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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 and reply slip for the AGM 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.

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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)**

**(1) 2014 ANNUAL FINANCIAL REPORT;**  
**(2) 2014 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND**  
**ITS SUMMARY;**  
**(3) 2014 PROFIT DISTRIBUTION PLAN AND**  
**DIVIDEND DECLARATION PROPOSAL;**  
**(4) RE-APPOINTMENT OF AUDITORS FOR 2015 AND**  
**PAYMENT OF AUDITING SERVICE FEE FOR 2014;**  
**(5) 2015 INVESTMENT PLAN;**  
**(6) 2014 WORK REPORT OF THE BOARD OF DIRECTORS;**  
**(7) 2014 WORK REPORT OF THE BOARD OF SUPERVISORS;**  
**AND**  
**NOTICE OF 2014 ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at Conference Room 620, Building 2, No. 5 Fuchengmen North Street, Xicheng District, Beijing, China at 10 a.m. on Monday, 8 June 2015, is set out on pages 22 to 23 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For holders of H Shares, 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 AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof if you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip on or before Monday, 18 May 2015.

22 April 2015

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the 2014 annual general meeting of the Company to be held at Conference Room 620, Building 2, No. 5 Fuchengmen North Street, Xicheng District, Beijing, China at 10 a.m. on Monday, 8 June 2015
“Articles of Association”	the Articles of Association of the Company, as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“BUCG”	Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司)
“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 PRC (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 on 1 July 1994, as the same may be amended, supplemented and otherwise modified from time to time
“Director(s)”	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 Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange
“Group”	the Company and its subsidiaries

## DEFINITIONS

“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
“Hong Kong”	the 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
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares of the Company
“Shares”	H Share(s) and Domestic Share(s) of the Company
“Supervisor(s)”	supervisor(s) 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)

**Members of the Board:**

*Executive Directors:*

Wang Hanjun

Li Guoqing

*Non-executive Directors:*

Wang Liping

Chen Daihua

Wang Hao

Zhang Jie

Su Bin

Kong Lingbin

Tang Shuchang

**Registered office:**

5 Fuchengmen North Street

Xicheng District

Beijing

PRC

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

18/F, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

*Independent non-executive Directors:*

Zhang Fengchao

Wang Dexing

Yim Fung

Sun Maozhu

Liang Qinghuai

22 April 2015

*To the Shareholders:*

Dear Sir or Madam,

- (1) 2014 ANNUAL FINANCIAL REPORT;  
(2) 2014 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND  
ITS SUMMARY;  
(3) 2014 PROFIT DISTRIBUTION PLAN AND  
DIVIDEND DECLARATION PROPOSAL;  
(4) RE-APPOINTMENT OF AUDITORS FOR 2015 AND  
PAYMENT OF AUDITING SERVICE FEE FOR 2014;  
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AND  
NOTICE OF 2014 ANNUAL GENERAL MEETING

**I. INTRODUCTION**

On behalf of the Board of Directors, I invite you to attend the AGM to be held at Conference Room 620, Building 2, No. 5 Fuchengmen North Street, Xicheng District, Beijing, China at 10 a.m. on Monday, 8 June 2015.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

### II. BUSINESS TO BE TRANSACTED AT THE AGM

The business to be transacted at the AGM is specified in the notice of the AGM set out on pages 22 to 23 of this circular. The resolutions to be proposed and passed by way of ordinary resolutions at the AGM include: (1) 2014 Annual Financial Report, (2) 2014 Audited Consolidated Financial Statements and Its Summary, (3) 2014 Profit Distribution Plan and Dividend Declaration Proposal, (4) Re-appointment of Auditors for 2015 and Payment of the Auditing Service Fee for 2014, (5) 2015 Investment Plan, (6) 2014 Work Report of the Board of Directors, and (7) 2014 Work Report of the Board of Supervisors.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make decisions upon obtaining sufficient and necessary information, we have provided detailed information in Appendix I to this circular, including explanatory information on the proposed resolutions to be approved at the AGM.

### III. AGM

A notice convening the AGM to be held at Conference Room 620, Building 2, No. 5 Fuchengmen North Street, Xicheng District, Beijing, China at 10 a.m. on Monday, 8 June 2015, is set out on pages 22 to 23 of this circular. A proxy form and a reply slip for the AGM are also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For holders of H Shares, 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 AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof if you so wish.

If you wish to attend the AGM either in person or by proxy, you are required to complete and return the completed reply slip for attending the meeting on or before Monday, 18 May 2015.

### IV. VOTES BY WAY OF POLL

According to the Hong Kong Listing Rules and the Articles of Association, the resolutions set out in the notice of the AGM will be voted on by way of poll. Results of the poll voting will be posted on the website of the Company at [www.bjucd.com](http://www.bjucd.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) upon the conclusion of the AGM.

<b>LETTER FROM THE BOARD</b>
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**V. RECOMMENDATION**

The Board considers that the resolutions set out in the notice of the AGM are in the interests of the Company and its Shareholders as a whole, and accordingly recommends you to vote in favour of the proposed resolutions above.

Yours faithfully,

By order of the Board

**Beijing Urban Construction Design & Development Group Co., Limited**

**Wang Liping**

*Chairman*

**1. 2014 ANNUAL FINANCIAL REPORT**

On 30 March 2015, the 2014 Annual Financial Report of the Company (see Annex A to this circular for details) was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.

**2. 2014 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND ITS SUMMARY**

The audited consolidated financial statements and its summary for the year ended 31 December 2014 of the Company are set out in 2014 Annual Report of the Company. The Annual Report together with this circular will be dispatched to the Shareholders. On 30 March 2015, the resolution relating to the audited consolidated financial statements and its summary for the year ended 31 December 2014 was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.

**3. 2014 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL**

According to the International Financial Reporting Standards, the net profit attributable to the Shareholders of the Company in 2014 was RMB349,818,140.10. After the appropriations to the statutory surplus reserve according to the relevant regulations, the proposed profit distribution plan for 2014 of the Company may proceed by distributing dividend of RMB0.0737 (before applicable tax) per Share on the base of a total of 1,272,670,000 Shares of the Company as at 31 December 2014, which will result in approximately RMB93,795,779.00 of profit distributed in total, representing approximately 30% of distributable profits in 2014.

To determine the list of the Shareholders entitled to receive the dividend, the register of H Shares of the Company will be closed from Friday, 12 June 2015 to Wednesday, 17 June 2015, both days inclusive, and Wednesday, 17 June 2015 will be taken as the record date. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company as at 17 June 2015 will be entitled to receive the dividend. The dividend should be paid to the Shareholders within three months after being approved at the AGM.

We proposed to appoint Computershare Hong Kong Trustees Limited as the agency company in respect of the dividend distribution so as to deal with opening dividend account for the distribution for H Shares in Hong Kong and other distribution related matters.

On 30 March 2015, the resolution was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.



**4. RE-APPOINTMENT OF AUDITORS FOR 2015 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2014**

The aggregating expense relating to the auditing services and other related services conducted and provided by Ernst & Young engaged by the Company in 2014 was RMB3 million, which included the payments of RMB2.3 million and RMB0.7 million respectively incurred in auditing the annual financial statements of 2014 and reviewing the interim financial statements of 2014.

We proposed to re-appoint Ernst & Young as the external auditors of the Company for 2015 to audit the annual financial statements of 2015 prepared by the Company in accordance with International Accounting Standards, and to review the interim financial statements for the six months ended 30 June 2015 in compliance with International Accounting Standards.

On 30 March 2015, the resolution was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.

**5. 2015 INVESTMENT PLAN**

The Company plans to complete investment of RMB3.5 billion for the year 2015 and has drafted the 2015 Investment Plan (see Annex B to this circular for details). On 30 March 2015, the resolution was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.

**6. 2014 WORK REPORT OF THE BOARD OF DIRECTORS**

The 2014 Work Report of the Board of Directors (see Annex C to this circular for details) has been prepared as required by the Company Law and the Articles of Association. On 30 March 2015, the resolution was considered and passed at the meeting of the Board which is currently proposed to the AGM for consideration.

**7. 2014 WORK REPORT OF THE BOARD OF SUPERVISORS**

The 2014 Work Report of the Board of Supervisors (see Annex D to this circular for details) has been prepared as required by the Company Law and the Articles of Association. On 30 March 2015, the resolution was considered and passed at the meeting of the Board of Supervisors which is currently proposed to the AGM for consideration.

In 2014, the Group further promoted its business development, thereby further consolidating and raising its market position and capital strength, leading to a significant growth trend in operating results and a remarkable enhancement in its comprehensive strengths.

As at 31 December 2014, the total assets of the Group amounted to RMB6,712 million, representing an increase of RMB1,487 million or 28.5% compared to the total assets of RMB5,225 million as at the end of last year. The Group's net assets amounted to RMB2,623 million, representing an increase of RMB1,064 million or 68.2% compared to the net assets of RMB1,559 million as at the end of last year.

For the year ended 31 December 2014, the Group's revenue amounted to RMB3,346 million, representing an increase of RMB423 million or 14.5% compared to the revenue of RMB2,923 million of the corresponding period of last year. The Group's net profit amounted to RMB351 million, representing an increase of RMB115 million or 48.7% compared to the net profit of RMB236 million of the corresponding period of last year.

For the year ended 31 December 2014, the net cash flows from operating activities of the Group amounted to RMB464 million. The net cash flows used in investing activities of the Group amounted to RMB1,130 million, representing an increase of RMB1,104 million compared to the net cash flows used in investing activities of RMB26 million of the corresponding period of last year. The net cash flows from financing activities of the Group amounted to RMB654 million, representing an increase of RMB174 million or 36% compared to the net cash flows from financing activities of RMB480 million of the corresponding period of last year.

## Balance Sheet

Unit: RMB'000

	2014	2013	% of change
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	275,069	288,751	(5)
Prepaid land lease payments	33,356	34,066	(2)
Intangible assets	9,713	5,869	65
Investments in joint ventures	1,603	1,637	(2)
Investments in associates	10,530	9,225	14
Available-for-sale investments	3,650	3,650	–
Deferred tax assets	62,857	66,079	(5)
Trade receivables	32,028	13,609	135
Prepayments, deposits and other receivables	49,061	18,598	164
<b>Total non-current assets</b>	<b>477,867</b>	<b>441,484</b>	<b>8</b>
<b>CURRENT ASSETS</b>			
Prepaid land lease payments	710	710	–
Inventories	29,278	21,366	37
Available-for-sale investments	910,000	–	N/A
Trade and bills receivables	1,676,978	1,393,723	20
Prepayments, deposits and other receivables	199,927	210,143	(5)
Amounts due from contract customers	1,447,129	1,340,086	8
Pledged deposits	24,985	27,032	(8)
Cash and bank balances	1,944,687	1,790,728	9
<b>Total current assets</b>	<b>6,233,694</b>	<b>4,783,788</b>	<b>30</b>
<b>Total assets</b>	<b>6,711,561</b>	<b>5,225,272</b>	<b>28</b>

	2014	2013	% of change
<b>CURRENT LIABILITIES</b>			
Trade payables	1,438,483	1,381,210	4
Amounts due to contract customers	965,774	674,103	43
Other payables, advances from customers and accruals	1,402,445	1,349,592	4
Provisions for supplementary retirement benefits	5,140	5,250	(2)
Tax payable	173,987	176,097	(1)
<b>Total current liabilities</b>	<b>3,985,829</b>	<b>3,586,252</b>	<b>11</b>
<b>NET CURRENT ASSETS</b>	<b>2,247,865</b>	<b>1,197,536</b>	<b>88</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>2,725,732</b>	<b>1,639,020</b>	<b>66</b>
<b>Total non-current liabilities</b>	<b>103,042</b>	<b>80,453</b>	<b>28</b>
<b>Total net assets</b>	<b>2,622,690</b>	<b>1,558,567</b>	<b>68</b>
Equity attributable to owners of the parent			
Share capital	1,272,670	920,000	38
Reserves	1,233,489	628,935	96
Proposed final dividend	93,796	–	N/A
Non-controlling interests	22,735	9,632	136
<b>Total equity</b>	<b>2,622,690</b>	<b>1,558,567</b>	<b>68</b>

## Income Statement

Unit: RMB'000

	2014	2013	% of change
Revenue	3,346,278	2,923,485	14
Cost of sales	<u>(2,592,362)</u>	<u>(2,336,783)</u>	<u>11</u>
<b>Gross profit</b>	<b><u>753,916</u></b>	<b><u>586,702</u></b>	<b><u>29</u></b>
Other income and gains	27,058	11,667	132
Selling and distribution expenses	(60,616)	(44,068)	38
Administrative expenses	(269,867)	(211,996)	27
Other expenses	<u>(36,249)</u>	<u>(31,853)</u>	<u>14</u>
Finance costs	(2,332)	(1,376)	69
Share of profits and losses of:			
Joint ventures	369	(651)	(157)
Associates	<u>1,479</u>	<u>1,893</u>	<u>(22)</u>
<b>PROFIT BEFORE TAX</b>	<b><u>413,758</u></b>	<b><u>310,318</u></b>	<b><u>33</u></b>
Income tax expense	<u>(62,838)</u>	<u>(74,052)</u>	<u>(15)</u>
<b>PROFIT FOR THE YEAR</b>	<b><u>350,920</u></b>	<b><u>236,266</u></b>	<b><u>49</u></b>
Profit attributable to:			
Owners of the parent	349,817	235,563	49
Non-controlling interests	1,103	703	57
Other comprehensive income for the year, net of tax	<u>(7,413)</u>	<u>4,630</u>	<u>(260)</u>
Total comprehensive income for the year	<u>343,507</u>	<u>240,896</u>	<u>43</u>
Total comprehensive income attributable to:			
Owners of the parent	342,404	240,193	43
Non-controlling interests	<u>1,103</u>	<u>703</u>	<u>57</u>

## Consolidated Statement of Cash Flows

Unit: RMB'000

	2014	2013	% of change
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	413,758	310,318	33
Adjustments for:			
Finance costs	2,332	1,376	69
Foreign exchange differences, net	4,694	1,863	152
Interest income	(13,445)	(11,143)	21
Share of profits of associates and joint ventures	(1,848)	(1,242)	49
Gain on disposal of a joint venture	(47)	–	N/A
Gain on disposal of available-for-sale investments	(7,843)	–	N/A
Gains on disposal of financial products included in prepayments, deposits and other receivables	–	(109)	(100)
Depreciation of items of property, plant and equipment	34,853	40,157	(13)
Amortisation of intangible assets	2,422	1,549	56
Amortisation of prepaid land lease payments	710	710	–
Impairment of trade receivables	20,116	18,705	8
Impairment/(reversal of impairment) of deposits and other receivables	(478)	2,128	(122)
Provision for foreseeable losses on contracts	11,803	7,872	50
Loss on disposal of items of property, plant and equipment, net	113	277	(59)
Decrease/(increase) in inventories	(7,912)	1,909	(514)
Decrease in amounts due from/(to) contract customers	172,825	900,225	(81)
Increase in trade and bills receivables	(293,719)	(366,170)	(20)
Decrease/(increase) in prepayments, deposits and other receivables	(15,992)	24,955	(164)
Increase/(decrease) in trade payables	57,273	(172,316)	(133)
Increase/(decrease) in other payables, advances from customers and accruals	111,300	(159,152)	(169)
Decrease in provisions for supplementary retirement benefits	(450)	(1,050)	(57)
<b>Cash flows from operations</b>	<b>490,465</b>	<b>600,862</b>	<b>(18)</b>
Interest received	15,137	9,461	60
Income tax paid	(41,633)	(23,219)	79
<b>Net cash flows from operating activities</b>	<b>463,969</b>	<b>587,104</b>	<b>(21)</b>

	2014	2013	% of change
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of items of property, plant and equipment	(51,670)	(22,298)	132
Payments for acquisition of intangible assets	(6,266)	(3,601)	74
Purchase of financial products included in prepayments, deposits and other receivables	–	(10,000)	(100)
Purchase of available-for-sale investments	(2,910,000)	–	N/A
Proceeds from disposal of items of property, plant and equipment	101	259	(61)
Proceeds from disposal of available-for-sale investments	2,007,843	–	N/A
Proceeds from disposal of financial products included in prepayments, deposits and other receivables	–	10,109	(100)
Dividends received from associates and joint ventures	355	238	49
Proceeds from disposal of a joint venture	450	–	N/A
Increase in amounts due from related parties included in other receivables	(2,000)	(18,290)	(89)
Increase in amounts due from third parties included in other receivables	(200)	(950)	(79)
Decrease in amounts due from BUCG	–	318,959	(100)
Increase in non-pledged time deposits with original maturity of more than three months	(170,739)	(304,583)	(44)
Decrease in pledged deposits	<u>2,047</u>	<u>4,188</u>	<u>(51)</u>
<b>Net cash flows used in investing activities</b>	<b><u>(1,130,079)</u></b>	<b><u>(25,969)</u></b>	<b><u>4,252</u></b>

	2014	2013	% of change
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net decrease in amounts due to BUCG	–	(221,619)	(100)
Interest paid	–	(1,376)	(100)
Dividends paid to BUCG and Beneficial Shareholders	(75,068)	–	N/A
Dividends paid to non-controlling interests	–	(1,133)	(100)
Acquisition of non-controlling interests	–	(2,810)	(100)
Capital contribution from non-controlling interests	12,000	8,500	41
Capital contribution from the Beneficial Shareholders	–	703,160	(100)
Payments of share issue expenses	(26,324)	(5,147)	411
Proceeds from issue of H Shares, net of underwriting commission	<u>743,373</u>	<u>–</u>	<u>N/A</u>
<b>Net cash flows from financing activities</b>	<b><u>653,981</u></b>	<b><u>479,575</u></b>	<b><u>36</u></b>
Net increase/(decrease) in cash and cash equivalents	(12,129)	1,040,710	(101)
Cash and cash equivalents at beginning of year	1,486,145	448,808	231
Effect of exchange rate changes on cash and cash equivalents	<u>(4,651)</u>	<u>(3,373)</u>	<u>38</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u><u>1,469,365</u></u></b>	<b><u><u>1,486,145</u></u></b>	<b><u><u>(1)</u></u></b>



According to the Company's strategic plan, the Company would commence capital operation and build-up its capital operation ability and resource integration immediately after its listing. In addition, with rail transit design as the leading business, the Company will develop the general construction contracting and diversified investment construction businesses by gradually developing EPC, PPP, TOD, etc. Based on the core strength of the Company, and by integrating techniques in which the Company has an advantageous edge, the Company will commence industrialisation operations with a view to developing and forming new profit growing points for the Company. Founded on the development of the Company's rail transit industrial business, the Company will extend its industrial business to high-value-added business and expand its business to the development of subway superstructure.

In 2015, the Company plans to complete an investment of RMB3,500 million, among which, RMB400 million is proposed to be invested in the mergers and acquisitions of enterprises engaged in survey, design, consultancy and technology; RMB100 million for investment in projects on the purchase of shield tunnelling machine and in the opening of the new office building etc.; and RMB3,000 million for investment in general construction contracting projects such as PPP, EPC, TOD in Beijing, Chongqing, Fuzhou, Nanning, Dalian, Suzhou, Hainan, Wuhan and Anqing. The details are as follows:

#### **1. INVESTMENT IN EQUITY AND MANAGEMENT**

Investment of RMB380 million is proposed for the mergers and acquisitions of enterprises targeting mainly those engaged in survey, design and consultancy and technology relating to rail transit and transport; RMB10 million is proposed for investment in the setting up of an operating company and an energy saving centre; RMB10 million is proposed for corporate informatization construction in order to enhance the management level and operating efficiency of the Company.

#### **2. INVESTMENT IN MATERIAL FIXED ASSETS**

RMB100 million is proposed to be invested in material fixed assets, among which, RMB50 million is proposed for the purchase of shield tunnelling machine and RMB50 million for the commencement of operation of the new office building.

#### **3. INVESTMENT IN GENERAL CONSTRUCTION CONTRACTING PROJECTS**

In respect of general construction contracting projects and to fully leverage its strength in the rail transit market, the Company proposes to invest in tram and transportation hub projects, and by following up on the trend on PPP construction mode promoted by the State, to strengthen the investment in general construction contracting projects. The Company proposes to invest a sum of RMB3,000 million on such projects.

In 2014, the Board of Directors strictly observed the laws and regulations such as the Company Law, the Securities Law of the People's Republic of China, and the relevant provisions of the Articles of Association, diligently performed its duties delegated by the general meeting, and actively promoted the business development of the Company by operating in compliance with regulations and by scientific decision making. The Company also successfully listed its H Shares on the Hong Kong Stock Exchange. Facing the complicated policy environment and the changing market condition, the Company strengthened its existing businesses in the rail transit market, timely seized opportunities to expand into new business, and accelerated its resource integration, thereby further optimized its asset structure. Based on the key work plan for the whole year, the Company orderly implemented its various work and maintained a favourable development trend. The work of the Board of Directors in 2014 is hereby reported as follows.

## **I.      OPERATION REVIEW OF THE COMPANY DURING THE REPORTING PERIOD**

During the reporting period, the Company seized favourable opportunities in the development of urban rail transit in China, stepped up its efforts in expanding design, survey and consultancy business, thereby achieving a stable increase in the revenue from the relevant. In 2014, the Company achieved a revenue of RMB3,346 million, representing an increase of RMB423 million or 14.5% compared with that of RMB2,923 million for the corresponding period of last year. The net profit of the Company amounted to RMB351 million, representing an increase of RMB115 million or 48.7% compared with that of RMB236 million for the corresponding period of last year. Various key operating indexes of the Company have achieved new record highs, and the rail transit industrial businesses have initially been formed, with a rapid growth in the Company's overall comprehensive strengths.

First of all, the design and consultancy segment flourished. By centring around urban rail transit engineering design, the Company further optimized its product structure by the synergetic development of civil construction and municipal engineering design, and by optimizing and focusing on its traditional and core business, an integrated competitive strength led by the Company's competitive and advantageous technology has been formed. For the year ended 31 December 2014, the Company's revenue from the urban rail transit engineering design business in the design, survey and consultancy segment amounted to RMB1,501 million, and the revenue from the industrial and civil construction and municipal engineering business amounted to RMB382 million.

Secondly, the construction contracting segment has developed steadily. Currently, the Company's construction contracting segment focuses on the services for urban rail transit construction projects. Adhering to the development strategies to expand urban rail transit construction contracting business and the principle of controllable risks, the Company exercised caution in undertaking the steady implementation of traditional projects with low economic benefits but high risks. In the meantime, the Company was committed to promoting the synergetic operation of design and general contracting projects and projects with relatively higher economic returns such as EPC projects etc. In 2014, the Company won the bid for the implementation of the Modern Rail Transit Tram Demonstration Line EPC Project in Chengyang District in Qingdao City. For the year ended 31 December 2014, the Group's revenue from the construction contracting segment was RMB1,463 million.

Thirdly, technological industrialization has achieved new breakthrough. With the establishment of Beijing Urban Construction Zhikong Technology Co., Ltd., a technological industrialization team with a reasonable staff structure, strong comprehensive strength and rich practical experience has been formed. By focusing on areas relating to the integrated services of modern tram intelligent control system, the Company accomplished the development, manufacture and application of the first set of core products with proprietary intellectual property rights and successfully applied such products in the EPC project in Chengyang District in Qingdao City.

Fourthly, quality management and scientific and technological innovation ability have improved steadily. The Company has solid technical quality control and there was no major quality liability accident during the year. The Company made fruitful achievements in scientific and technological innovation and was rated as a “2014 Beijing Design Innovation Centre” by the Beijing Municipal Science & Technology Commission. Meanwhile, the Company constructed the new platform for new technology application and continued to cultivate new growth points.

## **II. WORK OF THE BOARD OF DIRECTORS**

### **(1) Meetings of the Board and the Resolutions**

In 2014, the Board held 8 meetings in total, considered and passed 34 resolutions, including Resolutions Relating to Approving the Submission of the Relevant Application Documents for the Listing of H Shares; Resolutions in Respect of the Application for Trademark Registration in Hong Kong; Resolution Relating to Implementation of Share Incentives after the Issuance of H Shares of the Company; Resolution Relating to the Company Arranging for a Letter of Guarantee and a Letter of Guarantee for Subsidiaries; Resolution Relating to Amendments of the H Share Articles of Associations of the Company; Resolution Relating to the 2013 Work Report of the Board of Directors; Resolution Relating to the 2014 Operation Plans of the Company; Resolutions Relating to Approving the Relevant Documents for the Global Offering and Listing on the Hong Kong Stock Exchange; Resolution Relating to Approving the Prospectus, Application Form and Relevant Documents; Resolution Relating to the Wealth Management Plan; Resolution Relating to the Adjustment and Establishment of the Headquarters and Out-of-Beijing Institutes; Resolution Relating to Approving the Interim Results Announcement and Report of the Company; and Resolution Relating to the Nomination of Additional Members for the First Session of the Board. On 29 December 2014, the Company convened a meeting attended by the non-executive Directors to consider the operation condition of the Company.

**(2) Implementation of the Resolutions of General Meetings by the Board**

The Board earnestly implemented the resolutions of the general meetings and supervised the implementation of the relevant resolutions by the management of the Company. In 2014, the Board held four general meetings in total, considered and passed 14 resolutions, including the Resolutions Relating to the Implementation of Share Incentive after the Issuance of H Shares of the Company; Resolution Relating to the Waiver of the Notice Period for Convening the Extraordinary General Meeting; Resolution Relating to the Election of Additional Independent Supervisors of the Company; Resolution Relating to the Amendments of the H Share Articles of Association of the Company; Resolution Relating to the 2013 Work Report of the Board of Directors; Resolution Relating to the 2014 Investment Plans of the Company; Resolution Relating to the Proposal on Appointing Non-executive Directors and Independent Non-executive Directors; and Resolution Relating to the Proposal on Determining the Fee Standards of Independent Directors and Independent Supervisors.

**III. WORK FOCUS OF THE BOARD IN 2015**

Since its listing, the Company faced rapid changes in the market environment: Firstly, changes in the international geopolitics have led to wide fluctuation in oil price; “One Belt One Road”, internet connection, the founding of AIIB (Asian Infrastructure Investment Bank) are matched by intense competition among the great powers. Secondly, a series of factors such as the notable slow down of the domestic economy, innovative drive under the “new normal”, entry into the stage for deep real reform, imminent implementation of mixed-ownership, changes and challenges brought by new economy and new technology, concepts of intelligent green transportation and smart city etc., will bring great challenges and at the same time more opportunities for the Company’s future development. Therefore, it is becoming increasingly important for the Company’s management to consider how to take advantage of our position as a listed company to quickly move from a single product operation to a mode integrating industrial operation and capital operation and how to play a more important role in the urban rail transit sector to realize greater value. In view of this condition, the work focuses of the Board in 2015 are to:

- (1) analyse the market and macro policies in-depth, integrate resources, vigorously promote new business operation modes, such as PPP and an integrated design and construction operation mode, and endeavours to breakthrough the zero record in urban rail transit PPP project. 2015 is crucial for the transformation and upgrading of the Company. In particular, whether emerging businesses such as PPP can be successfully launched and thereafter operate effectively will be one of the most important indicators on the success of the Company’s transformation and upgrading.
- (2) formulate scientifically the enterprise development plan (2016–2020), to set the strategy for the quality and fast enterprise development of the Company. The Company intends to build a strategy formulating team and hire external

professional organisations to intensively study, scientifically plan and precisely get hold of the industry developing trend to find a way which meets the market demands and the Company's own development goals. The Company will strive to finish the first draft of the plan in the first half of the year and will commence revising the plan and formulate the sub-strategies in the second half of the year. At the same time, the Company also intends to formulate a share incentive plan. The strategic plan and share incentive plan will be submitted to the Board for review when appropriate.

- (3) based on the principle of proactive but stable progress, the Company will endeavour to set up a fund raising platform by conducting in-depth studies on equity and debt financing and fund establishment, and will seriously plan, and take action at the right moment; to take advantage of the opportunities offered by the current macroeconomic downward trend and mixed ownership reform, to timely conduct mergers and acquisitions to increase its market share; to explore and build-up a market value management system and capital operation working system and through capital operation tools, to maintain a dynamic, balanced and sustainable development between market value and intrinsic value of the Company, thereby further enhance the level of scientific management of the Company.
- (4) further enhance the Company's corporate governance structure by establishing a sound working mechanism for the Board of Directors and its specialized committees to enable each specialised committee to effectively contribute to the Company and for the Board to fully assert its decision-making function in corporate governance and enhancement of its core role in strategic decision making. In the meantime, the Company will proactively support and coordinate in the studies and research by the non-executive Directors and independent non-executive Directors, and timely organize special topic meetings and forum for the Directors.

#### **IV. PROFIT DISTRIBUTIONS**

The Board of Directors proposed the distribution of a final dividend of RMB0.0737 per Share (before applicable tax) for the year 2014, after making appropriations to the statutory surplus reserve, in accordance with the relevant regulations and Articles of Association. The proposal for the payment of the final dividend is subject to the approval by the Shareholders at the Annual General Meeting to be held on 8 June 2015.

During the year of 2014, all members of the Board of Supervisors performed their supervisory duties diligently in accordance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors, strictly abided by the principle of good faith and seriously performed its supervisory role by adhering to supervision over meetings as the working base and supervision over financial and internal control compliance as its core, thereby effectively maintained the efficient operation of the Company's corporate governance and protected the interests of the Shareholders, the Company and its employees.

## **I. MEETINGS OF THE BOARD OF SUPERVISORS**

During this year, the Board of Supervisors convened a total of two meetings, one in March 2014 and the other in April 2014, at which the following resolutions were considered and unanimously approved, including the Resolution Relating to the Election of Additional Independent Supervisors of the Company, the Resolution Relating to the Convening of the Second Extraordinary General Meeting 2014 and the Resolution Relating to the Work Report of the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited for the year 2013.

## **II. WORK OF THE BOARD OF SUPERVISORS**

The Supervisors attended the meetings of the Board and the general meetings of the Company held in 2014 and monitored the procedures and legality for convening and the resolutions passed at the meetings of the Board and general meetings of the Company. Through convening meetings of the Board of Supervisors and attending the meetings of the Board and the general meetings, the Board of Supervisors supervised and reviewed the major operating activities of the Company, as well as the performance of the Directors and senior management in discharging their duties, and provided suggestions to the Board. The Supervisors attended the meetings of the Audit Committee held in 2014 to understand the implementation and progress of the issues raised by the Audit Committee, and discussed with the independent non-executive Directors and auditors on material operational issues of the Company.

The Board of Supervisors participated in further regulating the corporate governance structure of the Company and supervised the compliance operation of the Company. The employee representative Supervisors fully reflected the intentions and requests of the employees, earnestly protected the employees' legal rights and interests.

With supervision over financial matters, internal control and compliance as its core, the Board of Supervisors focused on the hot issues that existed in the Company's operations and management, and, from the perspective of healthy and sustainable development of the Company, gave advice and suggestions to the management on strengthening of the operational management and risk control of the Company.

### III. INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS

The Board of Supervisors issues the following opinions in relation to the supervision and inspection work during the Year:

The Company operated in regulatory compliant. The Directors and senior management of the Company had performed their duties set forth in the Articles of Association with diligence and in good faith, and had diligently implemented all resolutions of the general meetings and those of the Board. No Director or member of the senior management was found to have committed any breach of laws, regulations or the Articles of Association or to have infringed any rights or interests of the Shareholders, the Company or its employees when performing their duties.

The financial reports are authentic. The reviewed financial statements for the interim period of 2014 and the audited annual financial statements for 2014 of the Company and its subsidiaries were prepared strictly in accordance with the relevant accounting standards. Accounting treatments had been applied consistently. Financial accounts were established in compliance with the regulatory requirements, records were clear and data complete. The financial statements truly and fairly reflected the financial conditions and operating results of the Company and its subsidiaries.

The Board of Supervisors is fully confident in the development and prospect of the Company. In 2015, the Board of Supervisors will enhance its supervision over the Company's compliant operation and its construction of the internal control system based on its work plan for this year. The Board of Supervisors will also continue to perform its supervisory duties in accordance with the relevant provisions of the Company Law and the Articles of Association, take responsibilities in maintaining the effective operation and sound development of corporate governance of the Company, proactively broaden the horizon of its work, strengthen its supervision and constantly improve its performance capabilities to earnestly safeguard the interests of the Company, its Shareholders and employees and to diligently perform all its duties.





**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 2014 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2014 Annual General Meeting (the “**AGM**”) of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) will be held at Conference Room 620, Building 2, No. 5 Fuchengmen North Street, Xicheng District, Beijing, China at 10 a.m. on Monday, 8 June 2015, to consider and, if thought fit, approve the following resolutions (unless otherwise stated, the terms used herein shall have the same meaning as defined in the circular dated 22 April 2015 of the Company (“**Circular**”)):

### **ORDINARY RESOLUTIONS**

1. To consider and approve the 2014 Annual Financial Report;
2. To consider and approve the 2014 Audited Consolidated Financial Statements and its Summary;
3. To consider and approve the 2014 profit distribution plan and dividend declaration proposal;
4. To consider and approve the re-appointment of auditors for 2015 and payment of the auditing service fee for 2014;
5. To consider and approve the 2015 Investment Plan;
6. To consider and approve the 2014 Work Report of the Board of Directors; and
7. To consider and approve the 2014 Work Report of the Board of Supervisors.

By order of the Board

**Beijing Urban Construction Design & Development Group Co., Limited**

**Wang Liping**

*Chairman*

Beijing, 22 April 2015



*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 Wang Liping, Chen Daihua, Wang Hao, Zhang Jie, Su Bin, Kong Lingbin and Tang Shuchang; and the independent non-executive directors of the Company are Zhang Fengchao, Wang Dexing, Yim Fung, Sun Maozhu and Liang Qinghuai.*

Notes:

1. Details of the above resolutions are set out in the Circular.
2. The register of members of the Company will be closed from Saturday, 9 May 2015 to Monday, 8 June 2015, 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 Saturday, 9 May 2015 shall be entitled to attend and vote at this AGM. In order for holders of H Shares of the Company to qualify for attending and voting at this AGM, all transfer documents accompanied by the relevant H Share certificates must be lodged 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 Friday, 8 May 2015 for registration.
3. The register of members of the Company will be closed from Friday, 12 June 2015 to Wednesday, 17 June 2015, 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 Wednesday, 17 June 2015 shall be entitled to receive the 2014 final dividend (subject to the approval of the Shareholders at the AGM). In order for holders of H Shares of the Company to receive the 2014 final dividend, all transfer documents accompanied by the relevant H Share certificates must be lodged 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 Thursday, 11 June 2015 for registration.
4. A Shareholder entitled to attend and vote at this AGM 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 this AGM in person to represent the relevant shareholder.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that 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.
6. In order to be valid, the proxy form together with the notarized power of attorney or other documents of authorization (if any) must be deposited at the Secretariat of the Board of Directors of the Company, at No. 5 Fuchengmen North Street, Xicheng District, Beijing, China 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 this AGM (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 this AGM (or any adjournment thereof) if he or she so wishes. If no direction is given, the proxy will be entitled to vote or abstain as he or she thinks fit.
7. Holders of Domestic Shares who intend to attend this AGM 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 Monday, 18 May 2015 in hand, by post or by fax. Holders of H Shares who intend to attend this AGM 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 Monday, 18 May 2015 in hand, by post or by fax.
8. This AGM is estimated to last for about half a day. Shareholders who attend this AGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending this AGM (or any adjournment thereof).