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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)

INSUFFICIENCY OF PUBLIC FLOAT

Reference is made to the Inside Information Announcement of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) dated 11 July 2017 in respect of the completion of the acquisition of 68,222,000 H shares of the Company indirectly held by Beijing Capital Group Ltd. (“**Beijing Capital**”) through its controlled corporations by Beijing Infrastructure Investment (Hong Kong) Limited (“**Beijing Investment HK**”), a wholly-owned subsidiary of Beijing Infrastructure Investment Co., Ltd. (“**Beijing Investment Company**”), a shareholder of the Company (the “**Share Transfer**”). Before completion of the Share Transfer, Beijing Investment Company holds 87,850,942 domestic shares of the Company, accounting for 6.90% of the total issued shares of the Company. Beijing Capital holds 73,493,000 H shares of the Company, accounting for 5.77% of the total issued shares of the Company. Each of Beijing Investment Company and Beijing Capital does not constitute the substantial shareholder of the Company and the shares of the Company held by them are deemed as public float. Upon completion of the Share Transfer, Beijing Investment Company increases its shareholding by acquiring 68,222,000 H shares of the Company, and the total domestic shares and H shares held by it account for 12.26% of the total issued shares of the Company, and Beijing Investment Company therefore becomes one of the substantial shareholders of the Company and constitutes a connected person under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As such, 68,222,000 H shares held by Beijing Investment Company would no longer be deemed as transferable shares held by public. The shareholding structure of the Company upon completion of the Share Transfer is set out in the following table. The then level of public float of H shares of the Company was still higher than 25%, which was in compliance with the requirements on public float under Rule 8.08(1)(a) of the Listing Rules.

	Before completion of the Share Transfer		After completion of the Share Transfer	
	Number of shares	Approximate percentage of issued share capital of the Company	Number of shares	Approximate percentage of issued share capital of the Company
Domestic shares	884,733,000	69.52%	884,733,000	69.52%
H shares	387,937,000	30.48%	387,937,000	30.48%
– Number of H shares held by the public	387,789,000 ⁽¹⁾	30.47%	319,567,000 ⁽²⁾	25.11%
– Number of H shares held by connected persons	148,000 ⁽³⁾	0.01%	68,370,000 ⁽⁴⁾	5.37%
Total	<u>1,272,670,000</u>	<u>100.00%</u>	<u>1,272,670,000</u>	<u>100.00%</u>

Notes:

- (1) Saved for the 68,222,000 H shares held by Beijing Investment HK, a substantial shareholder of the Company, and 52,000 H shares, 48,000 H shares and 48,000 H shares held by Wang Liping, Wang Hanjun and Li Guoqing, being directors, respectively, all other H shares are held by the public.
- (2) Upon completion of the Share Transfer, 68,222,000 shares of the Company additionally held by Beijing Investment Company are no longer deemed as transferable shares held by the public.
- (3) Number of H shares held by connected persons represent 52,000 H shares, 48,000 H shares and 48,000 H shares held by Wang Liping, Wang Hanjun and Li Guoqing, being directors, respectively.
- (4) Upon completion of the Share Transfer, 68,222,000 shares of the Company additionally held by Beijing Investment Company are deemed as the shares held by connected persons.

Reference is further made to the announcements of the Company dated 25 July 2017 and 10 November 2017 in respect of, among other things, the proposed implementation of the Key Employee Stock Ownership Scheme by way of Non-Public Issuance and the approval on the implementation of the Key Employee Stock Ownership Scheme by way of Non-Public Issuance from the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality (“**Beijing SASAC**”). The Company has confirmed that the level of public float of H shares of the Company would still be higher than 25% under the then shareholding structure upon implementation of the Key Employee Stock Ownership Scheme when the Company started to apply for the implementation of pilot shareholding to Beijing SASAC for approval from January 2017, which is in compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules.

As the Company did not take into consideration the joint effect of the Share Transfer and the Key Employee Stock Ownership Scheme on the public float of the Company, the H share public float level of the Company fell to 23.69% upon completion of the Key Employee Stock Ownership Scheme by the Company on 1 February 2018, which failed to meet the requirements on minimum public float under Rule 8.08(1)(a) of the Listing Rules. Please refer to the following table for details of the shareholding structure of the Company upon completion of the implementation of the Key Employee Stock Ownership Scheme.

	Upon completion of the Key Employee Stock Ownership Scheme	
	Number of shares	Approximate percentage of the issued shares capital of the Company
Domestic shares	960,733,000	71.24%
H shares	387,937,000	28.76%
– Number of H shares held by public ⁽¹⁾	319,567,000	23.69%
– Number of H shares held by the connected persons ⁽²⁾	68,370,000	5.07%
Total	1,348,670,000	100.00%

Notes:

- (1) Saved for the 68,222,000 H shares held by Beijing Investment HK, a substantial shareholder of the Company, and 52,000 H shares, 48,000 H shares and 48,000 H shares held by Wang Liping, Wang Hanjun and Li Guoqing, being directors, respectively, all other H shares are held by the public.
- (2) Number of H shares held by connected persons represent 68,222,000 H shares held by Beijing Investment Company, a substantial shareholder of the Company, 52,000 H shares, 48,000 H shares and 48,000 H shares held by Wang Liping, Wang Hanjun and Li Guoqing, being directors, respectively.

In light of the insufficiency of public float of the Company mentioned above, the Company will take appropriate measures to ensure the restoration of public float as soon as practicable. The Company will publish further announcements in due course to inform the shareholders and potential investors of the progress of the matter.

Shareholders and potential investors are advised to exercise caution when dealing in shares.

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

Beijing, 2 March 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, 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.