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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the Announcement on Postponement of the 2017 Second Extraordinary General Meeting and H Shares Class Meeting and Extension of Closure of Register of Members of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) dated 25 December 2017. The Company hereby makes a clarification on the reasons for the postponement of the 2017 Second Extraordinary General Meeting and H Shares Class Meeting (the “**Meetings**”).

REASONS FOR THE POSTPONEMENT

The Approval on the Implementation of the Pilot Employee Stock Ownership Scheme by Beijing Urban Construction Design and Development Group Co., Limited (Jing Guo Zi [2017] No. 177) dated 10 November 2017 and Approval on the Evaluation Report of Implementation of Employee Stock Ownership Scheme by Non-public Offering of Domestic Shares by Beijing Urban Construction Design and Development Group Co., Limited from the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality dated 30 October 2017, require the evaluation results of the employee stock ownership scheme shall be valid until 30 December 2017. Therefore, the general meeting in relation to considering and approving the employee stock ownership scheme shall be conducted on or before 30 December 2017. According to Article 57 of the Articles of Association, the Company shall issue notice 45 days prior to general meeting. As such, the Company originally decided to convene the general meeting on 26 December 2017.

According to the Notice of the 2017 Second Extraordinary General Meeting and the Notice of H Shares Class Meeting of the Company dated 11 November 2017, the Meetings were scheduled to be held at 9:30 a.m. and 10 a.m. on 26 December 2017 respectively. The proxy forms 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 for holders of domestic shares or at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited for holders of H Shares not less than 24 hours before the time stipulated for convening the Meetings, i.e. not later than 9:30 a.m. and 10 a.m. respectively on 25 December 2017. The Company received notice from one of its Shareholders (the "**Shareholder**") at around 4:20 p.m. on 22 December 2017, saying that its scheduled proxy was unable to attend the Meetings and the Shareholder would like to change its proxy. The Company told the Shareholder that the change of its domestic shares proxy can be done by the Company directly, but the change of H share proxy can only be completed on the condition that the same procedure of the scheduled proxy are conducted. However, due to the upcoming public holidays in Hong Kong from 23 December 2017 to 26 December 2017, the Shareholder was unable to achieve the change. Considering it is a substantial shareholder of the Company, and the Hong Kong public holidays from 23 December 2017 to 26 December 2017 is relatively long, it was probable that the voting process and/or attendance of other shareholders of the Company may also be influenced. In order to protect the Shareholder's right to attend and vote in the shareholders' meeting without infringing other shareholders' interest, and show respect to the Company's shareholders' will in voting for the resolutions of the Meetings, the Company decided to postpone the Meetings.

After the making the decision to postpone the Meetings, the Company took all practicable measures to protect shareholders' interest. For example, the Company published a notice of postponement of the Meetings on the Company's website before the scheduled meeting time, and assigned staffs to the meeting venue at the scheduled meeting time. i.e. 26 December 2017, to wait for shareholders who still attend the Meetings at scheduled time. However, no shareholder came to the Company to attend the Meetings on 26 December 2017. Meanwhile, although the Meetings were postponed, the content of resolutions remain unchanged, and all the proxy forms voting submitted to CCASS before the deadline was not affected. As such, the Company is of the view that the postponement of the Meetings did not have adverse impact on the exercise of shareholders' rights and the interest of the shareholders as a whole.

PRC LEGAL COUNSEL’S VIEW

As to the postponement, the PRC legal counsel of the Company is of the view that, according to the Articles of Associations of the Company, there’s no restriction or prohibition on the procedure, including notice and announcement, of the postponement of the shareholders’ general meeting. The Company has made its best efforts to take all practicable measures to protect shareholders’ interest after making the decision to postpone the Meetings. As such, the Company did not violate the Articles of Association of the Company.

CORPORATE GOVERNANCE MEASURES

The Company has been aware of the arrangement of the scheduled date for convening the Meetings and its improper postponement of the Meetings. The Company will learn the lessons and organize more training to the Company’s directors, supervisors, senior management and key employees, in order to have a better understanding of Listing Rules, Company Law of the People’s Republic of China, etc., to enhance communication with shareholders of the Company, to give more comprehensive consideration of the interest of shareholders as a whole, as well as to improve its corporate governance.

By order of the Board
Beijing Urban Construction Design & Development Group Co., Limited
Wang Liping
Chairman

Beijing, 12 January 2018

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 Wang Liping, Guo Yanhong, Guan Jifa, Su Bin, Yan Lianyuan and Tang Shuchang; and the independent non-executive directors of the Company are Zhang Fengchao, Wang Dexing, Yim Fung, Sun Maozhu and Liang Qinghuai.