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**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)**

**DISCLOSEABLE TRANSACTION: ACQUISITION OF LAND USE RIGHTS  
AND ABOVE-GROUND BUILDINGS**

The Board hereby announces that, as considered and approved by the Board, on 29 February 2024, Guizhou Jingjian, a subsidiary of the Company, entered into an agreement with Zunyi Municipal Natural Resources Bureau\*(遵義市自然資源局), confirming that the Company has won the bid for the state-owned construction land use rights for the land parcel (the “**Land Parcel**”) on the north side of Fengxin Express Line in Honghuagang District, Zunyi City transferred by Zunyi Municipal Natural Resources Bureau\* through public bidding. The transaction price of the Land Parcel was RMB132,230,000. At the same time, Guizhou Jingjian acquired the ownership of the above-ground ancillary buildings on the Land Parcel for RMB81,336,707 (collectively, the “**Transaction**”).

As the highest applicable percentage ratio for the Transaction exceeds 5% but is lower than 25%, the Transaction constitutes a discloseable transaction of the Company, which is subject to the reporting and announcement requirements but exempt from the Shareholders’ approval requirement under Chapter 14 of the Hong Kong Listing Rules.

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**Date of agreement**

29 February 2024

**Parties to the agreement**

Transferor: Zunyi Municipal Natural Resources Bureau\*

Transferee: Guizhou Jingjian

## Details of the Land Parcel and the above-ground buildings

The Land Parcel is located on the north side of Fengxin Express Line in Honghuagang District, Zunyi City. The Land Parcel No. is 52030220230134, which is mainly used for retail and commercial purposes. The Land Parcel has a total area of 21,292.00 sq.m. and a transferred area of 21,292.00 sq.m. with a transfer term of 40 years. The above-ground ancillary buildings include a house with an area of 10,598.17 sq.m., an earth and stone leveling project with a project volume of 167,448.00 cubic meters, and a slope stabilization project (collectively, the “**above-ground buildings**”) with a project volume of 16,836.46 cubic meters.

## Basis of determining the consideration

Pursuant to the listing-for-sale documents issued by Zunyi Municipal Natural Resources Bureau\* for the Land Parcel (land parcel No.: 52030220230134), the initial price of the land transfer price of the Land Parcel was RMB132,230,000. The total land transaction price of the Land Parcel was RMB132,230,000 (the “**Land Transaction Price**”).

The Land Transaction Price was determined through an open bidding process for the sale of the Land Parcel held by Zunyi Municipal Natural Resources Bureau\* in accordance with the relevant PRC laws and regulations. The Company considers that the Land Transaction Price is fair and reasonable after considering various factors such as the bidding limit set by Zunyi Municipal Natural Resources Bureau\*, the location, size and current market conditions of the Land Parcel.

The consideration for the above-ground buildings is RMB81,336,707, which was determined after arm’s length negotiation between the parties to the agreement with reference to the total valuation of the above-ground buildings of RMB81,336,707 in the real estate valuation report prepared by an independent valuer, Guizhou Zhongshen Real Estate Land Assets Appraisal Co., Ltd. (貴州中審房地產土地資產評估有限責任公司) (the “**Valuer**”) using the cost method. For illustration purpose only, the land use rights of the Land Parcel and the ownership of the above-ground buildings were owned by the government prior to the Transaction, and therefore no data such as book value, income and attributable net profit are available.

## Valuation methods

The main valuation methods that can be adopted for real estate market price valuation include comparison method, cost method, income method and hypothetical development method, etc. The comparison method is applicable to the valuation of the real estate featuring developed market, active transactions and sufficient substitutes; the cost method is applicable to the valuation of real estate where it is inappropriate to adopt the comparison method, the income method or the hypothetical development method for the valuation as a result of no or insufficient market basis; the income method is applicable to valuation of real estate with realised or potential income; the hypothetical development method is applicable to the valuation of real estate with investment development or development potential. Hence, the selection of appropriate valuation methods should be based on the specific valuation purpose, the status of valuation subject and the transaction market conditions etc. The valuation method is selected for the reasons below:

1. Valuation methods that are not theoretically applicable to this valuation: The valuation subject is a completed real estate, so the hypothetical development method is theoretically not suitable according to real estate valuation norms. The hypothetical development method of valuation is not appropriate for the reason that the status quo of the real estate is in normal use and it is unlikely that redevelopment or expansion will increase the value in the short term; the valuation subject is a house for property management, which is a type of real estate in the market where transaction information is scarce and difficult to collect, and therefore the comparison method cannot be used;
2. Valuation method which is theoretically applicable to this assessment but without objective conditions: The valuation subject is a house for property management and it is difficult to collect similar cases regarding income, so it is not appropriate to adopt the income method;
3. Applicable valuation method: The valuation subject is a house for property management which has been completed and put into use, and the replacement price in terms of various expenses and development cost can be measured by its actual construction cost and market price level as the basis, therefore it is more appropriate to adopt the cost method for the valuation subject of buildings.

### ***Valuation parameters and assumptions***

During the valuation process, the Valuer conducted sufficient market investigation and on-site survey. The valuation result is the replacement cost of the valuation subject at the value time point. The value time point is the time point when the valuation subject is completed, which is 15 July 2019. Replacement cost is the total cost of repurchasing or rebuilding a brand-new asset with the same or similar functions as the valuation subject at the price level of the value time point. The valuation is based on the following assumptions:

1. It is required that the market can be operated effectively and that market participants can make decisions based on the real price determined through interaction of supply and demand. In an objective market, no party can unilaterally control the market or manipulate prices, and all market participants have equal opportunities to participate in market transactions.
2. It is requested that there are no barriers among market participants, and that all enterprises face the same market competitive environment. In a fully competitive market, enterprises cannot obtain excess profits through pricing or other means, and products or services in the market can be produced and sold by any number of enterprises.
3. All participants in the market are required to have timely access to information related to market transactions and make decisions based on such information. In a market with relatively complete information, market participants can fully understand the supply and demand relationship, price trends and other relevant information in the market.
4. Market participants will make decisions based on their own best interests. They will make full use of relatively complete information to assess risks and rewards and make reasonable choices based on their own judgments.

### ***Valuation results***

After market investigation and on-site survey, and pursuant to the Code for Real Estate Appraisal (GB/T50291-2015), the Standard for Basic Terminology of Real Estate Appraisal (GB/T51079-2013) and other relevant laws and regulations, the appraisal personnel, following the principles of being independent, objective, impartial and lawful, conducted the calculation of the construction cost of the valuation subject by applying the cost method. The construction cost of the valuation subject is RMB81,336,707.

Having considered that (i) the valuation was prepared by the Valuer in accordance with the applicable requirements and standards; and (ii) prior to adopting the cost method, the Valuer had considered the principal valuation methods available for assessing the market value of the real estate, the Board is of the view that the adoption of the cost method for the valuation is fair and reasonable.

## **Consideration payment**

Guizhou Jingjian and Housing and Urban-Rural Development Bureau of Xinpu New District, Zunyi City have cooperated on the PPP Project of Fengxin Express Line Project in Zunyi City\*(遵義市鳳新快線工程 PPP 項目). Currently, Housing and Urban-Rural Development Bureau of Xinpu New District, Zunyi City failed to pay Guizhou Jingjian part of the outstanding service fees. Relevant government departments attach great importance to this situation and actively seek to promote debt settlement by revitalizing existing assets. In view of this, Housing and Urban-Rural Development Bureau of Xinpu New District, Zunyi City and Zunyi Municipal Natural Resources Bureau\* have agreed that the Land Parcel and the above-ground buildings will be used to compensate the outstanding service fees, of which, the land transfer fee and relevant taxes and fees of the Land Parcel will be paid by the Housing and Urban-Rural Development Bureau of Xinpu New District, Zunyi City, and the relevant taxes and fees arising from the registration of the property rights of the above-ground buildings will be borne by Guizhou Jingjian. Except for the relevant taxes and fees incurred for the registration of the property rights of the above-ground buildings, Guizhou Jingjian is not required to pay any other price or fees for the acquisition of the Land Parcel and the above-ground buildings.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Transaction is conducive to the collection of receivables of Guizhou Jingjian and protects the legitimate rights and interests of the Company. At the same time, the Company may subsequently use the Land Parcel and the above-ground buildings as office premises, or dispose of the Land Parcel and the above-ground buildings. The Directors (including the independent non-executive Directors) are of the view that the Transaction was entered into on normal commercial terms, the terms and conditions of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

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

Guizhou Jingjian is a subsidiary of the Company and is held as to 75% of its equity interests by the Company and as to 25% of its equity interests by Zunyi New District Construction and Investment Group Co., Ltd. (遵義市新區建投集團有限公司) (an independent third party of the Company). The main business of Guizhou Jingjian includes road engineering, bridge and culvert engineering, interchange engineering, pipeline engineering, traffic engineering, lighting engineering and operation and maintenance of other ancillary engineering, etc.

The transferor of the Land Parcel is Zunyi Municipal Natural Resources Bureau\*, a PRC government authority. To the best of the Directors' knowledge, information and belief, Zunyi Municipal Natural Resources Bureau\* and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## IMPLICATIONS OF THE HONG KONG LISTING RULES

As the highest applicable percentage ratio for the Transaction exceeds 5% but is lower than 25%, the Transaction constitutes a discloseable transaction of the Company, which is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

### DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|                                                                                |                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                                                                        | 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 incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1599) |
| “Director(s)”                                                                  | the director(s) of the Company                                                                                                                                                                                                                                     |
| “Guizhou Jingjian”                                                             | Guizhou Jingjian Capital Construction Investment Co., Ltd. (貴州京建投資建設有限公司), a subsidiary of the Company                                                                                                                                                             |
| “Hong Kong”                                                                    | Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                 |
| “Hong Kong Listing Rules”                                                      | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                           |
| “Hong Kong Stock Exchange”                                                     | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                            |
| “Housing and Urban-Rural Development Bureau of Xinpu New District, Zunyi City” | Housing and Urban-Rural Development Bureau of Xinpu New District Management Committee of Zunyi City                                                                                                                                                                |
| “percentage ratio(s)”                                                          | percentage ratio(s) as defined in Rule 14A.06(30) of the Hong Kong Listing Rules                                                                                                                                                                                   |
| “PRC”                                                                          | the People's Republic of China                                                                                                                                                                                                                                     |
| “RMB”                                                                          | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                           |

“Shareholder(s)” holder(s) of H share(s) and domestic share(s) of the Company

“%” per cent

By order of the Board  
**Beijing Urban Construction Design & Development Group Co., Limited**  
**Pei Hongwei**  
*Chairman*

Beijing, 29 February 2024

*As at the date of this announcement, the executive directors of the Company are Wang Hanjun and Li Guoqing; the non-executive directors of the Company are Pei Hongwei, Shi Huaxin, Peng Dongdong, Li Fei, Wang Tao and Tang Qimeng; and the independent non-executive directors of the Company are Wang Guofeng, Qin Guisheng, Ma Xufei and Xia Peng.*

\* *For identification purposes only*