporation Limited) and CRRC (Hong Kong) Co., Ltd. (formerly known as CSR (Hong Kong) Co. Ltd).

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO.

Directors', Supervisors', and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the following Directors had interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of SFO), or required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange as follows:

Name	Position	Nature of interests	Class of Shares	Number of Shares (Share)	Approximate percentage of total issued H Share capital (%)	Approximate percentage of total issued share capital (%)
Wang Hanjun	Executive Director and the General Manager	Personal interest	H Shares	48,000	0.01	0.004
Li Guoqing	Executive Director	Personal interest	H Shares	48,000	0.01	0.004

Note:

Mr. Wang Hanjun and Mr. Li Guoqing subscribed for 1,000,000 Domestic Shares, respectively, under a key employee stock ownership scheme on 29 December 2017.

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors, Supervisors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO): (i) which were required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' AND SUPERVISORS' INTEREST IN ASSETS AND/OR CONTRACTS

As at the Latest Practicable Date, none of the Directors or the Supervisors had any direct or indirect interest in any asset which had been, since 31 December 2018, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors, Supervisors or their respective associates was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or the Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. DIRECTORS' AND SUPERVISORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following Directors and the Supervisors were in the employment of those companies which had interests or short positions in the Shares or underlying Shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of the Director/Supervisor	Position in the specific company
Shi Yubin	Deputy general manager of Beijing Urban Construction Group Co., Ltd.
Tang Shuchang	Assistant to the general manager of Beijing Urban Construction Group Co., Ltd.
Wu Donghui	Vice-chief economist of Beijing Urban Construction Group Co., Ltd.
Guan Jifa	Deputy general manager of Beijing Investment Company
Ren Yuhang	Secretary to the board of directors and general manager of investment and development department of Beijing Investment Company
Yuan Guoyue	Head of sales and marketing department of Beijing Urban Construction Group Co., Ltd.
Nie Kun	Supervisor of Beijing Urban Construction Group Co., Ltd.
Chen Rui	Managing director of Beijing Jun Lian Capital Management Co., Ltd.

7. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited accounts of the Group were made up.

8. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the contracts entered into by the Group which are or may be material (not being the contracts entered into in the ordinary course of business) are as follows:

- (a) the guarantee agreement dated 24 April 2018 entered into between the Company and Shijingshan Sub-branch of Beijing Rural Commercial Bank Co., Ltd. (the “**Bank**”), pursuant to which the Company agreed to provide guarantee, in proportion to its equity holding in Beijing Shengtong Real Estate Development Co., Ltd. (“**Shengtong Real Estate**”, a joint venture owned as to 40% equity interests by the Company), for the due performance of the repayment obligations of Shengtong Real Estate to the Bank in the amount of RMB280 million in respect of the loan in the amount of RMB700 million granted by the Bank. The loan will be utilised for the development and construction of the Pingguoyuan Comprehensive Transportation Hub TOD Integration Project in Shijingshan by Shengtong Real Estate. For details, please refer to the announcement of the Company dated 26 April 2018;
- (b) the joint venture agreement dated 31 March 2019 entered into among the Company, Beijing Investment Company, Beijing Metro Vehicle Equipment Co., Ltd. (“**Beijing Vehicle Company**”), Beijing Municipal Road and Bridge Co., Ltd. (“**Road and Bridge Company**”) and Shaoxing Rail Transit Group Co., Ltd. (“**Shaoxing Rail Group**”), in relation to the joint establishment of a joint venture company to implement the Shaoxing Rail PPP Project. The total contribution amount of the joint venture company amounted to RMB7,881 million, among which, the Company, Beijing Investment Company, Beijing Vehicle Company, Road and Bridge Company and Shaoxing Rail Group will contribute RMB603 million, RMB2,793 million, RMB20 million, RMB603 million and RMB3,862 million and each of them will own 7.65%, 35.445%, 0.255%, 7.65% and 49% of the equity interest in the joint venture company, respectively. For details, please refer to the announcement of the Company dated 29 March 2019 and the circular dated 10 May 2019; and
- (c) the Joint Venture Agreement.

9. LITIGATIONS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries had received any notice of any litigations or arbitration processes pending or threatened against the Company or any of its subsidiaries.

10. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given advice and recommendation which are contained in this circular:

Name	Qualification
Opus Capital	a corporation licenced to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Opus Capital had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

11. EXPERT'S INTERESTS

As at the Latest Practicable Date, Opus Capital:

- (a) did not have any direct or indirect interest in any assets acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited accounts of the Group were made up; and
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

12. MISCELLANEOUS

- (a) The Joint Company Secretaries of the Company are Mr. Xuan Wenchang and Ms. Kwong Yin Ping Yvonne. Ms. Kwong Yin Ping Yvonne is a member of the Hong Kong Institute of Chartered Secretaries.
- (b) The registered address of the Company is 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC. The principal place of business of the Company in Hong Kong is at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (c) The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Clifford Chance LLP at 27/F, Jardine House, Connaught Place, Hong Kong during normal business hours on any business days from the date of this circular up to and including 14 July 2019:

- (a) the Articles of Association;
- (b) the Joint Venture Agreement signed by the parties upon approval by the Independent Shareholders at the EGM;
- (c) the letter from the Independent Board Committee as set out on pages 14 to 15 of this circular;
- (d) the letter from Opus Capital as set out on pages 16 to 29 of this circular;
- (e) the material contracts as set out in the paragraph headed “Material Contracts” above;
- (f) the annual reports of the Company for the year ended 31 December 2017 and for the year ended 31 December 2018;
- (g) the written consent of Opus Capital referred to in the paragraph headed “Expert’s Qualification and Consent” above;
- (h) a copy of each circular issued by the Company pursuant to the requirements set out in Chapter 14 and/or Chapter 14A of the Listing Rules since 31 December 2018; and
- (i) this circular.

NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited

北京城建设计发展集团股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1599)

NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 First Extraordinary General Meeting (the “**EGM**”) of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) will be held at Conference Room 501, 5/F, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Thursday, 15 August 2019, to consider and, if thought fit, approve the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the amendments to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited;
2. To consider and approve the amendments to the Rules of Procedure for the General Meeting of Beijing Urban Construction Design & Development Group Co., Limited;
3. To consider and approve the amendments to the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited; and

ORDINARY RESOLUTION

4. To consider and approve the major and connected transaction entered into with a subsidiary of Beijing Infrastructure Investment Co., Ltd.

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Shi Yubin

Chairman

Beijing, 30 June 2019

As at the date of this notice, the executive directors of the Company are Wang Hanjun and Li Guoqing; the non-executive directors of the Company are Shi Yubin, Tang Shuchang, Wu Donghui, Guan Jifa, Ren Yuhang, Su Bin, Yu Xiaojun and Ren Chong; and the independent non-executive directors of the Company are Wang Dexing, Yim Fung, Sun Maozhu, Liang Qinghuai and Qin Guisheng.

NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Tuesday, 16 July 2019 to Thursday, 15 August 2019, both days inclusive, during which period no transfer of shares will be registered. Holders of H shares and domestic shares whose names appeared on the register of members of the Company as at Thursday, 15 August 2019 shall be entitled to attend and vote at the EGM. Holders of H shares of the Company who intend to attend and vote at the EGM must lodge all transfer documents accompanied by the relevant H share certificates with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 15 July 2019 for registration.
2. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend the EGM in person to represent the relevant shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporation, the instrument must be executed either under its common seal or under the hand of its director(s) or duly authorised attorney. If the instrument is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarised.
4. In order to be valid, the proxy form together with the notarised power of attorney or other documents of authorisation (if any) must be deposited at the secretariat of the board of directors of the Company at 12A, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC for holders of domestic shares and at the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H shares not less than 24 hours before the time stipulated for convening the EGM (or any adjournment thereof) (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at the EGM (or any adjournment thereof). If no direction is given, the proxy will be entitled to vote or abstain as he or she thinks fit.
5. Holders of domestic shares who intend to attend the EGM in person or by proxy should complete and deposit the reply slip for attending the meeting at the secretariat of the board of directors of the Company on or before Friday, 26 July 2019 in hand, by post or by fax. Holders of H shares who intend to attend the EGM in person or by proxy should complete and deposit the reply slip for attending the meeting at Computershare Hong Kong Investor Services Limited on or before Friday, 26 July 2019 in hand, by post or by fax.
6. The EGM is estimated to last for about half a day. Shareholders or their proxies who attend the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the EGM (or any adjournment thereof).