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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 annual 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.

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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) APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND RELEVANT MATTERS**
(2) FINANCIAL REPORT FOR 2017;
(3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2017 AND ITS SUMMARY;
(4) 2017 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL;
(5) RE-APPOINTMENT OF AUDITORS FOR 2018 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2017;
(6) 2018 INVESTMENT PLAN;
(7) REPORT OF THE BOARD OF DIRECTORS FOR 2017;
(8) REPORT OF THE BOARD OF SUPERVISORS FOR 2017;
(9) GENERAL MANDATE FOR PROPOSED ISSUANCE OF DOMESTIC SHARES/H SHARES;
AND
NOTICES OF THE 2017 ANNUAL GENERAL MEETING, THE FIRST DOMESTIC SHARES CLASS MEETING IN 2018 AND THE FIRST H SHARES CLASS MEETING IN 2018

The AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting of the Company are to be held at 501, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Tuesday, 29 May 2018. A letter from the Board is set out on pages 1 to 26 of this circular. A notice convening the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting is set out on pages 27 to 35 of this circular.

If you intend to appoint a proxy to attend the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting, 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 and the Class Meetings 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 and the Class Meetings or any adjourned meeting thereof if you so wish.

If you intend to attend the AGM and the Class Meetings in person or by proxy, you are required to complete and return the reply slip on or before Wednesday, 9 May 2018.

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DEFINITIONS

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

“AGM”	the 2017 annual general meeting of the Company to be convened on Tuesday, 29 May 2018
“Articles of Association”	the Articles of Association of the Company, as amended, modified or supplemented from time to time
“A Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which will be listed on Shanghai Stock Exchange
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Class Meetings”	Domestic Shares Class Meeting and H Shares Class Meeting
“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
“connected person(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company

DEFINITIONS

“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 which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Domestic Shares Class Meeting”	the class meeting of Domestic Shareholders to be convened and held
“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
“H Shares Class Meeting”	the class meeting of H Shareholders to be convened and held
“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
“Issue Price”	the issue price of the Subject Shares
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular only, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	H Share(s) and Domestic Share(s) of the Company
“Shareholder(s)”	holders of the Shares of the Company

DEFINITIONS

“subsidiary(ies)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“substantial shareholder(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Year”	the year ended 31 December 2017

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 (*Chairman*)

Guan Jifa

Su Bin

Yan Lianyuan

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

13 April 2018

To the Shareholders:

Dear Sir or Madam,

- (1) APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND RELEVANT MATTERS**
(2) FINANCIAL REPORT FOR 2017;
(3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2017 AND ITS SUMMARY;
(4) 2017 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL;
(5) RE-APPOINTMENT OF AUDITORS FOR 2018 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2017;
(6) 2018 INVESTMENT PLAN;
(7) REPORT OF THE BOARD OF DIRECTORS FOR 2017;
(8) REPORT OF THE BOARD OF SUPERVISORS FOR 2017;
(9) GENERAL MANDATE FOR PROPOSED ISSUANCE OF DOMESTIC SHARES/H SHARES;
AND
NOTICES OF THE 2017 ANNUAL GENERAL MEETING, THE FIRST DOMESTIC SHARES CLASS MEETING IN 2018 AND THE FIRST H SHARES CLASS MEETING IN 2018

LETTER FROM THE BOARD

I. INTRODUCTION

References are made to the announcement of commencement of discussion on the proposed issue of A Shares of the Company dated 29 October 2015 and the announcement dated 29 March 2018 in relation to the proposed initial public offering of A Shares by the Company and its relevant matters.

The matters to be considered at the AGM and Class Meetings is specified in the notices of the AGM and Class Meetings set out on pages 27 to 35 of this circular. The following resolutions in relation to the issuance of A Shares will be proposed as special resolutions at the AGM and Class Meetings to the Shareholders for voting: (1) Application for the Initial Public Offering of A Shares and Listing; (2) Proposal to the Shareholders' General Meeting and Class Meetings to Authorize the Board to Handle the Relevant Matters of the Application for Initial Public Offering of A Shares and Listing at its Absolute Discretion; (3) Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing; (4) Accumulated Profit Distribution Plan Prior to the Initial Public Offering of A Shares; (5) Relevant Undertaking Matters of Information Disclosure in the Prospectus of Initial Public Offering of A Shares and Listing.

The following resolutions in relation to the issuance of A Shares will be proposed as special resolutions at the AGM to the Shareholders for voting: (6) The Use of Proceeds of and Feasibility Analysis on Initial Public Offering of A Shares; (7) The Remedial Measures on Dilution of Current Returns by Initial Public Offering of A Shares and Listing and Undertakings of Relevant Undertaking Entities; (8) The Formulation of Applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) upon Initial Public Offering of A Shares and Listing; (9) The Amendment to the Rules of Procedure for the General Meeting of Beijing Urban Construction Design & Development Group Co., Limited; (10) The Amendment to the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited; and (11) The Amendment to the Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited.

The following resolutions in relation to the issuance of A Shares will be proposed as ordinary resolutions at the AGM to the Shareholders for voting: (12) The Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing; (13) The Appointment of Ernst & Young Hua Ming LLP as the Special Audit Institution of the Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited; and (14) The Report on Use of Previously Raised Proceeds of Beijing Urban Construction Design & Development Group Co., Limited.

LETTER FROM THE BOARD

Save for the matters mentioned above, the resolutions to be proposed by way of ordinary resolutions at the AGM include: (1) Financial Report for 2017; (2) Audited Consolidated Financial Statements for the Year of 2017 and Its Summary; (3) 2017 Profit Distribution Plan and Dividend Declaration Proposal; (4) Re-appointment of Auditors for 2018 and Payment of the Auditing Service Fee for 2017; (5) 2018 Investment Plan; (6) Report of the Board of Directors for 2017; and (7) Report of the Board of Supervisors for 2017. The resolution to be proposed by way of special resolution at the AGM is: (8) Proposal on Granting the Board a General Mandate to Issue Additional Domestic Shares/H Shares; and (9) The Amendment to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited. 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 relation to the resolutions to be proposed at the AGM in Appendix XII to this circular to the Shareholders.

II. SPECIAL RESOLUTIONS

(1) Application for the Initial Public Offering of A Shares and Listing

In order to enhance the development of the Company, raise the necessary proceeds for future development of the Company, and lead the Company to enter the new stage of development, the Company currently proposes to apply for initial public offering of Renminbi ordinary shares and listing. According to the requirements of relevant laws and regulations including the Company Law, the Securities Law, the Administrative Measures of Initial Public Offering of Shares and Listing (《首次公開發行股票並上市管理辦法》) and relevant regulatory documents, as well as integrating the actual conditions of the Company, the issue plan of the public issuance to be proposed is specified as follows:

1. Type of shares: the shares to be issued are Renminbi ordinary shares (A Shares).
2. Nominal value per share: the nominal value of the share to be issued amounts to RMB1.00.
3. The number of issuance: the number of public issuance of shares amounts to not more than 149,860,000 shares. The ultimate number of issuance will be negotiated by the Board and the lead underwriters as authorized by the shareholders' general meeting of the Company in accordance with the capital needs of the Company and the actual conditions in the market, and will be determined upon final approval of the CSRC. In the event that there are ex-right matters such as bonus shares and capital reserve capitalization, then the number of shares to be issued will be adjusted accordingly.

LETTER FROM THE BOARD

4. Pricing method: Issue Price is determined based on the factors including the reference to condition of inquiries to the inquiry targets by the Board and the lead underwriters and comprehensive consideration of the proceeds plan of the Company, the results of the Company and the market conditions, or the Issue Price is determined by adopting other methods recognized by the CSRC.
5. Minimum Issue Price and the applicable basis
 - (1) Minimum Issue Price

According to the relevant provisions of the Company Law of the People's Republic of China, the Issue Price of A shares shall not be lower than the nominal value of shares, i.e. RMB1/share; in addition, in accordance with the relevant provisions of the state-owned assets supervision and administration department, the Issue Price of A shares of the state-holding companies shall not be lower than the latest net assets per share. According to the 2017 annual financial report of the Company, as of 31 December 2017, net assets per Share of the Company was RMB2.91. To sum up, the Issue Price of A Shares of the Company shall not be lower than RMB2.91/Share.

- (2) The applicable basis for the determination of the minimum Issue Price

In accordance with the relevant provisions of the Measures on the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), the Issue Price of the company's initial public issuance of shares can be determined either by way of price enquiry to offline investors, or by other legitimate and feasible methods such as independent negotiation between the issuer and the lead underwriter. The issuer and the lead underwriter shall disclose the pricing method of the issuance of shares in the prospectus and the announcement in relation to the issuance. Pursuant to Article 127 of the Company Law of the People's Republic of China, the Issue Price of shares can be either equals to or higher than the nominal value, but not be lower than the nominal value. In addition, in accordance with the relevant provisions of the Notice of the State-owned Assets Supervision and Administration Commission of the State Council Forwarded by the General Office of the State Council on Opinions Regarding the Regulation of the Reform of State-owned Enterprises (Guo Ban Fa [2003] No. 96)(《國務院辦公廳轉發國務院國有資產監督管理委員會關於規範國有企業改制工作意見的通知》(國辦發[2003]96號), the Issue Price of A Shares of the Company shall not be lower than the net assets per Share.

LETTER FROM THE BOARD

6. Issuance method: adopting the method of combining placement of shares to targets through offline price inquiry and a issuance of shares through online subscriptions, or other issuance methods recognized by the CSRC. If there is adjustment to the laws, regulations or policy documents of relevant issuance method, the method will be adjusted accordingly.
7. Conditions precedent of the issuance: the issuance of the Company is subject to the performance of the following procedures:
 - (1) approval of the general meeting and the Class Meetings of the Company;
 - (2) approval of the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員); and
 - (3) approval of the China Securities Regulatory Commission.

In addition, the Company shall concurrently comply with the relevant provisions on the initial public issuance of Renminbi ordinary shares (A shares) and the state-owned assets supervision and administration as amended from time to time.

8. Issuance targets: qualified price inquiry targets and natural persons, legal persons and other institutional investors (saved for national laws, administrative regulations, departmental rules, normative documents and other regulatory requirements forbidding acquirors which shall be complied with by the Company) who hold a securities account of Renminbi ordinary shares (A shares) from the Shanghai branch of China Securities Depository and Clearing Corporation Limited.
9. Undertaking of issuance fees: all fees incurred from the issuance shall be undertaken by the Company.
10. Underwriting method: standby commitment.

LETTER FROM THE BOARD

11. The sponsor and lead underwriter of the issuance: the Company has engaged CITIC Securities Co., Ltd. as the sponsor and lead underwriter of the issuance. To the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Securities Co., Ltd. is an independent third party of the Company and its connected persons.
12. Distribution plan for accumulated profits prior to the issuance: according to the progress of the issuance and listing, prior to the completion of issuance and listing, the Board may propose the profits distribution plan based on the audit conditions for the period, and implement upon proposing to the shareholders' general meeting of the Company for consideration and approval. After deducting the profits proposed to be distributed as resolved and approved at the shareholders' general meeting of the Company prior to the issuance and listing, the accumulated undistributed profits in the initial public offering of A Shares and listing of the Company are shared by new and old shareholders, including holders of A Shares and H shares, upon completion of the issuance based on the shareholding ratios after the issuance.
13. Place of listing: the place of listing of the A Shares of the Company is the Shanghai Stock Exchange.
14. Conversion to a joint stock company with shares raised domestically and overseas and listing: based on the issuance and listing plan, and integrating the actual conditions of the shares issued by the Company in the H share market, the Company will be converted to a listed joint stock company with limited liability with shares raised domestically and overseas.
15. Valid period of resolution: valid within 12 months from the date of the resolution considered and approved at the AGM, Domestic Shares Class Meeting and H Shares Class Meeting.

LETTER FROM THE BOARD

(2) Authorization of the Board to Handle the Relevant Matters of the Application for Initial Public Offering of A Shares and Listing at its Absolute Discretion

In order to legitimately and effectively complete the matters of issuance and listing of the Company, and according to the relevant requirements of the Company Law, the Securities Law and other laws and regulations as well as the Articles of Association, the Company hereby proposes to submit to the AGM and Class Meetings to authorize the Board, which authorizes any Directors (individually or jointly) or the persons designated by the Directors to handle all relevant matters of the issuance and listing of the Company at their absolute discretion. The scope of authorization includes but not limited to:

1. Based on the issuance and listing plan considered and approved at the shareholders' general meeting and Class Meetings, according to the relevant requirements of the national laws, administrative regulations, departments rules, normative documents and securities regulatory department, and integrating the actual conditions of the Company to be responsible for establishing and implementing the specific plan of the issuance and listing of the Company at its absolute discretion (including but not limited to the commencement and expiry date of the issuance, specific number of issuance, pricing method, issuance method, issuance targets, Issue Price, ratio of online and offline issuance, specific application and subscription method and other matters in relation to the issuance and listing);
2. To handle application matters in relation to the issuance and listing, including but not limited to handling review, registration, filing, approval, consent and authorization from government authorities, regulatory departments, the stock exchange and securities registration and settlement authorities, and establish, execute, submit, amend, supplement, implement and lodge the agreements, contracts or various necessary documents in relation to the issuance and listing of the Company, including but not limited to letter of intent, prospectus, sponsorship agreement, undertaking agreement, various announcements and shareholders' notices/circulars, as well as various explanatory statement or letter of undertaking as stipulated by relevant regulatory departments;
3. Engagement of relevant intermediaries and determination of its professional service fees as well as execution of engagement or appointment agreement;

LETTER FROM THE BOARD

4. If relevant laws, administrative regulations, departmental rules, listing rules, normative documents and relevant regulatory requirements implement new requirements and policies on the issuance and listing of the Company, the Board is authorized to perform corresponding adjustment to the issuance and listing plan in accordance with the new requirements and policies;
5. According to the actual implementation, market condition, amendment to the laws and regulations, policy adjustment and opinions of regulatory departments of the issuance and listing, adequate adjustments are made to the specific arrangement for the issuance and listing plan, use of proceeds, proceeds investment projects of the issuance and listing, including but not limited to the adjustments to actual investment amount and implementation progress of proceeds investment projects, as well as execution of material agreements or contracts in the course of operation of proceeds investment projects and publishing of relevant announcements, if applicable;
6. Handling of relevant work in relation to the state-owned equity interest management in accordance with the requirements of relevant laws, administrative regulations, departmental rules, listing rules, normative documents and the requirements of relevant government authorities and regulatory departments;
7. Upon the completion of issuance and listing of the Company, and according to the actual circumstances of the Company concerning the issuance of A Shares, amending relevant terms of the Articles of Association (draft) of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司章程(草案)》) applicable upon listing of the Company and handling registration of industrial and commercial changes and other relevant matters;
8. Upon the completion of issuance and listing of the Company, application for handling the initial registration of A Shares in the issuance within the period as stipulated by China Securities Depository and Clearing Corporation Limited and the listing circulation, circulation lock-up and other relevant matters in the Shanghai Stock Exchange;
9. Handling changes, filing and registration procedures of industry and commerce and other relevant government authorities in relation to the issuance and listing of the Company;

LETTER FROM THE BOARD

10. Handling all other matters not specified above but related to the issuance and listing as considered by the Board.

The valid period of the authorization is 12 months upon consideration and approval of the resolution at the AGM, Domestic Shares Class Meeting and H Shares Class Meeting.

(3) Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing

According to the relevant requirements of the Company Law, the Securities Law, Comments on Further Promotion of System Reform of New Share Issuance by the CSRC (《中國證監會關於進一步推進新股發行體制改革的意見》) and other relevant laws and regulations, in order to strengthen the integrity obligation of the Company and its controlling Shareholder, Directors and senior management personnel, safeguard the equity interests of small and medium Shareholders, the Company formulates Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司首次公開發行A股股票並上市後三年內穩定股價預案》) (the “**Price Stabilizing Plan**”). Please refer to Appendix I.

We hereby submit the Price Stabilizing Plan to the AGM, the Domestic Shares Class Meeting and Shares Class Meeting for consideration, and propose for approval of authorizing the Board to perform timely adjustment and amendment to the Price Stabilizing Plan in accordance with the changes in relevant laws, administrative regulations, departmental rules and normative documents, requirements and recommendations of relevant government authorities and regulatory authorities and the actual condition of the issuance and listing.

(4) Accumulated Profits Distribution Plan Prior to the Initial Public Offering of A Shares

After adequate consideration of the actual operating condition and the future development needs of the Company, prior to completion of the issuance and listing, the Company will carry out profit distribution in accordance with relevant resolutions at the shareholders’ general meeting; after deducting the profits to be distributed as resolved and approved at the shareholders’ general meeting of the Company prior to the issuance and listing, the Company decided that the accumulated undistributed profits prior to the issuance and listing will be shared by new and old Shareholders upon the completion of issuance and listing based on the respective shareholding ratio upon issuance.

LETTER FROM THE BOARD

(5) Relevant Undertaking Matters of Information Disclosure in the Prospectus of Initial Public Offering of A Shares and Listing

According to the actual needs of issuance and listing of the Company, based on relevant requirements of Comments on Further Promotion of System Reform of New Share Issuance by the CSRC (《中國證監會關於進一步推進新股發行體制改革的意見》) and other relevant laws and regulations, the Company specially issued the Undertakings of Absence of False Record, Misleading Statements or Material Omissions in the Prospectus (《關於招股說明書不存在虛假記載、誤導性陳述或重大遺漏的承諾》). Please refer to Appendix II.

(6) The Use of Proceeds of and Feasibility Analysis on Initial Public Offering of A Shares

The total proceeds raised from the issuance of A Shares amounts to RMB600 million, and the specific calculation method of which is as follows: the number of A Shares issued * Issue Price = 149,860,00 Shares * RMB4.00/Share

The estimation basis of the Issue Price is as follows:

The Issue Price of A Shares is subject to the following provisions:

- (1) According to the guidance of the CSRC, the current P/E Ratio of A share issuance shall not exceed 23 times; the issuance P/E Ratio = Issue Price/earnings per share of the Company upon issuance, and the earnings per share of the Company upon issuance = the lower of net profit attributable to the owners of the parent before and after deducting non-recurring profit or loss in the year prior to the issuance/total share capital upon issuance. According to the above-mentioned formula, assuming the Company will complete the listing of A Shares in 2019, and the lower of the net profit attributable to the owners of the parent before and after deducting non-recurring profit or loss in the year prior to the issuance (i.e. 2018) is the same as that in 2016, i.e. RMB466.8417 million, the Issue Price will not exceed RMB7.17/Share;
- (2) According to the guidance of the CSRC, as a listed company returning to A share market from H share market, the Issue Price of the initial issuance of A shares shall not be higher than the trading price of H Shares in the initial public issuance of A shares; the price range of H Shares of the Company in the most recent year (from 29 March 2017 to 28 March 2018) is HK\$4.19–5.27/Share, and RMB3.36–4.23/Share converted at the current exchange rate of HK\$1 = RMB0.8018 on 28 March 2018.

LETTER FROM THE BOARD

According to the above provisions, the Company expects the Issue Price of A Shares to be RMB4.00/Share, and accordingly, the total proceeds raised from the issuance of A Shares to be RMB600 million.

The total proceeds raised from the issuance of A Shares amount to RMB600 million (including issuance fees). After deducting the issuance fees, the proceeds will be fully used for investment projects in relation to the principal business of the Company. Details are specified below:

No.	Proceeds Investment Projects	Investment Scale	Amount of
		of Projects	Proceeds
		(RMB '0000)	Proposed to be Used
			(RMB '0000)
1	Upgrading and reconstructing project of the design centre	13,510.00	11,000.00
2	The national engineering laboratory project	11,707.00	9,000.00
3	The construction of the R&D base project	22,235.00	22,000.00
4	The supplement to working capital project	<u>18,000.00</u>	<u>18,000.00</u>
Total		<u>65,452.00</u>	<u>60,000.00</u>

Prior to receipt of the proceeds raised, the Company may contribute by self-raised funds in accordance with the actual progress of the project. Upon receipt of the proceeds raised, the proceeds will be used for replacement of funds contributed in advance and for the payment of the balance of the project construction. If the actual proceeds raised in the issuance of A Shares do not satisfy the capital needs of the projects, the shortfall shall be settled by the Company through self-raised funds.

The proceeds investment projects are conducive to enhancing the integrated development strength and impact of the Company, thereby further improving the capability of product R&D and technical service of the Company and enhancing the industrial status and profitability of the Company so as to promote sustainable development of the Company. Therefore, the proceeds investment projects are necessary and feasible to be implemented.

Please refer to Appendix III for the Feasibility Study Report of the Proceeds Investment Projects for the Issuance and Listing.

LETTER FROM THE BOARD

(7) **The Remedial Measures on Dilution of Current Returns by Initial Public Offering of A Shares and Listing and Undertakings of Relevant Undertaking Entities**

According to the relevant requirements of the Company Law, the Securities Law, Administrative Measures on Initial Public Offering of Shares and Listing (《首次公開發行股票並上市管理辦法》), the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the Guiding Opinions on Matters regarding the Dilution of Current Returns by Initial Offering, Refinancing and Material Asset Reorganization (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) of CSRC and relevant laws and regulations, in order to safeguard the interests of the small and medium investors, the Company performs analysis on the impact on dilution of current returns of the issuance and listing, and proposes specific remedial measures for returns. In the meantime, the Directors, senior management personnel and the controlling Shareholder are required to carry out undertakings for effective performance of remedial measures for returns. Please refer to Appendix IV for the specific remedial measures for returns and undertakings.

(8) **The Formulation of Applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) upon Initial Public Offering of A Shares and Listing**

According to relevant requirements of the listed company of the CSRC, the Company proposes the amendment, supplement and optimization of the Articles of Association of the Company (the “**Amendment**”) in accordance with relevant requirements of the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》), the Rules Governing the Listing Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and 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》), in order to formulate the applicable Articles of Association upon the Issuance and Listing of the Company. As part of the articles were added or deleted in the Amendment, the numbering of the original articles of the Articles of Association was adjusted accordingly. For details of the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) (《北京城建設計發展集團股份有限公司章程(草案)》) (the “**Articles of Association (draft)**”) after the Amendment, please refer to Appendix V.

Upon approval of the Articles of Association (draft) at the shareholders' general meeting, the Articles of Association (draft) will be effective and implemented on the date of the listing of the A Shares from initial public offering of the Company on the Shanghai Stock Exchange.

LETTER FROM THE BOARD

(9) The Amendment to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited

Integrating the actual needs of the Company, the Company proposes the amendment, supplement and optimization of the Articles of Association of the Company (the “**Amendment**”) in accordance with relevant requirements of the Company Law, the Securities Law and 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》). As part of the articles were added or deleted in the Amendment, the numbering of the original articles of Articles of Association was adjusted accordingly. For the amended Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (the “**Articles of Association**”), please refer to Appendix VI.

Upon approval of the Articles of Association at the shareholders’ general meeting, the Articles of Association will be effective and implemented on the date of consideration and approval at the shareholders’ general meeting of the Company.

(10) The Amendment to the Rules of Procedure for the General Meeting of Beijing Urban Construction Design & Development Group Co., Limited

According to the actual needs of issuance and listing of the Company, according to relevant requirements of the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》), the Rules of Procedure for Shareholders’ General Meeting of Listed Companies (《上市公司股東大會規則》) and the Rules Governing the Listing Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) as well as the Articles of Association (draft) of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司章程(草案)》), the Company proposes the amendment, supplement and optimization of the Rules of Procedures of the Shareholders’ General Meeting of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司股東大會議事規則》) (the “**Rules of Procedure for the Shareholders’ General Meeting**”) (the “**Amendment**”). As part of the articles were added in the Amendment, the numbering of the original articles of Rules of Procedure for the Shareholders’ General Meeting was adjusted accordingly. For the Rules of Procedure for the Shareholders’ General Meeting after the Amendment, please refer to Appendix VII.

Upon approval of the Rules of Procedure for the Shareholders’ General Meeting at the shareholders’ general meeting after the Amendment, the Rules of Procedure for the Shareholders’ General Meeting will be effective and implemented on the date of the listing of the A Shares from initial public offering of the Company on the Shanghai Stock Exchange.

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(11) The Amendment to the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited

According to the actual needs of issuance of A Shares and listing of the Company, in order to regulate the acts of decision making of the Board and guarantee the Board to perform duties in a lawful manner, according to relevant requirements of the Company Law, the Securities Law, the Rules Governing the Listing Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) as well as the Articles of Association (draft) of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司章程(草案)》), the Company proposes the amendment, supplement and optimization of the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司董事會議事規則》) (the “**Rules of Procedure for the Board of Directors**”) (the “**Amendment**”). As part of the articles were added in the Amendment, the numbering of the original articles of Rules of Procedure for the Board of Directors was adjusted accordingly. For the Rules of Procedure for the Board of Directors after the Amendment, please refer to Appendix VIII.

Upon approval of the Rules of Procedure for the Board of Directors at the shareholders’ general meeting after the Amendment, the Rules of Procedure for the Board of Directors will be effective and implemented on the date of the listing of the A Shares from initial public offering of the Company on the Shanghai Stock Exchange.

(12) The Amendment to the Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited

According to the actual needs of issuance of A Shares and listing of the Company, in order to regulate the acts of decision making of the Board of Supervisors and guarantee the Board of Supervisors to perform duties in a lawful manner, according to relevant requirements of the Company Law, the Securities Law, the Rules Governing the Listing Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) as well as the Articles of Association (draft) of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司章程(草案)》), the Company proposes the amendment, supplement and optimization of the Rules of Procedures of the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司監事會議事規則》) (the “**Rules of Procedures for the Board of Supervisors**”) (the “**Amendment**”). As part of the articles were added in the Amendment, the numbering of the original articles of Rules of Procedure for the Board of Supervisors was adjusted accordingly. For the Rules of Procedure for the Board of Supervisors after the Amendment, please refer to Appendix IX.

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Upon approval of the Rules of Procedure for the Board of Supervisors at the shareholders' general meeting after the Amendment, the Rules of Procedure for the Board of Supervisors will be effective and implemented on the date of the listing of the A Shares from initial public offering of the Company on the Shanghai Stock Exchange.

(13) Proposal on Granting the Board a General Mandate to Issue Additional Domestic Shares/H Shares

In order to meet the development needs of the Company after listing of the Company, it is proposed to the AGM by way of special resolution for consideration and approval of the granting of a general mandate to the Board (or Director(s) authorised by the Board) to issue Domestic Shares/H Shares during the Relevant Period (as defined below). Details of the general mandate are set out as follows:

- (a) Subject to the following conditions, an unconditional and general mandate is granted to the Board (or Director(s) authorised by the Board) to issue, allot and deal with additional shares in the Company's share capital, whether Domestic Shares or H Shares; and to make or grant offers, agreements, or options in relation to such shares:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board may make or grant offers, agreements, or options during the Relevant Period and such offers, agreements, or options might require further action or exercise after the end of the Relevant Period;
 - (ii) the aggregate number of Domestic Shares and H Shares allotted or conditionally or unconditionally agreed to be allotted (whether allotted pursuant to the options or otherwise) under the approval of the Board shall not exceed
 - a. 20% of the aggregate number of Domestic Shares of the Company in issue on the date of passing the relevant resolution at the general meeting (for Domestic Shares); and
 - b. 20% of the aggregate number of H Shares of the Company in issue on the date of passing the relevant resolution at the general meeting (for H Shares); and
 - (iii) the Board (or Director(s) authorised by the Board) shall exercise the rights under the above mandate in compliance with the Company Law and the Hong Kong Listing Rules (both as amended from time to time) and only if the approvals from the China Securities Regulatory Commission and/or other related Chinese government authorities are obtained.
- (b) For the purpose of this proposal:

“Relevant Period” means the period from the date of the passing of this proposal until whichever is the earliest of the followings:

 - (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of 12-month period after the passing of this proposal; or
 - (iii) the date on which the mandate granted under this proposal is revoked or varied by a special resolution at a general meeting.
- (c) To authorise the Board (or Director(s) authorised by the Board) to formulate and implement detailed issue proposals including but not limited to the pricing mechanism and/or the issue price (including a price range), the number of shares to be issued, the target subscribers and the use of proceeds; to determine the issue timing and issue period, and to decide whether to place to existing shareholders or not when exercising the above-mentioned general mandate.
- (d) To authorise the Board (or Director(s) authorised by the Board) to engage intermediaries in connection with the issue and to approve and execute all actions, deeds, documents and such other matters that are necessary, appropriate, expedient or relevant to the issue; to consider, approve and execute agreements relating to the issue on behalf of the Company, including but not limited to placing and underwriting agreements, engagement agreements with intermediaries.
- (e) To authorise the Board (or Director(s) authorised by the Board) to consider, approve and execute, on behalf of the Company, the applications and documents relating to the issue to be submitted to relevant regulatory authorities; to fulfill relevant approval procedures in accordance with the requirements of regulatory authorities and requirements at the places where the Company is listed, and to handle all necessary archiving, registration and filing procedures at related government authorities in China, Hong Kong and/or any other districts and jurisdictions (if applicable).
- (f) To authorise the Board (or Director(s) authorised by the Board) to make amendments to the relevant agreements and legal documents mentioned in (d) and (e) above in accordance with the requirements of domestic and foreign regulatory authorities.
- (g) To authorise the Board (or Director(s) authorised by the Board) to approve the Company to increase its registered capital correspondingly after the issue pursuant to the Domestic Shares/H Shares in issue and to make relevant amendments as it thinks fit to the Articles of Association of the Company to reflect corresponding changes in the Company's registered capital, total capital and shareholding structure.

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III. ORDINARY RESOLUTIONS

(14) The Shareholder Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing

According to the actual needs of issuance of A Shares and listing of the Company, and in order to strengthen the transparency and operability of decision making of dividend distribution of the Company for convenient supervision of production and operation as well as profit distribution of the Company by shareholders, the Company hereby establishes the Shareholder Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司首次公開發行A股股票並上市後三年股東分紅回報規劃》) (the “**Dividend Distribution Plan**”) in accordance with the relevant requirement of the Company Law, the Securities Law, the “Notice regarding Further Implementation of the Relevant Matters of Cash Dividend Distribution of Listed Companies” (《關於進一步落實上市公司現金分紅有關事項的通知》), the Guidelines No. 3 on the Supervision of Listed Companies – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號– 上市公司現金分紅》), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Guidelines of the Shanghai Stock Exchange on Distribution of Cash Dividends of Listed Companies (《上海證券交易所上市公司現金分紅指引》) as well as the Articles of Association (draft) of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司章程(草案)》). Please refer to Appendix X.

We hereby propose to the shareholders’ general meeting to authorize the Board which authorizes any Directors (individually or jointly) or the persons designated by the Directors to make adjustment to the Dividend Distribution Plan in accordance with the laws, regulations, normative documents and changes in relevant policies or comments of domestic and overseas regulatory department.

Upon approval of the Dividend Distribution Plan at the shareholders’ general meeting, the Dividend Distribution Plan will be effective and implemented on the date of the listing of the A Shares from initial public offering of the Company on the Shanghai Stock Exchange.

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(15) The Appointment of Ernst & Young Hua Ming LLP as the Special Audit Institution of the Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited

The Company proposes to appoint Ernst & Young Hua Ming LLP as the special audit institution for relevant work of the initial public offering of A Shares and listing by the Company.

(16) The Report on Use of Previously Raised Proceeds of Beijing Urban Construction Design & Development Group Co., Limited

According to the actual needs of public issuance of A Shares and listing of the Company, the Company proposes the Report on Use of Previously Raised Proceeds of Beijing Urban Construction Design & Development Group Co., Limited in accordance with the specific conditions of the issuance of foreign shares listed overseas and use of proceeds listed on the main board of the Stock Exchange of Hong Kong Limited. Please refer to Appendix XI.

(17) Financial Report for 2017

On 29 March 2018, the Financial Report for 2017 of the Company (see Appendix XII – Annex A to this circular for details) was considered and passed at the meeting of the Board, and is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(18) Audited Consolidated Financial Statements for the Year of 2017 and its Summary

The audited consolidated financial statements and its summary for the year ended 31 December 2017 of the Company are set out in the 2017 Annual Report of the Company. On 29 March 2018, the resolution relating to the audited consolidated financial statements and its summary for the year ended 31 December 2017 was considered and passed at the meeting of the Board, and is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

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(19) 2017 Profit Distribution Plan and Dividend Declaration Proposal

According to the International Financial Reporting Standards, the net profit attributable to the Shareholders of the Company for 2017 was RMB492,484,791.47. After the appropriations to the statutory surplus reserve according to the requirement of relevant law, the proposed profit distribution plan of the Company for 2017 is to distribute a cash dividend of RMB0.0994 (tax inclusive) per Share on the base of the total Share capital of the Company as at 31 December 2017 of 1,348,670,000 Shares, totaling approximately RMB134,057,798.00.

On 29 March 2018, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(20) Re-appointment of Auditors for 2018 and Payment of the Auditing Service Fee for 2017

The aggregating expenses relating to the auditing services and other related services conducted and provided by Ernst & Young engaged by the Company in 2017 were RMB3.38 million, which included the payments of RMB2.55 million and RMB0.83 million respectively incurred in auditing the annual financial statements of 2017 and reviewing the interim financial statements of 2017.

The Board has proposed to re-appoint Ernst & Young as the external auditors of the Company for 2018 to audit the annual financial statements of 2018 prepared by the Company in accordance with International Accounting Standards, and to review the interim financial statements for the six months ending 30 June 2018 in compliance with International Accounting Standards.

On 29 March 2018, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(21) 2018 Investment Plan

The Company plans to complete investment of RMB6.535 billion for the year 2018 and has drafted the 2018 Investment Plan (see Appendix XII – Annex B to this circular for details). On 29 March 2018, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

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(22) Report of the Board of Directors for 2017

The Board has prepared the Report of the Board of Directors for 2017 (see Appendix XII – Annex C to this circular for details) as required by the Company Law and the Articles of Association. On 29 March 2018, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(23) Report of the Board of Supervisors for 2017

The Board of Supervisors has prepared the Report of the Board of Supervisors for 2017 (see Appendix XII – Annex D to this circular for details) as required by the Company Law and the Articles of Association. On 29 March 2018, the resolution was considered and passed at the meeting of the Board of Supervisors, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

IV. REASONS FOR AND BENEFITS OF THE ISSUANCE OF A SHARES

First of all, the issuance of A Shares of the Company is the inevitable choice to realize its own leaping development. Moreover, the Company establishes a domestic and overseas capital platform, enabling the Company to better promote its development through capital operation. Upon successful establishment of the domestic capital operation platform, the Company may optimize the selection of suitable financing channels and financing methods in accordance with the requirement of currency for funds and the trend of domestic and overseas capital markets.

At the same time, the issuance of A Shares of the Company may enhance the flexibility of capital operation, and create better conditions for extension of the industrial chain and strategic alliances. Moreover, the issuance of A Shares can enhance the capital strength of the Company and optimize the capital structure. By making full use of favorable opportunities to issue A Shares, the Company consolidate the capital and improve the asset and liability structure.

Finally, the issuance of A Shares will help enhance the reputation of the Company in the PRC. At present, most of the business and customers of the Company are in the PRC. The smooth implementation of the issuance of A Shares can expand the investor base of the Company, further enhance the reputation of the Company, and strength the brand competitiveness of the Company in the mainland market.

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V. EFFECT OF THE A SHARE ISSUANCE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The Company's 960,733,000 Domestic Shares currently in issue will be converted to A Shares upon the completion of the issuance of A Shares. Assuming all the 149,860,000 A Shares under the A Share Offering are approved to be issued and all are issued to non-core connected persons of the Company, and the share capital of the Company will remain unchanged prior to the completion of the issuance of A Shares, the shareholding structure of the Company as at the date of this circular and immediately following the completion of the issuance of A Shares will be as follows:

	As at the date of this circular		Immediately following the completion of the issuance of A Shares	
	<i>Number of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>Number of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>
Domestic Shares	960,733,000	71.24%	0	0.00%
A Shares (at maximum)⁽¹⁾	0	0.00%	1,110,593,000	74.11%
Number of A Shares to be held by the public	0	0.00%	149,860,000	10.00%
Number of A Shares to be converted from Domestic Shares ⁽²⁾	0	0.00%	960,733,000	64.11%
– Including the number of A Shares held by connected persons ⁽³⁾	0	0.00%	677,152,060	45.19%
H Shares	387,937,000	28.76%	387,937,000	25.89%
Number of H Shares held by the public ⁽⁴⁾	319,567,000	23.69%	319,567,000	21.33%
Number of H Shares held by connected persons ⁽⁵⁾	68,370,000	5.07%	68,370,000	4.56%
Total	1,348,670,000	100.00%	1,498,530,000	100.00%

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- (1) After the completion of the issuance of A Shares, the Company will have a total of 1,110,593,000 A Shares, including 149,860,000 A Shares to be issued under the issuance of A Shares and 960,733,000 A Shares to be converted from existing Domestic Shares of the Company.
- (2) All of 960,733,000 Domestic Shares in issue of the Company will be converted into A Shares upon completion of the issuance of A Shares.
- (3) The number of A Shares to be held by the connected persons of the Company comprises 571,031,118 A Shares held by BUCG, 87,850,942 A Shares held by Beijing Infrastructure Investment Co, Ltd. and 18,270,000 A Shares held by employees of the Company through the Key Employee Stock Ownership Scheme. For details of shareholding structure of connected person under the Key Employee Stock Ownership Scheme, please see the following table:

No.	Name	Position	Subject Shares	
Connected Persons at the Company Level				
1	WANG HANJUN	王漢軍	Executive Director	1,000,000
2	LI GUOQING	李國慶	Executive Director	1,000,000
3	MI JIANZHOU	彌建洲	Supervisor (Resigned)	750,000
4	ZHANG WEI	張巍	Supervisor (Resigned)	550,000
5	WANG WENJIANG	王文江	Supervisor (Resigned)	400,000
6	WANG JINGANG	王金剛	Supervisor (Resigned)	400,000
Connected Persons at the Subsidiary Level				
7	MA HAIZHI	馬海志	Director	660,000
8	LI LI	李莉	Director	400,000
9	LIAO YUANGUO	廖遠國	Director	550,000
10	SHI ZHONGHENG	施仲衡	Director	1,000,000
11	LIU QIAN	劉遷	Director	550,000
12	WAN XUEHONG	萬學紅	Director	750,000
13	ZHANG HUI	張輝	Director/Supervisor	400,000
14	XUE HAIPING	薛海萍	Director	400,000
15	CHANG DONGBIAO	常東彪	Director	400,000
16	LIU XINJIE	劉新傑	Director	550,000
17	CHENG YAN	成硯	Director	750,000
18	FENG AIJUN	馮愛軍	Director	550,000
19	MAO LILIANG	毛勵良	Director	550,000
20	WANG HONGWEI	王宏偉	Supervisor	400,000
21	WANG LIANG	王良	Director	750,000
22	XIA XIUJIANG	夏秀江	Director	620,000
23	YIN ZHIGUO	尹志國	Director/Supervisor	620,000
24	YU SONGWEI	于松偉	Director	750,000
25	LIU LI	劉立	Director	750,000

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No.	Name	Position	Subject Shares
26	LI YANCHUAN	李延川	400,000
27	ZHANG YUHUA	張玉華	620,000
28	CAI ZHAOXIA	蔡朝霞	400,000
29	SHEN YUEWU	沈躍武	400,000
30	GUO DEYOU	郭德友	550,000
31	WU DAN	伍丹	400,000

Total Connected Persons **18,270,000**

- (4) Save for the 68,222,000 H Shares held by Beijing Infrastructure Investment (Hong Kong) Limited, the substantial shareholder of the Company, 52,000 H Shares are held by Wang Liping, 48,000 H Shares are held by Wang Hanjun, and 48,000 H Shares held by Li Guoqing, all being Directors, as at the date of this circular, all other H Shares are held by the public based on publicly available information and to the best knowledge of the Directors.
- (5) H Shares held by the connected person mean the 68,222,000 H Shares held by Beijing Infrastructure Investment (Hong Kong) Limited, the substantial shareholder of the Company, 52,000 H Shares are held by Wang Liping, 48,000 H Shares are held by Wang Hanjun, and 48,000 H Shares held by Li Guoqing, all being Directors. The current public float of the Company is 23.69%, which fails to be in compliance with the requirements of the lowest public float as stipulated in Rule 8.08(1)(a) of the Hong Kong Listing Rules. For details of the reasons for insufficiency of public float, please refer to the announcement of the Company dated 2 March 2018. The Company is proactively adopting feasible measures to regain public float.

As at the date of this circular, based on publicly available information and to the best knowledge of the Directors, the public float of the H Shares of the Company prior to completion of the issuance of the A Shares is 23.69%. Assuming that all the 149,860,000 A Shares under the issuance of the A Shares are approved to be issued, and all are issued to non-connected persons of the Company, it is expected that the percentage of maximum number of A Shares held by the public for the total number of Shares after issuance will be 10.00% and the percentage of minimum number of H Shares held by the public for the total number of Shares after issuance will be 21.33%. Following completion of the issuance of A Shares, the maximum number of the Shares of the Company held by the public (both A Shares and H Shares in aggregate) will be 31.33% of the total number of the Shares in issue of the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the target subscribers are independent third parties of the Company and its connected persons.

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VI. OTHER INFORMATION

Please pay attention to the other information set out in Appendices I to XII of this circular.

Taking into comprehensive consideration of the domestic and overseas capital market environment and regulatory requirements, the Company has no fund-raising plan (such as right issue, public offering and debt financing, etc.) for the purpose of replenishing its liquidity other than the listing and issuance of A Shares plan.

The issuance of A Shares may or may not be completed, which is subject to approval at the AGM and the Class Meetings and the approval from the PRC securities regulatory authorities and other relevant regulatory authorities (including the Shanghai Stock Exchange). Shareholders and potential investors should exercise caution when dealing with the H Shares. The Company will disclose further information on the issuance of A Shares in due course.

VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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 Company. 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 herein or in this circular misleading.

VIII. AGM AND THE CLASS MEETINGS

None of the Shareholders has material interests in the above resolutions and shall abstain from voting at the AGM and the Class Meetings in respect of the proposed resolutions for consideration and approval.

The AGM and the Class Meetings will be held at 501, Block D, Hengtai Center, No. 18 Fengtai North Road, Fengtai District, Beijing, the PRC at 2:30 p.m. on Tuesday, 29 May 2018, to consider and approve the matters set out in the notice of the AGM and the notice of the Class Meetings dated 13 April 2018. The notice of the AGM, the notice of the Class Meetings, the circular, the proxy form and reply slip have been despatched to the Shareholders on 13 April 2018.

LETTER FROM THE BOARD

If you intend to appoint a proxy to attend the AGM and/or the Class Meetings, 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 and/or the Class Meetings or any adjourned meeting thereof if you so wish.

If you intend to attend the AGM and/or the Class Meetings in person or by proxy, you are required to complete and return the reply slip on or before Wednesday, 9 May 2018.

IX. BOOK CLOSURE PERIOD

In order to determine the list of Shareholders who will be entitled to attend and vote at the AGM and the Class Meetings, the register of members of the Company will be closed from Sunday, 29 April 2018 to Tuesday, 29 May 2018, both days inclusive, during which period no transfer of Shares will be registered.

For the identification of Shareholders who are qualified to attend and vote at the AGM, the H Shares Class Meeting and Domestic Shares Class Meeting, all transfer documents accompanied by the relevant 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 (for H Shareholders), or the registered office of the Company (for Domestic Shareholders), for registration not later than 4:30 p.m. on Friday, 27 April 2018. Shareholders whose names appear on the register of members of the Company on Sunday, 29 April 2018 will be entitled to attend and vote at the AGM and the Class Meetings.

X. VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules and the Articles of Association, the resolutions set out in the notice of the AGM and the Class Meetings 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 and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM and the Class Meetings.

LETTER FROM THE BOARD

XI. RECOMMENDATIONS

The Directors (including all independent non-executive Directors) are of the view that the resolutions in relation to the proposed issuance of A Shares and relevant matters are in the interest of the Company and its Shareholders as a whole. Therefore, Directors recommend Shareholders to vote in favour of relevant resolutions set out in relevant notice to be proposed at the AGM, Domestic Shares Class Meeting and H Shares Class Meeting.

Yours faithfully,

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Wang Liping

Chairman

NOTICE OF THE 2017 ANNUAL 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 2017 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting (the “AGM”) 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 Tuesday, 29 May 2018, to consider and, if thought fit, approve the following resolutions (unless otherwise stated, the terms used herein shall have the same meanings as defined in the circular of the Company dated 13 April 2018 (“Circular”)):

SPECIAL RESOLUTIONS

1. To consider and approve the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing;
2. To consider and approve the Authorisation to the Board to Handle the Relevant Matters of the Application for Initial Public Offering of A Shares and Listing at its Absolute Discretion;
3. To consider and approve the Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing;
4. To consider and approve the Accumulated Profits Distribution Plan Prior to the Initial Public Offering of A Shares;
5. To consider and approve the Relevant Undertaking Matters of Information Disclosure in the Prospectus of Initial Public Offering of A Shares and Listing;
6. To consider and approve the Use of Proceeds of and Feasibility Analysis on Initial Public Offering of A Shares;
7. To consider and approve the Remedial Measures on Dilution of Current Returns from Initial Public Offering of A Shares and Listing and Undertakings of Relevant Undertaking Entities;
8. To consider and approve the Formulation of Applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) upon Initial Public Offering of A Shares and Listing;

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

9. To consider and approve the Amendments to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited;
10. To consider and approve the Amendments to the Rules of Procedure for the Shareholders' General Meeting of Beijing Urban Construction Design & Development Group Co., Limited;
11. 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;
12. To consider and approve the Amendments to the Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited;
13. To consider and approve the Resolution on Authorising the Board a General Mandate to Issue Additional Domestic Shares/H Shares;

“THAT:

- (a) Subject to the following conditions, an unconditional and general mandate is granted to the Board (or Director(s) authorised by the Board) to issue, allot and deal with the additional shares in the Company's share capital (no matter Domestic Shares or H Shares) and to make or grant offers, agreements, or options in relation to such shares:
 - (i) Except that the Board may make or grant offers, agreements, or options during the Relevant Period and such offers, agreements, or options might require further action or exercise after the end of the Relevant Period, the period of such mandate shall not exceed the Relevant Period;
 - (ii) The aggregate number of Domestic Shares and H Shares allotted or conditionally or unconditionally agreed to be allotted (whether allotted pursuant to the options or otherwise) under the approval of the Board shall not exceed:
 - a. 20% of the aggregate number of Domestic Shares of the Company in issue on the date of passing the relevant resolution (for Domestic Shares); and
 - b. 20% of the aggregate number of H Shares of the Company in issue on the date of passing the relevant resolution (for H Shares); and
 - (iii) The Board (or Director(s) authorised by the Board) will exercise the power under the above mandate only under the circumstances where it is in compliance with the Company Law and the Hong Kong Listing Rules (both as amended from time to time) and obtains the approval from the China Securities Regulatory Commission and/or other related Chinese government authorities.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

- (b) For the purpose of this proposal:

“**Relevant Period**” means the period from the date of the passing of this proposal until whichever is the earliest of the followings:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of 12-month period after the passing of this proposal; or
 - (iii) the date on which the mandate granted under this proposal is revoked or varied by a special resolution at a shareholders’ general meeting.
- (c) To authorise the Board (or Director(s) authorised by the Board) to formulate and implement detailed issuance plan which includes, without limitation, the pricing mechanism and/ or the issue price (including a price range), the number of shares to be issued, the target subscribers and the use of proceeds; to determine the issue timing and issue period, and to decide whether to place to existing shareholders or not when exercising the above-mentioned general mandate.
- (d) To authorise the Board (or Director(s) authorised by the Board) to engage intermediaries in connection with the issue and to approve and execute all actions, deeds, documents and such other matters that are necessary, appropriate, expedient or relevant to the issue; to consider, approve and execute agreements relating to the issue on behalf of the Company, including but not limited to placing and underwriting agreements, engagement agreements with intermediaries.
- (e) To authorise the Board (or Director(s) authorised by the Board) to consider, approve and execute, on behalf of the Company, the applications and documents relating to the issue to be submitted to relevant regulatory authorities; to fulfill relevant approval procedures in accordance with the requirements of regulatory authorities and requirements at the places where the Company is listed, and to handle all necessary record, registration and filing procedures at related government authorities in China, Hong Kong and/or any other regions and jurisdictions (if applicable).
- (f) To authorise the Board (or Director(s) authorised by the Board) to make amendments to the relevant agreements and legal documents mentioned in (d) and (e) above in accordance with the requirements of domestic and foreign regulatory authorities.
- (g) To authorise the Board (or Director(s) authorised by the Board) to approve the Company to increase its registered capital correspondingly after the issue based on the Domestic Shares/H Shares in issue and to make relevant amendments as it thinks fit to the Articles of Association of the Company to reflect corresponding changes in the Company’s registered capital, total share capital and shareholding structure.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

14. To consider and approve the Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing;
15. To consider and approve the Engagement of Ernst & Young Hua Ming LLP as the Special Audit Institution of the Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited;
16. To consider and approve the Report on Use of Previously Raised Proceeds of Beijing Urban Construction Design & Development Group Co., Limited;
17. To consider and approve the 2017 Financial Accounts Report;
18. To consider and approve the 2017 Audited Consolidated Financial Statement and Its Summary;
19. To consider and approve the 2017 Profit Distribution Plan and Recommendation on Declaration of Dividend;
20. To consider and approve the Re-appointment of Auditors for 2018 and Payment of Auditing Remuneration for 2017;
21. To consider and approve the 2018 Investment Plan;
22. To consider and approve the Report of the Board of Directors for 2017; and
23. To consider and approve the Report of the Board of Supervisors for 2017.

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Wang Liping

Chairman

Beijing, 13 April 2018

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, 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.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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 Sunday, 29 April 2018 to Tuesday, 29 May 2018, both days inclusive, during which period no transfer of H Shares will be registered. Holders of H Shares and Domestic Shares whose names appeared on the register of members of the Company on Sunday, 29 April 2018 shall be entitled to attend and vote at the AGM. Holders of H Shares of the Company who intend to attend and vote at the AGM 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 Friday, 27 April 2018 for registration.
3. The register of members of the Company will be closed from Saturday, 2 June 2018 to Thursday, 7 June 2018, both days inclusive, during which period no transfer of H Shares will be registered. Holders of H Shares and Domestic Shares whose names appeared on the register of members of the Company on Thursday, 7 June 2018 shall be entitled to receive the 2017 final dividend of the Company (subject to approval of shareholders at the AGM). Holders of H Shares of the Company who intend to receive the 2017 final dividend of the Company 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 Friday, 1 June 2018 for registration.
4. A Shareholder entitled to attend and vote at the 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 the 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 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.
6. 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 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 the AGM (or any adjournment thereof). 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 the 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 Wednesday, 9 May 2018 in hand, by post or by fax. Holders of H Shares who intend to attend the 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 Wednesday, 9 May 2018 in hand, by post or by fax.
8. The AGM is estimated to last for about half a day. Shareholders or their proxies who attend the AGM (and any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the AGM (and any adjournment thereof).

NOTICE OF THE FIRST DOMESTIC SHARES CLASS MEETING IN 2018



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 FIRST DOMESTIC SHARES CLASS MEETING IN 2018

NOTICE IS HEREBY GIVEN that the First Domestic Shares Class Meeting in 2018 (the “**Domestic Shares Class Meeting**”) 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 Tuesday, 29 May 2018, to consider and, if thought fit, approve the following resolutions (unless otherwise stated, the terms used herein shall have the same meanings as defined in the circular of the Company dated 13 April 2018 (“**Circular**”)):

SPECIAL RESOLUTIONS

1. To consider and approve the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing;
2. To consider and approve the Authorisation to the Board to Handle the Relevant Matters of the Application for Initial Public Offering of A Shares and Listing at its Absolute Discretion;
3. To consider and approve the Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing;
4. To consider and approve the Accumulated Profits Distribution Plan Prior to the Initial Public Offering of A Shares; and
5. To consider and approve the Relevant Undertaking Matters of Information Disclosure in the Prospectus of Initial Public Offering of A Shares and Listing.

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Wang Liping

Chairman

Beijing, 13 April 2018

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, 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.

NOTICE OF THE FIRST DOMESTIC SHARES CLASS MEETING IN 2018

Notes:

1. Details of the above resolutions are set out in the Circular.
2. Holders of Domestic Shares whose names appeared on the register of members of the Company on Sunday, 29 April 2018 shall be entitled to attend and vote at the Domestic Shares Class Meeting.
3. A Shareholder entitled to attend and vote at the Domestic Shares Class Meeting 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 Domestic Shares Class Meeting in person to represent the relevant Shareholder.
4. 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.
5. 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 not less than 24 hours before the time stipulated for convening the Domestic Shares Class Meeting (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 Domestic Shares Class Meeting (or any adjournment thereof). If no direction is given, the proxy will be entitled to vote or abstain as he or she thinks fit.
6. Holders of Domestic Shares who intend to attend the Domestic Shares Class Meeting 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 Wednesday, 9 May 2018 in hand, by post or by fax.
7. The Domestic Shares Class Meeting is estimated to last for about half a day. Shareholders or their proxies who attend the Domestic Shares Class Meeting (and any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the Domestic Shares Class Meeting (and any adjournment thereof).

NOTICE OF THE FIRST H SHARES CLASS MEETING IN 2018



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 FIRST H SHARES CLASS MEETING IN 2018

NOTICE IS HEREBY GIVEN that the First H Shares Class Meeting in 2018 (the “**H Shares Class Meeting**”) 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 Tuesday, 29 May 2018, to consider and, if thought fit, approve the following resolutions (unless otherwise stated, the terms used herein shall have the same meanings as defined in the circular of the Company dated 13 April 2018 (“**Circular**”)):

SPECIAL RESOLUTIONS

1. To consider and approve the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing;
2. To consider and approve the Authorisation to the Board to Handle the Relevant Matters of the Application for Initial Public Offering of A Shares and Listing at its Absolute Discretion;
3. To consider and approve the Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing;
4. To consider and approve the Accumulated Profits Distribution Plan Prior to the Initial Public Offering of A Shares; and
5. To consider and approve the Relevant Undertaking Matters of Information Disclosure in the Prospectus of Initial Public Offering of A Shares and Listing.

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Wang Liping

Chairman

Beijing, 13 April 2018

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, 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.

NOTICE OF THE FIRST H SHARES CLASS MEETING IN 2018

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 Sunday, 29 April 2018 to Tuesday, 29 May 2018, both days inclusive, during which period no transfer of H Shares will be registered. Holders of H Shares whose names appeared on the register of members of the Company on Sunday, 29 April 2018 shall be entitled to attend and vote at the H Shares Class Meeting. Holders of H Shares of the Company who intend to attend and vote at the H Shares Class Meeting 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 Friday, 27 April 2018 for registration.
3. The register of members of the Company will be closed from Saturday, 2 June 2018 to Thursday, 7 June 2018, both days inclusive, during which period no transfer of H Shares will be registered. Holders of H Shares whose names appeared on the register of members of the Company on Thursday, 7 June 2018 shall be entitled to receive the 2017 final dividend of the Company (subject to approval of shareholders at the AGM). Holders of H Shares of the Company who intend to receive the 2017 final dividend of the Company 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 Friday, 1 June 2018 for registration.
4. A Shareholder entitled to attend and vote at the H Shares Class Meeting 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 H Shares Class Meeting 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 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.
6. 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 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 H Shares Class Meeting (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 H Shares Class Meeting (or any adjournment thereof). If no direction is given, the proxy will be entitled to vote or abstain as he or she thinks fit.
7. Holders of H Shares who intend to attend the H Shares Class Meeting 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 Wednesday, 9 May 2018 in hand, by post or by fax.
8. The H Shares Class Meeting is estimated to last for about half a day. Shareholders or their proxies who attend the H Shares Class Meeting (and any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the H Shares Class Meeting (and any adjournment thereof).

Price Stabilizing Plan within Three Years upon Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited

I. SPECIFIC CONDITIONS OF STARTING THE PRICE STABILIZING PLAN

Within three years upon initial public offering of A Shares and listing (hereinafter the “**Issuance and Listing**”) of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter the “**Company**”), saved for decline of stock price arising from force majeure and other factors, if the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company’s latest audited net assets per share (net assets per share = total amount of equity interests attributable to the owner of the parent company ÷ total number of shares of the Company at the end of the period; upon the latest audit benchmark date, in the event that profit distribution, capital reserve capitalization, increase in issuance and placing lead to changes in net assets or total number of shares of the Company, net assets per share will be adjusted accordingly, the same below) (hereinafter the “**Price Stabilizing Condition**”), on the premise of compliance with relevant requirements of share repurchase, increase in shareholding and information disclosure of state-owned asset supervision and administrative department, securities supervision and administrative department and the stock exchange, the Company’s controlling shareholder, the Company, the Company’s directors and senior management personnel will adopt the following price stabilizing measures and perform corresponding obligation of information disclosure.

II. SPECIFIC MEASURES OF STABILIZING STOCK PRICE

Upon achieving the Price Stabilizing Condition, the Company’s controlling shareholder, the Company, the Company’s directors and senior management personnel will implement the price stabilizing measures based on the following orders:

(I) Increase in holding of A Shares by controlling shareholder

Within 10 trading days upon achieving the Price Stabilizing Condition, Beijing Urban Construction Group Co., Ltd., the controlling shareholder of the Company, should notify to the Company in writing with regard to the specific proposal of increase in shareholding of A Shares of the Company, and perform corresponding informative disclosure obligations through the Company.

**APPENDIX I PRICE STABILIZING PLAN WITHIN THREE YEARS UPON INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING BY BEIJING URBAN CONSTRUCTION
DESIGN & DEVELOPMENT GROUP CO., LIMITED**

The controlling shareholder of the Company should increase the holding of A Shares of the Company by way of centralized bidding and/or other legitimate methods through the Shanghai Stock Exchange; the price of increase in shareholding shall not exceed the latest audited net assets per share of the Company; the accumulated increase in shareholding shall not exceed 20% of the total amount of cash bonus received from the Company in the previous year by the controlling shareholder of the Company; the term of increase in shareholding by the controlling shareholder shall be within 6 months from the issuance of increase in shareholding announcement and on the date of approval of increase in holding of A Share plan received from competent authorities by the controlling shareholder, if necessary.

In the course of implementing the above increase in shareholding plan, if the closing price of A Shares of the Company for 20 consecutive trading days is higher than the Company's latest audited net assets per share, than the controlling shareholder may terminate the implementation of increase in holding of A Shares plan. Upon termination of the implementation of increase in holding of A Shares plan, if the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company's latest audited net assets per share within 6 months from the issuance of increase in shareholding announcement and on the date of approval of increase in holding of A Share plan received from competent authorities by the controlling shareholder, if necessary, then the above increase in holding of A Shares plan shall continue to be implemented. The controlling shareholder will not sell the increased holding of A Shares within 6 months upon completion of the increase in shareholding plan. The shareholding distribution upon increase in shareholding shall be in compliance with the listing conditions, and the act of increase in shareholding shall be in compliance with the requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Laws of the People's Republic of China (《中華人民共和國證券法》) and other relevant laws and administrative regulations as well as the requirements of relevant business rules and memorandum of the stock exchange.

(II) Repurchase of A Shares of the Company

If the controlled shareholder fails to timely announce the above specific increase in shareholding plan, or explicitly state that there is no increase in shareholding plan, or the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company's latest audited net assets per share upon completion of the implementation of increase in shareholding plan, then the Board of the Company will establish the A Share repurchase plan in accordance with relevant laws and regulations in respect of the requirements of repurchase of A Shares by the listed company and publish announcement within 10 days from the occurrence of any one of the above conditions, and convene shareholders' general meeting and shareholders' class meeting to consider the A Share

**APPENDIX I PRICE STABILIZING PLAN WITHIN THREE YEARS UPON INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING BY BEIJING URBAN CONSTRUCTION
DESIGN & DEVELOPMENT GROUP CO., LIMITED**

repurchase plan within 45 days upon convening of the Board meeting. The Board of the Company makes decisions on the repurchase of A Shares, while the directors undertake to vote in favour of those repurchase matters at the Board meeting. The shareholders' general meeting of the Company makes decisions on the repurchase of A Shares, while the controlling shareholder undertakes to vote in favour of those repurchase matters at the shareholders' general meeting. Upon forming the resolutions, the Company performs the procedures in relation to report, approval and information disclosure in accordance with the requirements of laws and regulations and applicable listing rules.

The Company should repurchase A Shares of the Company by way of centralized bidding, consideration and/or other legitimate methods; through the Shanghai Stock Exchange; the repurchase price shall not exceed the latest audited net assets per share of the Company; the total amount of funds used for repurchase of A Shares by the Company shall not exceed 20% of the audited net profit attributable to the shareholders of the Company in the previous year; the repurchase term of the Company shall be 6 months from the date of the Company's performance of internal decision making and completion of external review and approval, filing and other procedures, if necessary, of repurchase of A Shares plan by the Company.

In the course of implementing the above repurchase plan, if the closing price of A Shares of the Company for 20 consecutive trading days is higher than the Company's latest audited net assets per share, than the Company may terminate the implementation of the A Shares repurchase plan. Upon termination of the implementation of the A Shares repurchase plan, if the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company's latest audited net assets per share within 6 months from the date of the Company's performance of internal decision making and completion of external review and approval, filing and other procedures, if necessary, of repurchase of A Shares plan by the Company, then the above A Shares repurchase plan shall continue to be implemented. Distribution of shareholdings of the Company upon repurchase of A Shares shall be in compliance with the listing conditions, and the repurchase act shall be in compliance with the requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Laws of the People's Republic of China (《中華人民共和國證券法》) and other relevant laws and administrative regulations as well as the requirements of relevant business rules and memorandum of the stock exchange.

(III) Increase in holding of A Shares of the Company by directors and senior management personnel

If the Board of the Company fails to timely announce the above A Shares repurchase plan, or the above A Shares repurchase plan fails to be approved by the shareholders' general meeting and the shareholders' class meeting or fails to complete the external review and approval, filing and other procedures, if necessary, or the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company's latest audited net assets per share upon completion of the implementation of repurchase plan, then the directors (except for independent (non-executive) directors) and all senior management personnel (subject to the scope of senior management personnel as stipulated in the Articles of Association, same as below) who receive remunerations from the Company should notify the Company in writing in respect of the specific plan of increase in holding of A Shares of the Company within 10 days from the occurrence of any one of the above conditions, and an announcement shall be made by the Company.

The directors (except for independent (non-executive) directors) and all senior management personnel who receive remunerations from the Company shall increase the holding of A Shares of the Company by way of centralized bidding transaction in accordance with relevant requirements of relevant laws, regulations, normative documents; the price of increase in shareholding shall not exceed the latest audited net assets per share of the Company; the respective accumulated amount of increase in shareholding shall not exceed 20% of the actual remuneration (after tax) received by the aforementioned directors and senior management personnel from the Company in the previous year; the term of increase in shareholding shall be within 6 months from the issuance of increase in shareholding announcement.

In the course of implementing the above increase in shareholding plan, if the closing price of A Shares of the Company for 20 consecutive trading days is higher than the Company's latest audited net assets per share, than the aforementioned directors and senior management personnel may terminate the implementation of increase in holding of A Shares plan. Upon termination of the implementation of increase in holding of A Shares plan, if the closing price of A Shares of the Company for 20 consecutive trading days is lower than the Company's latest audited net assets per share within 6 months from the issuance of increase in shareholding announcement and on the date of approval of increase in holding of A Share plan received from competent authorities by the controlling shareholder, if necessary, then the above increase in holding of A Shares plan shall continue to be implemented. The directors and senior management personnel will not sell the increased holding of A Shares within 6 months upon completion of the increase in shareholding plan. The shareholding

distribution upon increase in shareholding shall be in compliance with the listing conditions, and the act of increase in shareholding shall be in compliance with the requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Laws of the People's Republic of China (《中華人民共和國證券法》) and other relevant laws and administrative regulations as well as the requirements of relevant business rules and memorandum of the stock exchange.

(IV) Restarting of the price stabilizing measures

If the Price Stabilizing Condition is achieved again upon completion of implementation of increase in holding of A Shares plan by the directors (except for independent (non-executive) directors) and all senior management personnel who receive remunerations from the Company, then the controlling shareholder, the Company as well as directors and senior management responsible for the increase in shareholding shall continue to implement the price stabilizing measures in accordance with the aforementioned (I) to (III) in an orderly manner.

III. RELEVANT RESTRICTION MEASURES

1. When achieving the Price Stabilizing Condition, if the controlled shareholder of the Company does not perform its obligation of increase in shareholding in accordance with the requirements of the plan, or votes against or abstains from voting of the A Shares repurchase plan established by the Board of the Company with no reasonable rationales, resulting that the A Shares repurchase plan of the Company is not approved by the shareholders' general meeting or shareholders' class meeting, then the Company is entitled to detain the payable cash bonus of equivalent amount of the controlling shareholder and the performance of his obligation of increase in shareholding, and the controlling shareholder shall forfeit the ownership of the amount of the bonus.
2. When achieving the Price Stabilizing Condition, if the Company does not establish and announce the A Shares repurchase plan in accordance with the plan, or does not implement A Shares repurchase plan in accordance with the plan as announced, then the Company shall publicly illustrate the specific reasons of not implementing the aforementioned price stabilizing measures and make a public apology at the shareholders' general meeting and on newspapers designated by the China Securities Regulatory Commission (hereinafter the "CSRC").

**APPENDIX I PRICE STABILIZING PLAN WITHIN THREE YEARS UPON INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING BY BEIJING URBAN CONSTRUCTION
DESIGN & DEVELOPMENT GROUP CO., LIMITED**

3. When achieving the Price Stabilizing Condition, if the directors and senior management personnel responsible for increase in shareholding does not perform his obligation of increasing the shareholding in accordance with the plan, or does not propose to the Company for convening the Board meeting within 10 trading days from the date triggering the obligation of repurchase of A Shares of the Company, or does not procure the Board of the Company to consider and approve the A Shares repurchase plan of the Company with no reasonable rationales, resulting that the Company does not perform the obligation of A Shares repurchase, then the Company is entitled to detain the payable remunerations of equivalent amount of such directors and senior management personnel and the performance of his obligation of increase in shareholding, and the directors and senior management personnel whose remunerations are retained shall forfeit the ownership of such remunerations.

The plan is applicable to the directors (except for independent (non-executive) directors and unpaid directors) and senior management personnel to be elected or appointed by the Company in the future. The directors (except for independent (non-executive) directors and unpaid directors) and senior management personnel to be elected or appointed by the Company in the future shall perform the aforementioned obligations of directors and senior management personnel, and perform other undertakings and obligations made by the directors (except for independent (non-executive) directors and unpaid directors) and senior management personnel after the public issuance and listing by the Company based on the same standards. For the directors (except for independent (non-executive) directors and unpaid directors) and senior management personnel to be elected or appointed by the Company in the future, they shall consent to perform the aforementioned undertakings and obligations in writing prior to receipt of nomination.

The plan is considered and approved at the shareholders' general meeting of the Company, and will be automatically effective upon completion of the issuance and listing by the Company, with a valid period within 3 years. If relevant new rules are issued by the CSRC, the stock exchange and other regulatory institutions during the period, the Board will, as authorized by the shareholders' general meeting of the Company, amend the plan accordingly.

Beijing Urban Construction Design & Development Group Co., Limited

29 March 2018

Undertakings of Absence of False Record, Misleading Statements or Material Omissions in the Prospectus

Beijing Urban Construction Design & Development Group Co., Limited (hereinafter the “**Company**”) proposes to carry out initial public offering of A Shares and listing (hereinafter the “**Issuance and Listing**”). According to the requirements of the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Laws of the People’s Republic of China (《中華人民共和國證券法》) and the Administrative Measures of Initial Public Offering of Shares and Listing (《首次公開發行股票並上市管理辦法》), Comments on Further Promotion of System Reform of New Share Issuance by the CSRC (《中國證監會關於進一步推進新股發行體制改革的意見》), Provisional Requirements on Public Offering of Shares by Shareholders in the Initial Public Offering (《首次公開發行股票時公司股東公開發售股份暫行規定》) and other laws and regulations, the Company hereby makes the following undertakings in respect of the Prospectus of Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “**Prospectus**”) submitted to the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”).

1. The prospectus of the Company does not have false record, misleading statements or material omissions, and the Company bears individual and joint legal liabilities for the truthfulness, accuracy and completeness of the prospectus.
2. If there are false record, misleading statements or material omissions in the prospectus of the Company as presumed by the CSRC or the People’s Court and other competent department, which constitute material and substantive impact on the judgement on whether the Company is in compliance with the issuance conditions as stipulated by laws, then the Company will convene the Board meeting within 5 trading days upon the ultimate decisions or effective judgement in respect of existence of the aforementioned facts of the Company by the CSRC or the People’s Court and other competent department, and will repurchase all of the new shares in initial public offering of the Company in accordance with the specific plan of repurchase of A Shares considered and approved at the Board meeting and the shareholders’ general meeting. The repurchase price shall not be lower than the sum of Issue Price of the A Shares of the Company and the bank deposit interest rate of the same term in the relevant period from issuance of A Shares to the repurchase. If the Company has ex-right and ex-dividend acts such as profit distribution, capital reserve capitalization, increase in issuance and placing upon the Issuance and Listing to before the repurchase, then the aforementioned Issue Price will be the price upon ex-right and ex-dividend.

APPENDIX II UNDERTAKINGS OF ABSENCE OF FALSE RECORD, MISLEADING STATEMENTS OR MATERIAL OMISSIONS IN THE PROSPECTUS

If there are false record, misleading statements or material omissions in the prospectus of the Company as presumed by the CSRC or the People's Court and other competent department, resulting that investors suffer from losses in securities trading, the Company will be strictly in compliance with the requirements of the Securities Laws of the People's Republic of China (《中華人民共和國證券法》) and other laws and regulations, and compensate the losses of the investors in a lawful manner in accordance with the ultimate decisions or effective judgement of the CSRC or the People's Court and other competent department.

3. The aforementioned undertakings are the true statement of the Company. The Company voluntarily accepts the supervision of regulatory authorities, self-regulatory organization, the society and general public. The Company will undertake corresponding responsibilities if breaching the aforementioned undertakings.

Beijing Urban Construction Design & Development Group Co., Limited (Seal)

29 March 2018

**Feasibility Report on Investment Projects Funded by Proceeds from
Initial Public Offering of A Share and Listing of Beijing
Urban Construction Design & Development Group Co., Limited**

Beijing Urban Construction Design & Development Group Co., Limited (“**Urban Construction Design**” or the “**Company**”) plans to apply for public offering of A shares and listing on the Shanghai Stock Exchange, with proceeds from this public issuance totaling RMB600 million (including issuing expenses) Proceeds after deduction of issuing expenses will be used in investment projects related to principal business of the Company, which will be detailed as below:

No.	Investment project funded by proceeds	Investment size of the project (RMB0'000)	Amount of proceeds to be used (RMB0'000)
1	Upgrading and reconstructing project of the design centre	13,510.00	11,000.00
2	The national engineering laboratory project	11,707.00	9,000.00
3	The construction of the R&D base project	22,235.00	22,000.00
4	The supplement to working capital project	18,000.00	18,000.00
	Total	65,452.00	60,000.00

Before receiving these proceeds, the Company may allocate self-raised funds to these projects according to their actual progress. When the proceeds are fully received, they will be used to replace the previous investments and to finance the remaining project costs. If the actual proceeds raised from this offering cannot meet the capital needs of the projects, the Company will make up the shortfall with self-raised funds.

I. UPGRADING AND RECONSTRUCTING PROJECT OF THE DESIGN CENTRE

(I) Project Introduction

The upgrading and reconstructing project of the design centre involves reconstruction and expansion of relevant workplace and buildings of the design center, which mainly includes upgrading and reconstruction of two existing office buildings, construction of rail transit technology showroom, back office building, basement restaurant and underground parking lot. The construction is located at No. 5 Fuchengmen North Street. When the project is

completed, it will be the business-related offices of the Company, including R&D offices, public supporting offices, technical service offices and equipment rooms, covering such fields as urban rail transit, integrated transportation hub and municipal administration, providing professional and quality design consulting services for customers, and equipped with corresponding software and hardware equipment. It will help the Company to reasonably plan the existing offices and supporting areas, to fully explore the functions of the workplace, to create a satisfactory production and service environment, and to improve the image of the Company.

(II) Filing and Approval of the Project

1. Filing

On 9 August 2016, Xicheng District Office of Beijing Municipal Commission of Development and Reform issued “Notice about Changes of Project Filing” (Jing Xi Cheng Fa Gai (Bei) [2016] No. 57) (《項目備案變更通知書》(京西城發改(備)[2016]57號)), giving a green light to filing of the project for structure reinforcement, wall decoration and courtyard expansion of office buildings located at No. 5 Fuchengmen North Street.

2. Environmental Impact Assessment

On 11 January 2018, the Company obtained the construction project environmental impact registration form titled “Six Construction Items for Business-purpose Supporting Facilities (Structure Reinforcement, Wall Decoration and Courtyard Expansion of Office Buildings Located at No. 5 Fuchengmen North Street)” (新建配套業務用房樓等6項(阜成門北大街5號院辦公樓結構加固、立面裝修及內院改擴建項目)), with filing number 201811010200000030.

3. Land for the Project

The land for this project is located at the west side of Fuchengmen North Street, Xicheng District, Beijing. Beijing Traffic Management Bureau is seated to the north of the land. Baiwanzhuang Street is to the south, and Beijing No. 77 High School (北京市第77中學) is to the west. To the east is Fuchengmen North Street (West 2nd Ring Road) (阜成門北大街(西二環路)). The Company has obtained the land use certificate of this land. The land used for this project is state-owned granted land, and has the nature for business and financial usage. The Company has obtained the “State-owned Land Use Certificate of the People’s Republic of China (Jing Xi Guo Yong (2013) No. 00061)” (《中華人民共和國國有土地使用證》(京西國用(2013出)第00061號)).

(III) The Necessity of the Project**1. To Satisfy the Company's Urgent Needs for Future Development**

The current design centre office of the Company was established and put into use in 1975. The structural safety of the building is relatively poor, and there are certain unreasonable matters in the overall design, with its relatively old equipment and system and non-compliance with the current standard requirements for aseismic design.

Under the new circumstances, the business scale of the Company are seeing steady development. The Company has undertaken a lot of design tasks related to rail transit, and industrial and civil engineering constructions in Beijing and other cities. The Company has also undertaken various scientific research tasks, including the national technological supporting scheme, “New Urban Rail Transit Technology” (「新型城市轨道交通技術」). As the number of professionals is growing rapidly along with the increase in scientific research and design tasks, the offices for scientific research and design purposes are currently in short supply, forcing some employees to work in leased offices. Furthermore, the Company has to accomplish in Beijing a lot of designs for its key projects in other cities, for the purpose of technology and manpower sharing. To accomplish these designs, the Company has to rent hotels nearby because of the shortage.

Issues stated above have hindered the Company from smooth progress in design and scientific research tasks, and led to increasing management cost, which, to some extent, had a negative impact on the operation and management efficiency of the Company and restricted the implementation of the Company's strategy. Therefore, it is urgent for the Company to build more offices through upgrading and reconstructing project of design centre, to improve its overall design capacity and to create a better working environment.

2. *To Improve the Company's Image and Influence*

The Company is the first listed company in China whose principal business is urban rail transit design and consultancy, and the first design and consultancy company in Mainland China listed in Hong Kong. Therefore, the quality of workplace is of great importance to the Company's image and brand building. The implementation of the upgrading and reconstructing project of design centre will help attract more design, scientific research and management talents, enhance the Company's competitive advantages in aspects such as business expansion and talent recruitment, adapt to the new requirements of the construction and development of urban rail transit, improve recognition among clients, boost in-depth business development, and improve the integrated competitiveness, thus promoting the sustainable and sound development of the Company.

(IV) Feasibility of the Project

1. *The Project Aligns with the Objective of National Economic and Social Development*

Despite a slower economic growth over recent years in our country, overall the economy is on the path towards rapid growth, and the macro economy has a bullish outlook over the long run. As the per capita disposal income and the urbanization rate keep rising, both the engineering survey and design sector and the construction contracting sector in which the Company is now engaged are bound to develop with great potential during the "13th Five-Year Plan" period. The positive outlook of macro economy and the great potential for industry development objectively offer a support to the decoration, reconstruction and expansion of business-related offices of the Company. Implementation of this project aligns with the trend and objective of national economic and social development.

2. *The Company Satisfies the Essential Conditions for Implementing the Project*

Over years of development, the Company has grown into a leading design, survey and consultation practitioner in China's urban rail transit sector. With its extensive project design and management experience, the Company satisfies all essential conditions in terms of technical experience, talent retention, construction capacity and management capacity.

(V) Project Schedule

The implementation of the project is divided into three phases as below:

1. From January 2016 to June 2017, preliminary preparation, survey and design;
2. From July 2017 to June 2019, construction of base and principal part, installation of building equipment and decoration;
3. July 2019, completion and acceptance.

Construction cycle	2016				2017				2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Preliminary preparation, survey and design	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction of base and principal part, installation of building equipment and decoration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Completion and acceptance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(VI) Environmental Control of the Project

Pollution to the environment in the course of construction and operation of the project mainly results from waste gas, wastewater (sewage), solid waste, noise and ecological impact. The Company plans to take the following measures to address these issues. Waste gas is mainly exhausted from kitchen, and the Company will adopt purification measures and then emit gas range hoods (achieving national emission standards). Waste water (sewage) mainly comprises oily discharge, and the Company will adopt filtration measures, and then discharge waste water to the municipal drainage pipe network through an oil separating tank. For solid waste, the Company will apply waste classification measures. As to the noise produced by the equipment rooms and ventilators, the Company will install silencers to air inlet and exhaust pipes and fire-proof and sound-insulated doors and windows to office rooms to minimum the impact of noise. With regard to the ecological impact, the Company will build roof gardens, and apply 70-percent permeable pavement and 50-percent concave greenbelt in outdoor areas.

(VII) Budget Estimate

Investment into the project totals approximately RMB135,099,600, which mainly comprises construction costs. According the feasibility report, the budget estimate is as follows:

No.	Item	Investment (RMB0'000)	Percentage to total investment (%)
I	Construction costs	11,658.38	86.29%
	(I) Construction expenses	7,317.07	54.16%
	(II) Installation expenses	1,908.40	14.13%
	(III) Expenses on equipment, machinery and tools	2,432.91	18.01%
II	Other construction expenses	1,208.26	8.94%
III	Budget reserve	643.33	4.76%
	Total investment	13,509.97	100.00%

The project involves reconstruction of original offices buildings, construction of new buildings, outdoor works and demolition works, covering a total of 22,788.40 square meters.

II. NATIONAL ENGINEERING LABORATORY PROJECT**(I) Project Introduction**

The project is led by UCD, and is jointly undertaken by it with three advantageous domestic organizations in the industry, namely Beijing Jiaotong University, Tsinghua University and Nanjing Metro Group Co., Ltd. Leveraging the industry-academy-research-use mechanism, the “National Engineering Laboratory” will be constructed with three major innovation platforms, one supporting platform, seven research centers and one engineering application base.

The three innovation platforms comprise Green Construction Technology and Equipment Innovation Platform (綠色建造工程技術與裝備創新平台), New Rail Structure Technology Innovation Platform (新型軌道結構技術創新平台) and Construction and Operation Safety Technology Innovation Platform (建設與運營安全技術創新平台). The supporting platform refers to the Supporting Platform of Engineering Design Digital Technology (工程設計數字

技術支撐平台)。The seven research centers include Research Center of New Green Structure System and Building Technology (新型綠色結構體系及建造技術研究中心), Research Center of New Rail Structure Technology (新型軌道結構技術研究中心), Research Center of Construction and Operation Safety Monitoring Technology (建造與運營安全監控技術研究中心), Research Center of Infrastructure Trouble Shooting and Control Technology (基礎設施故障診斷與調控技術研究中心), Research Center of Structural Earthquake Resistance and Disaster Reduction Technology (結構抗震減災技術研究中心), Research Center of Numerical Analysis on High-performance Structure (高性能結構數值計算研究中心) and Research Center of Engineering Simulation and Design Digital Technology (工程模擬與設計數位技術研究中心)。The engineering application base refers to Nanjing Metro Engineering Application and Demonstration Base (南京地鐵工程應用示範基地)。

(II) Filing and Approval of the Project

1. Filing

On 9 March 2016, the National Development and Reform Commission issued “Reply of the General Office of the National Engineering Laboratories for Green & Safe Construction Technologies of Urban Rail Transit” (Fa Gai Ban Gao Ji [2016] No. 581) (《國家發展改革委辦公廳關於城市軌道交通綠色與安全建造技術國家工程實驗室項目的復函》(發改辦高技[2016]581號)), agreeing to “offer national investment subsidies to the project located in Xicheng District of Beijing, with a construction period of three years, and Beijing Urban Construction Design & Development Group Co., Limited acting as the legal entity”.

2. Environmental Impact Assessment

On 25 December 2014, Xicheng District Office of Beijing Municipal Environmental Protection Bureau issued “Notice of Xicheng District Office of Beijing Municipal Environmental Protection Bureau on Rejecting Administrative Permit” (Reference No.: Xi Huan Shen Bu 20140014) (《西城區環境保護局行政許可不予受理通知書》(編號：西環審不20140014)), refusing to accept the application for environmental protection administrative permit in relation to the project.

3. *Land for the Project*

The land for this project is located at the west side of Fuchengmen North Street, Xicheng District, Beijing. Beijing Traffic Management Bureau is seated to the north of the land. Baiwanzhuang Street is to the south, and Beijing No. 77 High School (北京市第77中學) is to the west. To the east is Fuchengmen North Street (West 2nd Ring Road) (阜成門北大街(西二環路)). The Company has obtained the land use certificate of this land. The land used for this project is state-owned granted land, and has the nature for business and financial usage. The Company has obtained the “State-owned Land Use Certificate of the People’s Republic of China” (Jing Xi Guo Yong (2013) No. 00061) (《中華人民共和國國有土地使用證》(京西國用(2013出第00061號))).

(III) The Necessity of the Project

1. *To Meet Demands for Rapid Development in Urban Rail Transit from by New Urbanization and National Strategies*

As the new urbanization in our country is undergoing rapid development, urban rail transit has become one of the most important ways to address urban traffic jam. So far, nearly 54 cities in China have been planning on the construction of their own rail transit system, and more cities will establish urban rail transit systems in the future. Meanwhile, in the “Outline of National Mid-term and Long-term Science and Technology Development Plan (2006–2020)” (《國家中長期科學和技術發展規劃綱要(2006–2020年)》), the backbone role of urban rail transit in the public transportation system of megalopolis is highlighted. The document underscored that development of urban rail transit system is indispensable in city development and national strategies. In the new backdrop of network construction and operation, the current levels of construction and testing informationization are encountered with great challenge from multiple aspects such as basic theory, technological system, and facilities and equipment. It is necessary for urban rail transit sector to make breakthroughs on technological difficulties in safety, quality, energy saving and efficiency concerning the construction of urban rail transit, and comprehensive testing and informationization on infrastructure. Riding on the rapid development of urban rail transit system in China, the project focuses on problems of comparatively backward rail transit testing equipment, construction technology and equipment, operation and maintenance equipment and level of informationization. Based on the industry-academy-research collaborative mechanism, the project intends to build an innovation

platform of green and safe construction technology in urban rail transit through basic theory study, core technology research and development, research and manufacturing of major equipment and implementation of key program, thereby promoting the sustained and sound development of China's urban rail transit sector.

2. *To Improve Independent Innovation Capacity Regarding Urban Rail Transit Construction and Infrastructure*

Urban rail transit construction involves high investment, high degree of difficulty, high level of risks, faces complicated construction conditions and characteristics, and has to be constructed with sophisticated construction technology. Therefore, it is a sector that draws attention from both the government and the society. Over years of development, the urban rail transit of China has made great progress in design and consultancy, construction management, project construction, and production and installation of mechanical and electrical equipment as well as operation and maintenance. The State formulated various supporting policies, standards and norms in recent years, which underpinned the development of urban rail transit in China. However, urban rail transit in China remains at a weak position in urban rail transit system testing, vehicle system integration, train communication and operation control, system safety guarantee, project construction and so on. Particularly, there is still a great leeway in improving urban rail transit construction safety, quality, energy saving and efficiency, comprehensive detecting technology of infrastructure and informationization of operation and maintenance. Implementation of this project will help improve the independent capacity in relation to core technologies of China's urban rail transit, nurturing advantages to occupy a dominant position in such area in terms of technology, standards and future development. The project will help upgrade the technical standard technology and system of which it owns intellectual property, and improve quality and efficiency of urban rail transit construction, thus realizing the development objectives of energy-saving and environmental protection safety and reliability, and convenient operation and maintenance of equipment for comprehensive testing of infrastructure.

3. *To Accelerate Conversion and Industrialization of Scientific and Technological Achievements*

China's high-speed rail are promoting the "going global" strategy on a large scale, and the urban rail transit of China has also encountered an urging need to go global with years of technology accumulation and scientific achievement conversion. The large-scale market for urban rail transit construction has provided a training ground for China to improve its technology. The implementation of this project will make breakthroughs in resolving technical difficulties related to urban rail transit in research and development and engineering process of technologies, craftsmanship and equipment, including construction and operation of digital engineering technology, comprehensive testing, processing technology on detected data, intelligent software system, construction technology and operation and maintenance. This project aims to promote the industrialization of scientific and technological achievements, and to help enterprises become internationally competitive via independent technology innovation. When realizing standardization and systematization of manufacture, development and application of major equipment and systems in the field of rail transit, this project will quickly narrow the gap from achieving the international advanced standards, contribute to the realization of the "going global" strategy, and promote the overall technological upgrade in the rail transit sector of China.

(IV) Feasibility of the Project

1. *Extensive Experience in Rail Transit Construction and Research*

The Company is the first professional metro design practitioner in China. It is also the first of its kind to go overseas for metro design tasks, and the only one listed company in China's urban rail transit sector. With more than 50 years of development and accumulation, the Company has undertaken numerous urban rail transit design projects that covered design and consultancy, project construction and industrialization and built a whole industry chain. The Company has provided design and consultancy services to more than 30 cities home and abroad, has been engaged in feasibility study for over 50 rail transit lines, and has acted as the general contractor in overall design of 66 urban rail transit lines. Many of these lines and stations have been put into service. The strong research and development competence and extensive scientific research experience offer the Company a crucial guarantee in implementing this project.

2. *Numerous Major Scientific and Technological Achievements and Series of Products*

With years of accumulation and development, the Company has developed and owned a series of technological achievements and products. Since Beijing Metro Line 1, the first metro line in China, the Company has been devoted to promoting new construction method and technology development of urban rail transit. The Company has developed numerous new technologies and methods for constructing large scale urban rail underground structure and space, and possesses independent intellectual property rights. The Company also led or participated in the formulation of most standards and norms in the sector, including the national standard of “Standards for Subway Design” (《地鐵設計規範》), the national standard of “Standards of Urban Rail Transit Engineering Project Construction” (《城市軌道交通工程項目建設標準》), the national standard of “Standards of Geological Engineering Survey of Urban Rail Transit” (《城市軌道交通岩土工程勘察規範》), the national standard of “Technical Specifications of Urban Rail Transit” (《城市軌道交通技術規範》) and the national standard of “Standard on Management of Urban Rail Transit Construction Projects”, (《城市軌道交通建設專案管理規範》). As the firm responsible for the project, the Company is currently conducting four key research and development projects in the “13th Five-Year Plan”, and has undertaken many State ministry and commission-level and provincial-level research and development projects, which, to some extent, helps China overcome major technical difficulties in urban rail transit structure and promotes development of the sector. Scientific and technological achievements and series of products of the Company lay an essential foundation for smooth progress of this project.

3. *Reasonably Structured and Talented R & D Workforce*

The Company has a research and development team comprising talents majored in different disciplines including structure, tunnel, rail, bridge, informationization and management, and has an industry-leading edge in design, scientific research, testing and application. The Company has a number of professors, professor-level senior engineers and senior engineers, a number of experts who are entitled to special allowance from the State Council, “Hundreds of Leading Talents for Technology Beijing” (科技北京百名領軍人才), “Hundreds, Thousands, and Ten Thousands of Talents for the New Century” (新世紀百千萬人才) and “Beijing Nova in Science” (北京市科技新星), all of whom have been long engaged in the research and development

work related to urban rail transit. With a well-structured workforce, the Company will hold a safe lead in the urban rail transit business, lay a solid foundation for increasing market share in the rail transit sector, and have a strong support for smooth progress in this project.

(V) Project Schedule

The implementation of this project comprises four phases as listed below:

1. From October 2015 to March 2016: preliminary preparation, laboratory requirement analysis and overall plan finalization;
2. From February 2016 to December 2016: construction preparation, preliminary project design and construction drawing design, and completion of tendering procedures;
3. From October 2016 to December 2018: project construction, completion of laboratory buildings or adaptive reconstruction projects, completion of three major innovation platforms, one supporting platform, seven research centers and one demonstration base;
4. From October 2018 to March 2019: trial operation and acceptance.

	2015		2016				2017				2018		2019	
Construction cycle	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Preliminary preparation	-	-												
Project tendering		-	-	-	-									
Project construction					-	-	-	-	-	-	-	-	-	
Completion and acceptance												-	-	-

Note: Figures below each year indicate relevant quarters.

(VI) Environmental Control of the Project

This project primarily involves indoor reconstruction and decoration during construction period, which will have relatively little impact on the environment. After the completion, possible pollution resources that may influence the environment will include waste water, waste residue and so on. Waste water mainly includes sewage. This project is committed to the research and development of green product and software of urban rail transit, and hardly discharges waste water, but only utilizes some water to clean and wash the equipment, and discharges it to the existing municipal waste water treatment plant via the original drainage system in the office buildings. Waste residue mainly includes domestic waste, which can be comprehensively utilized or delivered to harmless treatment, thus bringing no impact on the external environment. The little amount of waste produced in the course of experiments and research and development will be classified, and delivered to harmless treatment, thus bringing no impact on the external environment.

(VII) Budget Estimate

Investment in this project totals RMB117,070,000, including RMB20,000,000 of special fund allocated by the National Development and Reform Commission and RMB97,070,000 of self-raised fund, covering a construction period of three years. According to the feasibility report, the budget estimate is as follows:

No.	Item	Investment (RMB0'000)	Percentage to total investment (%)
I	Construction costs	10,913.20	93.22%
	(I) Building and reconstruction expenses	556.60	4.75%
	(II) Major equipment	10,356.60	88.47%
II	Other construction expenses	235.93	2.02%
III	Budget reserve	557.46	4.76%
Total investment		11,706.59	100.00%

1. *Building and Reconstruction Expenses*

Building and reconstruction expenses in this project totals RMB5,566,000, breakdown of which is listed as below:

No.	Project name	Measure unit	Quantity	Investment (RMB0'000)
1	Structure reinforcement of existing buildings (including equipment base)	Square meter	2,530	88.55
2	Demolition works	Square meter	2,530	25.30
3	Reconstruction of Decoration	Square meter	2,530	228.30
4	Reconstruction of water, heat and electricity supply	Square meter	2,530	114.45
5	Reconstruction of the demonstration base offices	Item	1	100.00
Total		Square meter	<u>2,530</u>	<u>556.60</u>

2. *Major equipment*

Expenses on major equipment in this project totals RMB103,566,000, the breakdown of which is listed as below:

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
1	Fabricated joint grouting equipment (装配式接头专用注浆设备)	Independently developed	Rapid grouting for joints	set	1	20.00
2	Prefabricated on-site detector for water-proof performance of joints in spliced-structure (預製装配式拼装結構接头防水現場检测试验设备)	Independently developed	Rapid detection of water leakage	set	1	20.00
3	New pre-support underground excavation equipment (新型预支护式暗挖地下结构装备)	Independently developed	Rapid tunnelling	set	1	200.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
4	New automatic track laying equipment for slab-type vibration damping track (新型板式減振軌道自動鋪軌裝備)	Independently developed	To improve track laying speed and quality	set	1	100.00
5	Rubber sealed waterproof screen testing platform (橡膠密封防水試驗檢測平台)	Independently developed	To test the water proof performance of rubber	set	1	20.00
6	Micro electro-hydraulic server universal testing machine (微機電液伺服萬能試驗機)	WAW-1000	Automatic loading, measurement, data collection, display, test result processing	set	1	45.00
7	Concrete chlorine ion penetration resistance measuring instrument (混凝土抗氯離子滲透性測定儀)	JC503-SWDK6	To reflect the chlorine ions penetrating the commercial concrete by measuring the electricity charge passing such concrete (測量流過商品混凝土的電荷量反映滲透商品混凝土的氯離子量)	set	2	5.00
8	DASP intelligent data collection and signal analysis system	V10	Signal oscilloscope sampling, basic signal analysis	set	2	40.00
9	SIRIUS ACC vibration and noise testing system	SIRIUS ACC	Data output collection	set	2	30.00
10	Dynamic data collection system	German IMC series	Data collection	set	1	14.00
11	Dynamic data analysis system	German IMC series	Data analysis	set	1	5.00
12	Static strain testing system	Sichuanger Company	10 channels	set	1	3.00
13	Digital ultrasonic flaw detector (數字式超聲波探傷儀)	ZD56	Track defect detection	set	1	50.00
14	Server-control computer tension testing machine (伺服控制電腦拉力試驗機)	AI-7000LA10	For tension testing of material and structure member (用於材料及構件的拉伸試驗)	set	1	20.00
15	Static and dynamic fatigue testing machine (動靜態疲勞試驗機)	UD-3600B	To test anti-fatigue performance of material and structure member (檢測材料和結構構件的抗疲勞性能試驗)	set	1	80.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
16	Impact testing machine (衝擊試驗機)	JB-300	To conduct impact testing by imposing impacting force on the sample	set	1	1.90
17	salt spraying tester (鹽霧試驗機)	CZ-160A	Testing machine for three proofings (moisture proofing, salt spray proofing and fungus proofing) under controlled atmosphere (人工氣候環境“三防”(濕熱、鹽霧、黴菌)試驗設備)	set	1	3.70
18	Large model tank (大型模型槽)	Independently developed	For ballastless track test	set	1	80.00
19	Vibration cyclic loading system (振動循環加載系統)	Independently developed	Cyclic loading	set	1	100.00
20	Digital noise meter and auxiliary collection and analysis system (數字式噪聲計及配套採集分析系統)	DT-4430	Noise measurement	set	1	30.00
21	Vibration platform	Independently developed	Vibration testing	set	1	90.00
22	Steel rail flaw detector (鋼軌探傷儀)	GT-1C-T	Steel rail flaw detection	set	1	40.00
23	Steel rail corrugation measuring instrument (鋼軌波磨測量儀)	RM1200	To measure steel rail corrugation	set	1	50.00
24	Engineering sonar (工程聲波儀)	GSY-1-T	Basic infrastructure detection	set	1	25.00
25	Automatic creep measurement system (全自動徐變測量系統)	YC-XB-T	Creep detection	set	1	30.00
26	Fracture microscopic instrument (裂隙顯微儀)	Leica-T	Fracture detection	set	1	20.00
27	Steel rail profile tester (鋼軌輪廓測試儀)	Mini Pro	Rail profile measurement	set	1	40.00
28	ICP acoustic intensity scanner (ICP聲強掃描器)	/	Noise intensity test	set	1	30.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
29	Ultrasonic generator (超聲波發生器) /		For rail structure flaw detection, vibration transmission path and transfer function test, welded steel rail track stress testing (用於軌道結構探傷、振動傳遞路徑及傳遞函數測試、無縫線路鋼軌應力測試)	set	1	20.00
30	Ballastless track test platform (無砟軌道試驗台)	Independently developed	To conduct ballastless track performance test	set	1	80.00
31	Vibration test and control device	DH-VCT	Vibration test	set	1	30.00
32	LCD spliced screen (液晶拼接大屏)	Samsung/LG	3X3 55-inch ultra-narrow spliced LCD, seam line 3.9mm, bright LED light source, with image resolution of 1080P	set	1	80.00
33	Remote disaster recovery system (異地災備系統)	-	Offer remote centralized backup function to data of four key servers; offer disaster recovery function to the operation system and application of four key servers; disaster recovery system indicator: RPO<10 hours, RTO<3 hours	set	1	30.00
34	Specialized laser camera for monitoring densely populated metro (高密度地鐵客流檢測專用激光攝像頭)	Independently developed	All-in-one device easily powered on, with laser and video functions	set	3	60.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
35	Aluminum alloy shell and mounting frame (鋁合金機加工殼體及安裝支架)	Independently developed	Adapt to specialized laser distribution and heat dissipation functions, facilitate installation and support of specialized camera in various metro construction conditions, realize independent mold making	set	3	30.00
36	High-speed signal processing board (高速信號處理板)	Independently developed	8 TMS320C66x cores to realize 10G processing capacity, 32KB L1P 32KB L1D, 512KB for each core; L2, with 4MB Shared L2; 2-way Full Camera Link interface	set	10	40.00
37	Metro dynamic traffic warning decision support platform (地鐵動態客流預警決策支持平台)	Independently developed	Analysis of station, lines and network three-level warning based on GIS	set	1	100.00
38	Phased array ultrasonic testing equipment (相控陣超聲檢測設備)	Olympus omniscan MX2	Include ultrasonic probe, pore diameter: 16 chips, number of chips: 128, fan-shaped or linear scan, digitalized frequency: 100MHZ, maximum capacity 180MB, number of law of convergence 256, mini encoder; electric water pump;	set	1	80.00
39	Phased array ultrasonic testing software and auxiliary device development (相控陣超聲檢測軟體及配套裝置研發)	Independently developed	3D imaging and life forecast software; auxiliary device	set	1	100.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
40	Hidden danger investigation and treatment system for whole process of urban rail transit construction (城市軌道交通建設全過程隱患排查治理系統)	Independently developed	Hidden danger investigation and treatment function in all phases including survey and design, civil construction, decoration, mechatronic system engineering and trial operation	set	1	150.00
41	Metro networking emergency response platform (地鐵網路化突發事件應急處置平台)	Independently developed	To prevent and deal with risks in case of emergencies, including massive passenger flow in metro, train delay and extreme weather	set	1	100.00
42	Measuring robot	MS05	Angle accuracy 0.5"/1" distance accuracy 0.5+1ppm×D)mm range 0.3–200m*6; high-speed distance and accuracy: 0.01mm, rapid test/tracking: 0.1mm	set	1	42.00
43	Fiber and grating demodulator (光纖光柵解調儀)	IFBG-S15	For signal collection	set	3	60.00
44	Steel rail temperature strain tester (鋼軌溫度應變測試儀)	DH3816	To test steel rail additional temperature force (鋼軌附加溫度力)	set	1	35.00
45	High-speed video system (高速攝像系統)	Phantom	Basic facility video	set	1	40.00
46	Server	IBM	Data processing	set	1	30.00
47	Laser measurement system (鐳射量測系統)	Fluke Connect	Data measurement	set	1	50.00
48	Steel rail crack tester (鋼軌裂紋測試儀)	Independently developed	To conduct steel rail surface crack damage test (進行鋼軌表面的裂紋傷損測試)	set	1	20.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
49	Non-contact deformation tester (非接觸式變形測試儀)	IMETRUM	To monitor large cross-river bridge	set	1	35.00
50	Laser displacement sensor	LTS-120/40	To conduct non-contact high frequency measurement (進行非接觸式高頻測量)	set	1	30.00
51	Track slab gap tester (軌道板離縫測試儀)	Customized	To conduct ballastless track gap disease and damage detection (進行無砟軌道離縫病害檢測)	set	1	50.00
52	Track detection car (軌道檢測小車)	GEDO	Track geometry detection (軌道幾何形位檢測)	set	1	170.00
53	Electro-hydraulic server vibration driven control device (電液伺服振動驅動控制裝置)	MTS Corporation	Exciting force 50kN	set	1	30.00
54	Micro pore pressure sensor	XCL-11-250	Pore pressure measurement	set	20	25.00
55	Micro acceleration sensor	3035B	Acceleration measurement	set	10	20.00
56	Micro soil pressure sensor	SEPG	Soil pressure measurement	set	20	5.00
57	Small laser displacement sensor	HL-G1	Displacement measurement	set	10	20.00
58	Real-time dynamic loading device based on non-linear controller (基於非線性控制的實時動力加載設備)	FCS Corp., 800L oil source, 1000kN multi-point dynamic loading	Structural seismic test loading	set	1	220.00
59	Dynamic data collection device	US-based NI, 100 channels, high-speed data collection	Strain, stress and displacement measurement	set	1	30.00
60	Non-contact displacement meter (非接觸式位移計)	Laser displacement sensor LD250, measurement range 250mm, accuracy 0.1mm	Displacement measurement	set	20	40.00
61	Vibrator array based on non-linear controller (基於非線性控制器的振動台陣)	Including three one-way vibrators, which can be combined with real-time dynamic loading system	For vibrator test in elevated structure earthquake simulation	set	1	120.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
62	TRELES	15	High-performance finite element preprocess software (高性能有限元前處理軟件)	set	4	10.00
63	TotalView	2014	Parallel debugger	set	1	20.00
64	Front-end server of high-performance compute cluster (高性能計算集群前端服務器)	Intel Xeon	Front-end equipment for high-performance compute platform	set	8	40.00
65	Linux compute cluster (Linux計算集群)	Intel Xeon	High performance numerical simulation	set	1	80.00
66	Storage rack of compute cluster (計算集群存貯架)	SYS-F618H6-FTL+	Installation of high-performance compute cluster	set	1	10.00
67	Cooling system of compute cluster (計算集群製冷系統)	ExaBlade	Cooling of computer cluster (計算集群製冷)	set	1	30.00
68	Work station	UltraLAB Alpha700(4281TB-S15PAT24ARCT3)	CPU: Intel advanced E7-4800 v2 CPU frequency: 2.8GHz CPU model: Xeon E7-4890 v2 CPU maximum amount: 4 chipsets: Intel C602J PCH	set	1	82.00
69	Oracle database	Oracle	11g	set	2	80.00
70	SQL database	SQL	Ver.2012	set	2	50.00
71	Urban rail transit sector data platform and efficiency evaluation system (城市軌道交通行業數據平台及效能評價系統)	Independently developed	Big data platform construction and data analysis and mining	set	1	150.00
72	Modern tramcar traffic simulation platform (現代有軌電車交通仿真平台)	Independently developed	Specialized traffic simulation, assessment and analysis	set	1	100.00
73	Urban rail transit 3D aided design (RIM) system (城市軌道交通三維輔助設計(RIM)系統)	Independently developed	BIM design platform	set	1	560.00
74	People dynamics simulation software (人員動力學仿真軟件)	LEGION SPACEWORK	Passenger flow simulation	set	2	160.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
75	ABAQUS	6	Static and dynamic analysis of structure	set	1	70.00
76	MIDAS-BUILDING	v2015	Dynamic elastic-plastic analysis of building structure	set	1	15.00
77	FLAC3D	v5.0	Computational analysis of geotechnical mechanics	set	1	50.00
78	VISSIM	v7.0	Traffic flow simulation	set	1	60.00
79	TRANSCAD	V6.0	Traffic distribution	set	1	15.00
80	EMME	V4	Traffic forecast	set	1	25.00
81	ANSYS	v15.2	Performance evaluation of structural mechanics	set	1	65.00
82	SIMPACK	Germany	Computational analysis	set	1	80.00
83	STAR CCM+	v10.04	8 cores parallel, airflow and thermal environment analysis	set	1	82.00
84	UDEC	v4.01	Underground geotechnical analysis	set	1	20.00
85	Storage of rail transit network security command platform (軌道交通線網安全指揮平台存儲)	HP EVA4400 disk array	Sustained throughput: 1550M HSV300 dual control (Cache 4GB, Cache backup battery lasts for at least 96 hours) 4GB Connect to host and backup server through two-way 4Gbps FC interface	set	4	150.00
86	Switch/firewall/interface message processor for rail transit network security command platform (軌道交通線網安全指揮平台交換機/防火牆/接口機)	HIRSCHMANN MACH4002 48G-L3P	Data processing, storage	set	10	138.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
87	Server of rail transit network security command platform (軌道交通線網安全指揮平台服務器)	HP DL580 G7 rack server	Processor frequency: 2.66GHz; three-level advanced cache 18MB; 4 independent Intel processors (6 cores), 64 bit; 128G memory; 4*146G hard disk, 10000Rpm	set	4	100.00
88	Collection and processing of video data on the rail transit network security command platform (軌道交通線網安全指揮平台視頻數據採集處理)	Customized	Converge video information of all lines, and then decode and broadcast	set	1	300.00
89	Large screen of rail transit network security command platform (軌道交通線網安全指揮平台大螢幕)	Visionpro® 70" series 2 X 8 DLPTM Digicom® AP5000	DLP display unit PH7051552 mm (width) × 872 mm (height) 1400 × 1050 pixel LED lighting source	set	1	150.00
90	Rail transit network security command platform configuration/communication software (軌道交通線網安全指揮平台組態通信軟件)	Customized	Middleware module (CORBA)	set	1	500.00
91	Communication node of rail transit network security command platform (軌道交通線網安全指揮平台通訊節點機)	HIRSCHMANN MACH4002 24G-L3P	MACH4002-48G-L3P: 10Mbps/100Mbps electrical interface: 3; gigabit electrical interface: 14; gigabit fiber interface (single module): 7	set	1	600.00
92	Rail transit network security command platform system/database software (軌道交通線網安全指揮平台系統數據庫軟件)	Customized	ORACLE (large commercial relational database management system)	set	1	100.00
93	Engineering auxiliaries of rail transit network security command platform (軌道交通線網安全指揮平台工程輔件)	Customized	Auxiliary members	set	1	300.00

No.	Project or equipment name	Type of equipment	Indicator or use	Unit	Quantity	Investment (RMB0'000)
94	Testing base for contact line section of the contact system (接觸網錨段測試基地)	Flexibility TJ150+CTA120 Rigidity HL2213+CTA120	Testing of relevant parts	set	1	250.00
95	Track test base (軌道測試基地)	/	Testing of track products and structure property	set	1	550.00
96	Workshop equipment for electronic test (電子測試車間設備)	/	Electronic product testing	set	1	200.00
97	Device for electromechanical equipment test (機電設備測試設備)	/	Electromechanical equipment testing	set	1	200.00
98	Electromechanical equipment testing and workshop testing environment platform (機電設備測試車間測試環境平台)	/	Environment testing	set	1	200.00
99	Operation management and maintenance storage	HP EVA4400 disk array	Hardware support	set	1	150.00
100	Operation management and maintenance server	IBM POWER750	Network service	set	1	250.00
101	Operation management and maintenance switch/firewall/interface message processor	HIRSCHMANN MACH4002 48G-L3P	Data transmission	set	1	100.00
102	Operation management and maintenance system/database software	Customized	ORACLE (large commercial relational database management system)	set	1	300.00
103	Locomotive	/	Demonstration test	set	1	600.00
104	Grouting equipment	ZKSY90-125 double cylinder	Test and detection	set	1	200.00
Total				set	225	11,356.60

III. THE CONSTRUCTION OF THE R&D BASE PROJECT

(I) Project Introduction

When construction of the R&D Base is completed, there will be “four major technology R&D centers” – New Transportation Technology R&D Center (新型交通技術研發中心), Green and Safe Construction Technology R&D Center (綠色與安全建造技術研發中心), R&D Center of Urban Rail Intelligent Operation and Maintenance (城軌智能運維研發中心) and R&D Center of Smart City and Digital Engineering (智慧城市及數字工程研發中心), and “three major technology support centers” – Data Center, Testing Center and Industrialized Achievement Conversion Center (產業化成果轉化中心). Full-time researchers and technical experts will be appointed to work in “seven research orientations” – new transportation system and planning design technology, green construction technology and equipment, new rail transit structure technology, urban rail intelligent operation and maintenance technology and equipment, energy saving technology and equipment, research and development of digital engineering technology and products, smart city and big data technology and application. The R&D Base aims to comprehensively serve the Company’s urban construction integrated service led by design, build a “four-in-one” technology innovation system that incorporates research management, technology development, technology innovation platform management and expert management, helping the Company to enhance its technological research and development capability and core competitiveness and promoting rapid development of the industry.

(II) The Necessity of the Project

1. *The Inevitable Trend That Companies Build Their Technology Innovation System Emerges Under the National Strategy on Innovation Development*

Since the “12th Five-Year Plan” period, the State has been paying high attention to technology innovation, and regards technology innovation as the core of overall development. The key role of companies in technology innovation system is highlighted in many key plans including “Outline of the National Strategy on Innovation-Driven Development” (《國家創新驅動發展戰略綱要》) and “13th Five-Year Innovation Plan on National Science and Technology” (《十三五國家科技創新規劃》). Leading companies in the industry are encouraged to gather innovation elements with a focus on regional and industrial great demands on technology, develop different forms of advanced technological research and development and achievement conversion, build high-standard research and development institutes and establish a more efficient and sound scientific organization system. Under the

new economic circumstances that innovation takes the lead to facilitate development in China, for leading enterprises in urban rail transit consultation sector in China, changing the traditional design and consultancy business-oriented development method and constructing dedicated research and development institutions to provide support to technological innovation in enterprises have become an inevitable trend for enterprises to achieve innovation and sustainable development. Under such a trend, the Company finds it is imperative to make co-ordination of innovation resources including technology base, talent reserve, research and development conditions and capital investment, focus on major technical demands in main business segments such as design and consultation, construction, operation and maintenance management, and industrialization of science and technology, make innovation on technology research and development and management, and construct a high-standard technology R&D base.

2. *The Expanded Scale, Intelligentization and Diversification of Urban Rail Transit Sector Compels Companies to Cultivate Sustained Technology Innovation Capability*

As the development environment evolves, the urban rail transit is bound to witness diversified trends, including scaling up, structure networking, mode diversification, industry standardization and market internationalization. In addition, “Made in China 2025” (《中國製造2025》), “13th Five-Year Innovation Plan on Systems for National Science and Technology” (《「十三五」國家科技創新體系規劃》), “13th Five-Year Development Plan on Modern Integrated Transportation System” (《「十三五」現代綜合交通運輸體系發展規劃》), “13th Five-Year Special Plan of Technological Innovation in Transportation” (《「十三五」交通領域科技創新專項規劃》) and other national key plans set out higher standards for urban rail transit technology innovation. As a leader in the urban rail transit consultation sector, the Company will embrace important periods of diversified development, and it is also imperative for the Company to develop new businesses models based on its traditional design and consultation business. After years of development and accumulation, the Company boasts achievements in major rail transit projects, technology innovation, standardization and talent cultivation, but its technology development mode driven by design and consultation will be challenged. In particular, the technology industrialization requires more input and management in technology innovation. New streams of income and core competitiveness require continuous technology innovation and sustained development and enhance, therefore, it is urgent to build a company-level R&D base.

3. *It is Imperative for the Company to Transfer its Perennial Technical Accumulation into a Professional Technology Research and Development Team through Resource Consolidation*

In its years of development and accumulation, the Company has achieved much in scientific research projects, standards, norms and other aspects and established several national and provincial-level research platforms, including the National Engineering Laboratories for Green & Safe Construction Technologies of Urban Rail Transit and the Engineering and Technology Research Centre of Beijing Rail Structure (北京市軌道結構工程技術研究中心). In addition, the Company keeps abreast of development direction and creates technological achievement incubation mode through industry-academy-research collaboration, accelerating commercialization of technological achievements and promoting the application of new technologies such as automation and intelligentization in the urban rail transit and the industrial automation areas. However, the Company does not have a management system that aligns with its innovation capability, and has scattered research resources and talent distribution. It has not made adequate preparation in strategic planning, and the “actualization” rate of most research achievements stays at a low level. Therefore, the Company has a desperate need for resource consolidation at company level and a specialized technology research and development team to improve overall research and development quality. In operation of the R&D Base, the Company will have a better management on its research and development work, fully play a leading role in promoting technology development in the sector, cultivate top talents for the sector and promote materialization of technological achievements. Furthermore, the Company will be able to expand its business scope, enhance its competitiveness, reinforce its brand influence and boost sound and sustained development.

(III) Feasibility of the Project

1. *Supporting Policies for Rail Transit Innovation and Development Offer Opportunities to Companies to Realize Technological Innovation Development*

The “Made in China 2025” (《中國製造2025》) released by the State Council states that advanced rail transit equipment is a key aspect, and that efforts will be made for achieving breakthrough in the application of new rail transit materials, new technologies and new processes, systematic security, energy conservation and environmental protection, digitalization and intelligentization networking technology, the development of advanced, reliable and practical products and light, modularized and systemized products manufacture, and new generation of equipment system for

green and intelligent rail transit. The “13th Five-Year Innovation Plan on Systems for National Science and Technology” (《「十三五」國家科技創新體系規劃》) explicitly states that China will promote the development of modern transportation technologies and equipment, and that rail transit will be an important aspect. The “13th Five-Year Development Plan on Modern Integrated Transportation System” (《「十三五」現代綜合交通運輸體系發展規劃》) approved by the State Council highlights the importance of improving urban rail transit networks in large cities and megacities, stating that efforts will be made to help cities with urban residents of over 3 million to build rail transit networks and setting the principle for industry convergence, which underlines equal stress on construction, operation and maintenance and promotes the convergence between transportation and industrialization. The National Plan on New Urbanization (《國家新型城鎮化規劃》) relaxes restrictions on urban household registration, promotes city cluster driven by economic transition and accelerates the development of National Districts, which stimulates the multi-system and balanced development of urban rail transit sector.

The central government’s strong support to rail transit technology innovation offers companies in the sector great opportunities to improve their own innovation capabilities. As the sector maintains rapid development in a favorable environment, all businesses of the Company witness steady and sound development, and the Company leverages its strength with a whole industry chain in urban rail transit to promote green, intelligent and innovation-driven industrialization, thus creating a better environment for the establishment of the R&D Base.

2. *The Company’s Great Contribution to Innovation Capability Cultivation Provides Decision Support to Establishment of the R&D Base*

After the Company is listed in the H share market, its overall financial position has improved significantly. The expansion of financing channel and the enhancement of financing ability offer strong financial support for scale-up of the Company. To become an integrated urban construction service provider led by design business, the Company still has to explore more, practice more and innovate more by basing on its existing businesses, and to proactively develop new business pattern and profit model. With its technology advantage and innovation ability, the Company builds technology industrialization platforms to strengthen positive interaction between technological innovation and industrial operation. Supplementing technology reserve by innovation and expanding the market by industrialization projects, the Company nurtures two engines for industrialization and forges new profit drivers and core technology reserve. To achieve such an end, the Company adopts a diversification strategy, capitalizes on

the reputation of urban rail design consultation, invests more in technology research and development to lead industrialization, so as to advance business transformation and create an eco-system of a whole industry chain. With more research and development input to support development and innovation of core urban rail transit technologies and strong support of the National Engineering Laboratory and the Engineering Technology Center to reinforce advanced technology consolidation and development, the Company fosters strong core technology advantage by expanding the market with technology and resource advantages and continuously integrating urban rail technological innovation achievements. The R&D Base is built on a solid foundation made of a complete technology innovation system covering innovation platform construction, talent cultivation, key problem tackling and breakthrough and management pattern innovation.

3. *Long-Term Research Experience, Talent Reserve and Technology Innovation Platforms Provide Essential Conditions for Establishment of the R&D Base*

The Company has numerous technology research and development achievements and is now pursuing more, which provides extensive project experience for the R&D Base. Having been promoting technology development by innovation in recent year, the Company fosters strong research and development ability and practical research ability, and undertakes about 100 major research projects at home and multiple key research projects abroad. The Company accumulates numerous achievements in its years of devotion, helps the country tackle key technology problems related to urban rail structure and promotes development of the sector, which provides extensive experience in undertaking major projects, research, product development & application and management that will facilitate establishment and operation of the R&D Base. With a handful of talents who are entitled to special allowance from the State Council, “Hundreds of Leading Talents for Technology Beijing” (科技北京百名領軍人才), “Hundreds, Thousands, and Ten Thousands of Talents for the New Century” (新世紀百千萬人才) and “Beijing Nova in Science” (北京市科技新星), the Company offers a large talent reserve for the R&D Base. The Company also possesses several national, provincial and ministry-level and intracompany research and development platforms covering civil engineering, transportation, energy, environment, control, management and other disciplines. All of these platforms have distinct features and complement with each other, providing abundant resources and solid foundation for establishment of the R&D Base.

(IV) Project Schedule

This project is divided into five phase, as listed below:

1. From January 2018 to March 2018, kick-off, funding and fulfillment of other conditions;
2. From April 2018 to December 2018, demonstration and design of renovation and reconstruction plan and commencement of decoration works;
3. From January 2019 to December 2019, equipment procurement and installation, and appointment of research and development personnel;
4. From January 2020 to November 2020, trail operation of laboratories;
5. December 2020, completion and acceptance, and formal operation.

Construction cycle	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kick-off and funding	–											
Renovation and reconstruction		–	–	–								
Procurement and installation of hardware and software					–	–	–	–				
Recruitment and training of research and development personnel							–	–				
Trial operation (commencement of relevant research and development projects)									–	–	–	–

Note: Figures below each year indicate relevant quarters.

(V) Environmental Control of the Project

This project is for leased offices and primarily involves indoor reconstruction and decoration, thus having just a little impact on the environment. After the completion, possible pollution resources that may influence the environment will include waste water and solid waste. Wastewater mainly includes sewage. This project is committed to research and development activities, hardly discharges waste water, and discharges it to municipal waste water treatment plant via the original drainage system in the office buildings. Waste residue mainly includes home refuse, which can be comprehensively utilized or delivered to harmless treatment, thus bringing no negative impact on the external environment. Waste produced in the course of experiment and research and development will be sorted and delivered to harmless treatment, thus bringing no negative impact on the external environment. Indoor decoration during the construction period would probably produce some noise. The Company will adjust the construction time and avoid construction in the night, trying to minimize the influence to the surrounding environment.

(VI) Budget Estimate

Investment in this project totals RMB222,350,000, mainly comprising decoration costs, hardware investment and software investment expenditures and covering a construction period of three years. According to the feasibility report, the budget estimate is as follows:

No.	Item	Investment (RMB0'000)	Percentage to total investment (%)
I	Decoration costs	900.00	4.05
II	Hardware investment	12,576.00	56.56
III	Software investment	8,759.00	39.39
Total investment		22,235.00	100.00

1. *Decoration and Office Furniture Costs*

Decoration costs total RMB9,000,000, which will be used for decoration of the R&D Base. Details are listed below:

Item	Function	Area (square meter)	Decoration	
			price (RMB/ square meter)	Costs (RMB0'000)
R&D Base	Office space	1,000	2,000	200.00
	Laboratories	2,000	1,707	341.40
	Testing area	1,293	2,000	258.60
Office furniture procurement				100.00
Total				900.00

2. *Hardware and Software Costs*

A total of RMB213,350,000 will be allocated to purchase hardware and software in the next three years, including RMB125,760,000 of hardware investment. Details of hardware introduction are listed below:

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
New rail structure technology						
1	German imc	set	4	34	136	Rail data collection equipment
2	Vibration and noise test and analysis system for urban rail transit facilities (城軌設施振動噪聲測試與分析系統)	set	2	18	36	Vibration and noise test
3	Acoustic sensor	set	15	0.35	5.25	Vibration collection terminal
4	SLF acceleration transducer	set	5	0.42	2.1	Acceleration collection terminal
5	Track slab accelerometer	set	20	0.15	3	Track slab collection terminal
6	Steel rail accelerometer	set	20	0.15	3	Acceleration collection terminal
7	Encryption dog	set	3	1	3	
8	Hammer	set	2	1	2	

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
9	Specialized server for rail structure dynamic simulation (軌道結構動力學仿真專用服務器)	set	4	12	48	
10	Specialized server for remote status monitoring of rail structure (軌道結構狀態遠程監控專用服務器)	set	2	12	24	Rail structure monitoring system
Green construction technology and equipment						
11	Server + super calculation platform (above CPU200) for accurate analysis about dynamic and static data of large engineering structure (大型工程結構動靜力數值精細化分析服務器+超算平台 (CPU200核以上))	set	1	310	310	To conduct dynamic and static mechanical analysis of 30 million units (3000萬單元體量的動靜力學分析)
12	Fabricated underground station information collection module (装配式地下車站信息采集模組)	set	30	4.5	135	Information collection
13	3D printer	piece	1	12	12	New material and structure analysis and production equipment (新型材料、結構綜合分析與生產設備)
14	GCTS dynamic and static triaxial test apparatus (GCTS動靜三軸測試儀)	set	1	320	320	Triaxial test apparatus for special soils (特殊土體三軸測試)
15	MTS test system (universal testing machine) (MTS試驗系統(萬能試驗機))	set	1	280	280	Basic mechanical tests of soils mechanics
16	Automatic server control direct shear/residual shear apparatus (全自動伺服控制直剪/殘剪儀)	piece	1	25	25	Shear strength test (剪切強度測試)
17	Urban geotechnic laboratory (basic apparatus) (市內土工實驗室(基本備品備件))	set	1	260	260	Basic apparatus for geotechnic test, identification, testing services
18	Urban underground structure laboratory (basic apparatus) (市內地下結構實驗室(基本備品備件))	set	1	290	290	Basic apparatus for structure test, identification, testing services

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
19	geological radar	piece	1	50	50	Tunnel detection, structure detection
20	HT-225TC smart cloud rebound apparatus (HT-225TC智能雲回彈儀)	piece	2	5	10	Damage detection
21	HC-F800 concrete crack and defect all-purpose tester (HC-F800混凝土裂縫缺陷綜合測試儀)	piece	2	5	10	Concrete non-destructive damage detection (混凝土無損損傷檢測)
22	HC-GY71 integrated rebar scanner (HC-GY71一體式鋼筋掃描儀)	piece	2	4	8	Rebar performance non-destructive detection (鋼筋性能無損檢測)
23	HC-X5 rebar corrosion detector (HC-X5 鋼筋銹蝕檢測儀)	piece	2	4	8	Rebar corrosion non-destructive detection (鋼筋銹蝕無損檢測)
24	Dynamic penetration test and static penetration test (動力觸探和靜力觸探)	piece	2	8	16	Detection of bearing capacity of foundation and deformation modulus (檢測地基承載力和變形模量)
25	Low strain tester (低應變檢測儀)	piece	2	8	16	Detecting integrity of pile foundation (檢測樁基完整性)
26	Cross-hole ultrasonic test (超聲波跨孔檢測)	piece	2	8	16	Long pile testing (長樁檢測)
27	Underground structure intelligent big data platform (地下結構自動智能大數據平台)	set	1	190	190	To build a big data platform incorporating testing, evaluation and identification (實現檢測、評估、鑒定於一體的大數據分析平台)
28	Underground structure automatic intelligent monitoring system (地下結構自動智能監測系統)	set	1	220	220	Integrated big data collection system of underground disease and damage (地下空間病害一體化大數據收集系統)
29	Acceleration sensor digital display device (加速度傳感器數顯設備)	set	10	1	10	Zhenhua or Jinma (振華或者金馬)
30	Acceleration sensor	set	12	0.5	6	China Earthquake Administration
31	Strain dynamic digital display device (40 channels) (應變片動態數顯設備(40通道))	set	1	40	40	Made in Japan

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
32	Strain static digital display devices (20 channels) (應變片靜態數顯設備(20通道))	set	1	5	5	Made in Japan
33	Laser displacement meter (static) (激光位移計(靜態))	piece	20	0.75	15	For accurate locating and data collection of structural member and structural form and position (用於構件、結構型位的精準定位與數據收集)
34	Fabricated underground station physical model and relevant apparatus (裝配式地下車站實體模型及相關配件)	set	1	46	46	
Structure Testing Centre (vibrostand testing platform and data collection system) (結構測試中心(振動臺試驗平台及數據收集系統))						
35	Tension & compression jack (拉壓千斤頂)	piece	4	16.5	66	Dynamic performance test on structure inside square pits (方坑內的結構動力性能試驗)
36	Loading computer digital servo control system for pseudo static test of square pits (方坑擬靜力試驗加載計算機全數字伺服控制系統)	piece	1	20	20	To ensure that tension & compression jack follows established procedures to realize automatic proportional loading
37	Compression jack (僅受壓千斤頂)	piece	24	15	360	Static performance test on structure inside circular pits (圓坑內的結構靜力性能試驗)
38	Hydraulic source (液壓源)	piece	1	35	35	To offer hydraulic source for jacking
39	Hydraulic servo control system (液壓伺服控制系統)	piece	1	80	80	To control the hydraulic source automatically, promptly and accurately to adjust according to input changes
40	Loading computer digital servo control system for pseudo static test of circular pit (圓坑擬靜力試驗加載計算機全數字伺服控制系統)	piece	1	150	150	To ensure that all loaders realize loading on a scheduled basis and automatic unloading in case that the structure is damaged

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
41	Water pump	piece	2	3.5	7	To avoid impeded drainage in the test pits and to keep the test pits free from water
42	Collection and analysis system for static test data shared by square pits and circular pits (方坑、圓坑公用靜力試驗數據採集分析系統)	piece	1	27	27	To conduct collection and analysis of test data for square pits and circular pits on a trial basis
43	DH-3816N static strain testing system (DH-3816N 靜態應變測試系統)	piece	1	21	21	To conduct collection and analysis of test data for square pits and circular pits on a trial basis
44	Compression jack (僅受壓千斤頂)	piece	2	20	40	To realize loading of large-tonnage static jack
45	Top displacement sensor (頂杆式位移傳感器)	piece	20	0.5	10	For collecting absolute displacement data of structure
46	Linear displacement sensor (拉線式位移傳感器)	piece	20	0.45	9	For collecting relative displacement data of structure
47	Laser displacement meter (static) (激光位移計(靜態))	piece	20	0.75	15	For accurate locating and data collection of structural member and structural form and position (用於構件、結構型位的精準定位與數據收集)
Urban rail intelligent operation and maintenance technology and equipment						
48	Binocular passenger flow sensing device (雙目客流感知設備)	unit	60	3	180	Passenger flow sensing study (客流感知研究)
49	Digital GPU server (數字化GPU服務器)	unit	4	40	160	
50	IP HD gun-type camera (網絡高清槍機攝像頭)	unit	10	0.5	5	
51	Embedded GPU high-performance processing device (嵌入式GPU高性能處理設備)	unit	10	1.5	15	

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
52	Multi-function card reader (equipment) (多功能讀卡器(設備))	unit	4	1	4	Research and development of system incorporating personal and card checking (人證合一系統研發)
53	Electronic screen	unit	4	0.5	2	
54	Metro gate machine (地鐵閘機)	unit	4	10	40	
55	Industrial computer (工控機)	unit	4	1	4	
56	millimeter-wave human imaging radar (毫米波人體成像雷達)	set	1	300	300	Rapid security check
57	Multi-channel data collection module (多通道數據採集模塊)	unit	10	0.5	5	Smart city monitoring equipment study (智慧城市監測設備研究)
58	Fiber and grating demodulator (光纖光柵解調儀)	piece	4	40	160	
59	Field inspection equipment (現場巡查設備)	set	10	3	30	Metro emergency response and utility tunnel inspection (地鐵應急及管廊巡檢)
60	Mobile personal device (移動單兵設備)	piece	10	5	50	
Smart city and big data technology and application						
61	Socket box	piece	3	1	3	Box and cabinet- electrical
62	Distribution box	unit	1	2	2	equipment in utility tunnel
63	Cable rack of utility tunnel (綜合管廊線纜支架)	meter	30	0.2	6	(綜合管廊箱、櫃電氣設備)
64	Control cabinet	piece	1	1	1	
65	Intelligent PLC device (智慧PLC設備)	set	1	10	10	
66	Application server for smart utility tunnel (智慧管廊應用服務器)	piece	1	15	15	Central-level equipment (including screen, work station, server)
67	Utility tunnel data storage server (綜合管廊數據存儲服務器)	piece	1	15	15	(中央級設備(含監控屏、工作站、服務器))
68	HD decoder (高清解碼器)	piece	1	2.2	2.2	
69	Streaming media server (流媒體服務器)	set	1	4.5	4.5	
70	Spliced LCD screen (拼接液晶顯示屏)	Square meter	22	9.3	204.6	
71	Host of wired broadcast system (有線廣播系統主機)	piece	1	8.6	8.6	

No.	Equipment	Unit	Quantity	Unit	Total	Use
				price	costs	
				(RMB0'000)	(RMB0'000)	
72	Gas detector (hydrogen sulfide)	piece	3	0.7	2.1	Environment and equipment monitoring devices (環境與設備監控設備)
73	Gas detector (oxygen)	piece	3	0.7	2.1	
74	Gas detector (methane)	piece	3	0.7	2.1	
75	Temperature and moisture detector	piece	3	0.7	2.1	
76	Water level controller (水位控制儀)	piece	3	0.7	2.1	
77	Structure deformation/displacement controller (結構變形/位移控制儀)	piece	1	1	1	
78	Smart lighting controlling equipment (智慧照明控制設備)	set	1	0.44	0.44	
79	Fan	piece	1	2	2	Ventilation and drainage facilities
80	Water pump	piece	1	1	1	
81	Intrusion alarm and detection device (入侵報警探測設備)	set	1	1.05	1.05	Safety guarantee system
82	Image fire detector (圖像型火災探測器)	piece	1	3.13	3.13	
83	IP infrared gun-type camera (網絡紅外槍式攝像機)	piece	3	0.4	1.2	
84	Fire alarm and detection device (火災報警探測設備)	set	1	2.1	2.1	
85	Off-line patrol equipment (離線式巡更點設備)	set	1	1	1	
86	Control host of fire alarm system (火災報警系統控制主機)	piece	1	12.1	12.1	Automatic fire alarm system
87	Host of fiber distributed temperature measurement system (光纖分佈式測溫主機)	piece	1	20	20	
88	Fireproof door monitoring host (防火門監控主機)	piece	1	1	1	
89	Electrical fire monitoring host (電氣火災監控主機)	piece	1	2.3	2.3	

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
90	Ethernet switch	piece	1	3	3	Communication system
91	Host for fire broadcast and intercommunication telephone (消防廣播及對講電話主機)	piece	1	1	1	
92	Power monitoring and communication management device (電力監控通訊管理機)	set	1	3.4	3.4	
93	Work station for patrol robot system platform (巡檢機器人系統平台工作站)	piece	1	10	10	Smart utility tunnel robot patrol system
94	Smart patrol robot platform (智能巡檢機器人平台)	set	1	10	10	(智慧管廊機器人巡檢系統)
95	Robot communication system (機器人通訊系統)	set	1	10	10	
96	Smart patrol robot (智慧巡檢機器人)	set	1	150	150	
Energy conservation technology and equipment						
97	Portable waveform recorder (便攜式波形記錄儀)	piece	3	0.34	1.02	To record system power waveform
98	Digital oscilloscope (數字示波器)	piece	1	1	1	To display power waveform
99	AC and DC clamp ammeter (交直流鉗形表)	piece	2	0.6	1.2	To collect basic circuit data
100	Infrared temperature meter	piece	2	0.5	1	Equipment temperature detector
101	Digital multimeter	piece	2	0.5	1	An ordinary tool for electricians
102	Portable laptop	piece	4	1	4	Equipment commissioning, data storage, interface device
103	Computer work station	piece	2	1.7	3.4	Traction power supply simulation computation
Digital engineering technology and products						
104	Specialized device for BIM collaborative design node (BIM專用協同設計節點設備)	piece	2115	2.4	5076	BIM collaborative design platform building
105	BIM specialized cluster system (BIM專用集群系統)	set	594	2.65	1574.1	
106	BIM specialized server (BIM專用服務器)	piece	72	3	216	

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total costs (RMB0'000)	Use
Data Center						
107	Firewall	piece	3	9.5	28.5	Data centre construction and storage service
108	Storage server	piece	2	34	68	
109	Core switch	piece	2	5	10	
110	Access switch	piece	10	1	10	
111	FTP file server	piece	2	6	12	
112	Streaming media server	piece	2	4.5	9	
113	UPS power supply	set	2	7.5	15	
114	Disk array	set	9	30	270	
115	Cloud – screen display and control interactive platform (雲屏顯控交互平台)	set	1	150	150	
116	LCD large screen and device	set	1	80	80	
Office hardware and equipment						
117	Video conference system	set	1	16	16	Multi-media conference centre
118	Printer	piece	2	4.5	9	Printing device
119	Multi-functional Digital Display System	piece	2	8	16	Digital projection system
120	Multi-media conference system	set	1	20	20	Including audio devices, console, microphone and other devices
121	Computer	piece	110	1	110	To equip according to numbers of staffs
Total					12,576.00	

Software investment amounts to RMB87,590,000, and details of introduction are listed below:

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total cost (RMB0'000)	Use
New rail structure technology						
1	simpack	set	1	130	130	Wheel-rail system dynamic simulation (輪軌系統動力學仿真)
2	German IMC data collection system	set	5	16	80	Rail vibration and noise test
3	um-contact	set	1	80	80	Vehicle dynamic simulation (車輛動力學仿真)
New transportation system and technology for planning and design						
4	OPENTRACK	set	1	39	39	Transportation capacity analysis, signal system analysis
5	Railsys	set	1	45	45	Traction calculation
6	Train working diagram preparation system (列車運行圖編製系統)	set	1	35	35	Train working diagram preparation
7	Dynamis	set	1	31	31	Calculation of energy consumption
8	Vissim 10	set	1	50	50	Transportation simulation
10	MassMotion	set	1	23	23	Pedestrian simulation
11	PARAMIC software	set	1	12	12	Transportation simulation
12	EXODUS	set	1	50	50	Urgent evacuation 3D simulation
Urban rail intelligent operation and maintenance technology and equipment						
13	Urban rail transit pedestrian simulation platform for decision making support (城市軌道交通行人仿真決策支持平台)	set	1	200	200	Pedestrian simulation platform
14	Urban rail transit traffic warning and coordinated control system (城市軌道交通客流預警及協同調控系統)	set	1	400	400	Passenger flow coordinative control platform (客流協同調控平台)
15	Person and card identity checking channel system (人證核驗通道閘系統)	set	1	200	200	
16	SQL V2012 database	set	2	25	50	SQL Server
17	oracle 11g R2 (enterprise edition)	set	2	30	60	Oracle database
18	City Maker software platform	set	2	60	120	Gvitech Technology SD software (偉景行三維軟件)
19	SuperMap software	set	1	40	40	SuperMap software

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total cost (RMB0'000)	Use
Smart city and big data technology and application						
20	Smart operation and maintenance system for urban utility tunnel (城市綜合管廊智慧運維管理系統)	set	1	600	600	Including system specialized software, system configuration, alarm coordination, interface service software
21	Integrated monitoring system for environmental friendliness of urban rail transit stations (軌道交通車站環境友好性綜合監控系統)	set	1	200	200	Urban rail gas and noise electromagnetic environment monitoring (城軌氣體、噪聲電磁環境監控)
22	ARCGIS	set	1	42	42	GIS system software
23	MapInfo MapXtreme for.net	set	1	4.5	4.5	Internet-based application server with strong cartographic function
24	MapInfo MapXtreme for java	set	1	22.5	22.5	
Green construction technology and equipment						
25	MIDAS-CIVIL	set	1	35	35	Structure computation software
26	MIDAS-FEA	set	1	35	35	Structure computation software
27	MIDAS-GEN	set	1	35	35	Structure computation software
28	ANSYS(Mechanical and Fluent)	set	1	150	150	Multi-purpose numerical analysis of finite element structure and material (多用途的有限元法結構與材料數值分析)
29	lsdyna	set	1	100	100	Structural dynamics, fluid analysis etc.
30	FLAC3D	set	1	40	40	Numerical analysis of geotechnical and fluid material
31	PLAXIS	set	1	50	50	Market-oriented analysis software for engineering security assessment
32	SAP84	set	1	2	2	Software for basic analysis of structure design
33	ABAQUS	set	1	120	120	Software for numerical analysis of coupled finite element
34	GeoFBA	set	1	20	20	Tunnel structure computation software
35	solidworks	set	1	8	8	3D printing software
36	COMSOL	set	1	40	40	Multi-physics field simulation software, underground water channel flow analysis

No.	Equipment	Unit	Quantity	Unit price (RMB0'000)	Total cost (RMB0'000)	Use
37	marc	set	1	95	95	Finite element analysis
38	lusas	set	1	70	70	Bridge, soil and rock, civic engineering
Digital engineering technology and products						
39	Office2016	set	300	0.25	75	BIM collaborative design platform construction
40	Bentley ProjectWise client terminal	set	75	1	75	
41	Autodesk industry tool kit	set	1098	1	1098	
42	Windows server2016 and client terminal	set	1	2	2	
43	Autodesk AutoCAD Architecture	set	24	0.5	12	
44	Bentley AECOsim Building Designer	set	309	11	3399	
45	PKPM BIM system and PKPM green construction software	set	2	110	220	
46	Explorer	set	3	70	210	Construction and structure design
47	vsphere vcenter	set	1	6	6	Virtualized management software
48	vsphere standard edition (non-OEM)	set	3	2	6	Virtualized management software
Energy conservation technology and equipment						
49	DCTPS (software for DC traction power supply simulation for rail transit)	set	1	55	55	Energy feedback simulation
50	ACTPS (software for AC traction power supply simulation for rail transit)	set	1	60	60	Simulation computation
51	TramSim (system software for modern tramcar running and power supply simulation)	set	1	40	40	Simulation computation
52	RelaySet (wholly customized design software for relay protection of urban rail)	set	1	45	45	
53	Nexus1500+ V3 (electric power quality detector and customized software)	set	1	29	29	Electric power measurement
Testing Center						
54	loadrunner	set	1	100	100	System performance and stress testing
55	QuickTest Professional(QTP)	set	1	13	13	System function and automation testing
Total					8,759.00	

IV. THE SUPPLEMENT TO WORKING CAPITAL PROJECT

The Company intends to utilize no more than RMB1.8 million as supplement to liquidity, so as to relieve the liquidity pressure, improve the debt repayment ability, enhance profitability, and strengthen the competitiveness of the Company.

(I) Importance of Supplement to Liquidity

1. *The Company has More Demands on Capital as its Businesses Scale up*

As the urban rail transit sector in China develops rapidly, the Company records steady revenue growth, as a CAGR of 31.89% from 2015 to 2017. The Company is expected to maintain continuous revenue growth stimulated by industry development, expanded client base and the implementation of the projects invested with proceeds in the future. With the increasing revenue and projects, the Company has to ensure that there will be enough monetary funds to meet requirements of projects operation. As project construction has long project and settlement cycles, accounts receivable and inventories are financed by working capital for a long period of time. The Company expects that its demands on working capital will grow with the increasing number of contracted projects.

2. *The Company can Improve Operation Efficiency by Optimized Financial Structure*

As the Company records rapid business development and significant improvement in operating results, its liabilities stay at a high level for a long time. As at 31 December 2017, total assets of the Company amounted to RMB14.342 billion, and the total liabilities reached RMB10.159 billion. The consolidated gearing ratio stands at 70.83%. In addition, financing costs reached RMB4,980,000, RMB59,030,000 and RMB141,240,000 from 2015 to 2017 respectively, accounting for 1.09%, 10.41% and 23.20% of the total profit for the period respectively. Financing costs surged in 2017 because of significant improvement of operating results and increasing number of PPP projects, which, to some extent, impacts profitability of the Company. Utilizing part of proceeds raised in this offering as supplement to liquidity, the Company will lower its liability level, cut down financing costs and optimize its financial structure, therefore improving overall profitability and laying a firm foundation for future development.

(II) Arrangement for Supplement to Liquidity

The Company will set up a special reserve and utilization management system on raised proceeds, and the board of directors will be responsible for effective implementation of the system. The proceeds will be deposited in the designated account as instructed by the board of directors; and the account will not accept funds from other sources and will not be utilized for other purposes. When receiving the proceeds, the Company will sign escrow agreements with the sponsor and the commercial bank with which the proceeds are deposited, and it will strictly follow regulations about capital raised which are set out by the CSRC and the stock exchanges.

When withdrawing such funds, the Company will refer to actual business development and make reasonable investment schedule and allocation after rational estimate and reasonable deployment, ensuring that the funds are utilized in a safe and effective way, and that interest of shareholders are protected and improved. In the payment process, the Company will utilize such fund in strict accordance with financial management system and fund approval procedures.

Beijing Urban Construction Design & Development Group Co., Limited

29 March 2018

Beijing Urban Construction Design & Development Group Co., Limited
Dilution of Current Returns as a Result of the Initial Public Offering of A Shares and
Remedial Measures of Current Returns

Pursuant to the relevant requirements of the Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》) (Guo Fa [2014] No. 17), the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110), and Guiding Opinions on Matters Relating to the Dilution of Current Returns as a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC Announcement [2015] No. 31), in order to protect the interests of the small and medium investors, the Company has conducted an analysis on the impact of the Issuance on dilution of current returns and introduced detailed remedial measures.

I. IMPACT OF DILUTION OF CURRENT RETURNS AS A RESULT OF THE PUBLIC ISSUANCE ON THE KEY FINANCIAL INDICATORS OF THE COMPANY

(I) Assumptions made in estimating the impact of dilution of current returns as a result of the Public Issuance on the key financial indicators of the Company

1. Assuming that there are no material changes in the macro-economic environment, the industry policy, the development situation of the industry and the condition of the product market;
2. Assuming that the Public Issuance Proposal shall be completed by the end of September 2018; such time of completion is only used to calculate the impacts of the Public Issuance on dilution of current returns. The final completion time is subject to the approval of the CSRC and the actual completion time of issuance;
3. Assuming that the total proceeds of RMB600 million (without considering the impact of issuance costs) could be raised from the Public Issuance; 149,860,000 shares (representing 10% of the total issued share capital) could be issued. The actual number of shares to be issued and the actual amount of proceeds raised are subject to the number of shares to be issued and the actual amount of proceeds raised approved by the CSRC;

4. In 2017, the net profit attributable to the shareholders of the Company and the net profit net of non-recurring gains or losses are RMB495,919,000 and RMB494,773,000, respectively. Assuming that the net profit attributable to the shareholders of the Company and the net profit net of non-recurring gains or losses in 2017 increased by 20% compared to 2016; the net profit attributable to the shareholders of the Company and the net profit net of non-recurring gains or losses in 2018 are almost equal to, or 10% higher than, 20% higher than, respectively, the corresponding indicators in 2017. The above assumptions and estimates do not constitute a profit forecast;
5. Without considering the impact of receiving the proceeds raised from the Issuance and the implementation of projects on the production and operation as well as the financial conditions, such as financial costs and investment profits, of the Company;
6. Assuming that the prediction of total share capital in 2018 is based on the total share capital by the end of 2017, and only the impacts of the Issuance on the total share capital should be considered;
7. The above assumptions are only for estimating the impacts of the dilution of current returns as a result of the Issuance on the Company's key financial indicators, not representing the judgement of the Company on operating results and development for 2018, and also not constituting a profit forecast.

Furthermore, the Public Issuance is subject to the approval of the CSRC, and whether the approval will be granted, as well as the time of approval and the issuance is still uncertain.

Investors should not make investment decisions based on the above assumptions, and the Company shall not be held liable for any losses resulting from the investment decisions made based on such assumptions.

APPENDIX IV THE REMEDIAL MEASURES ON DILUTION OF CURRENT RETURNS BY INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND UNDERTAKINGS OF RELEVANT UNDERTAKING ENTITIES BY BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

(II) Analysis on the impact of dilution of current returns as a result of the Issuance on the key financial indicators of the Company

Item	Year 2017/ 31 December 2017 Prior to the Issuance	Year 2018/ 31 December 2018	
		Prior to the Issuance	After the Issuance

Assumption 1: the net profit attributable to shareholders of the parent company (net of non-recurring gains or losses) in 2018 is almost equal to that in 2017.

Ordinary share capital (10,000 shares)	134,867	134,867	149,853
Basic earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.37	0.36
Diluted earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.37	0.36

Assumption 2: the net profit attributable to shareholders of the parent company (net of non-recurring gains or losses) in 2018 increased by 10% as compared to that in 2017.

Ordinary share capital (10,000 shares)	134,867	134,867	149,853
Basic earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.40	0.39
Diluted earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.40	0.39

APPENDIX IV THE REMEDIAL MEASURES ON DILUTION OF CURRENT RETURNS BY INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND UNDERTAKINGS OF RELEVANT UNDERTAKING ENTITIES BY BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Item	Year 2017/ 31 December 2017	Year 2018/ 31 December 2018	
	Prior to the Issuance	Prior to the Issuance	After the Issuance
Assumption 3: the net profit attributable to shareholders of the parent (net of non-recurring gains or losses) in 2018 increased by 20% as compared to that in 2017.			
Ordinary share capital (10,000 shares)	134,867	134,867	149,853
Basic earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.44	0.43
Diluted earnings per share attributable to shareholders of ordinary share(s) of the parent company (net of non-recurring gains or losses) (RMB)	0.39	0.44	0.43

The notes on the above estimates are as follows:

1. The assumption analysis on the net profit of 2018 made by the Company does not constitute a profit forecast of the Company. Investors shall not make investment decisions on these grounds. The Company assumes no liability for any loss of investors thus incurred;
2. The number of shares to be issued, the issue price and the completion time of the issuance of the Public Issuance are only estimates, which are subject to the number of shares to be issued and the actual completion time of the issuance approved by China Securities Regulatory Commission;
3. The above estimates has not considered the use efficiency after receiving the proceeds raised from the Issuance;
4. The net profit attributable to shareholders of ordinary share(s) of the parent (net of non-recurring gains or losses) = the net profit attributable to shareholders of the parent (net of non-recurring gains or losses)–the declared dividends of the Preference Shares for the current period–interest of perpetual bonds for the current period;

APPENDIX IV THE REMEDIAL MEASURES ON DILUTION OF CURRENT RETURNS BY INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND UNDERTAKINGS OF RELEVANT UNDERTAKING ENTITIES BY BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

5. The basic earnings per share and diluted earnings per share are calculated in accordance with the Compilation Rules for Information Disclosures by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (《公開發行證券的公司信息披露編報規則第9號–淨資產收益率和每股收益的計算及披露》);

II. THE NECESSITY AND REASONABLENESS OF THE FINANCING CHOSEN BY THE BOARD

The total proceeds raised from the Public Issuance of shares are amounted to RMB600 million (including issuance fees). After deducting the issuance fees, the proceeds will be fully used for investment projects in relation to the principal business of the Company. The details are as follows:

No.	Projects invested with proceeds	Investment size of the project <i>(RMB million)</i>	Amount of proceeds to be used <i>(RMB million)</i>
1	Upgrading and reconstructing project of the design centre	135.10	110.00
2	The national engineering laboratory project	117.07	90.00
3	The construction of the R&D base project	222.35	220.00
4	The supplement to working capital project	180.00	180.00
	Total	654.52	600.00

Prior to receipt of the proceeds raised, the Company may contribute by self-raised funds in accordance with the actual progress of the project. Upon receipt of the proceeds raised, the proceeds will be used for replacement of funds contributed in advance and for the payment of the balance of the project construction. If the actual proceeds raised in the issuance of A Shares do not satisfy the capital needs of the projects, the shortfall shall be settled by the Company through self-raised funds.

(I) **The necessity and reasonableness of upgrading and reconstructing project of the design centre**

1. *Urges to fulfil the future operating development of the Company*

The current design centre office of the Company was established in 1975. The structural safety of the building is relatively poor, and there are certain unreasonable matters in the overall design, with its relatively old equipment and system and non-compliance with the current standard requirements for aseismic design.

Under the new circumstances, the business scale of the Company demonstrates a steady enhancement. The Company has undertaken a number of designing tasks of rail transit and industrial and civil engineering constructions in Beijing and other cities. The Company has also undertaken the national technological supporting scheme, “New Urban Rail Transit Technology” (「新型城市軌道交通技術」), and other scientific research tasks. With the increase in the number of scientific research and design tasks, the number of professional technicians increased rapidly. Under the current condition, there is a huge demand of the scientific research and design office, and part of the technicians are required to work at the rental office. Furthermore, with a view to archiving the sharing of skills and capacity, designing jobs of many out-port substantial projects are required to be centrally-completed in Beijing. Due to the inadequate places in the office, the Company can only complete the tasks by renting near guest houses.

The aforementioned issues, to a large extent, held up the commencement of the designing and scientific research tasks of the Company. Also, the issues increased management costs of the Company and lowered the efficiency of the operation and management of the Company. Therefore, upgrading and reconstructing project of design centre and expanding scientific research office are required, with a view to enhancing the comprehensive designing capacity and creating a proper working environment.

2. *Objective needs for enhancing images and influences of the Company*

The Company is the first listed company primarily engaging in urban rail transit design and consultancy in China, and also the first design and consultancy company in Mainland China which entered the Hong Kong stock market. The quality of its own operating places is crucial to the industry imaging and brand building of the Company. The implementation of the upgrading and reconstructing project of the design centre is beneficial to the imports of more professionals in designing, scientific researching and managing. As a result, the Company can gain more competitive advantages in

business expansion and hiring, adapt to the new requirements of the construction and development of urban rail transit, enhance the recognition from clients to the Company and foster the in-depth commencement of the businesses. Furthermore, the implementation can enhance the Company's integrated competitiveness and boost the sustainable and stable development of the Company.

(II) The necessity and reasonableness of the national engineering laboratory project

1. Demand for rapid development of urban rail transit from new urbanization and national strategy

With rapid development of new urbanization in the PRC, urban rail transit has now become one of the major ways to cope with urban traffic congestion. Nearly 54 cities in the PRC have been planning on the construction of urban rail transit systems, and urban rail transit systems will be established by more cities in the future. Meanwhile, the “Outline of the National Mid-term and Long-term Science and Technology Development Plan (2006–2020)” (《國家中長期科學和技術發展規劃綱要(2006–2020年)》) specified that the urban rail transit functions as a backbone support for the megalopolis public transport system, and developing the urban rail transit is the need of the urban development and national strategy. Under the new situation of network construction and operation, the existing standards of construction projects and testing informatization encounter severe challenges from various levels such as basic theories, technical systems and facilities and equipment. It is necessary to achieve a breakthrough on technological difficulties in safety, quality, energy saving and efficiency concerning the construction of urban rail transit as well as comprehensive testing and informatization on infrastructure. The project is implemented, based on the problems of relatively backward rail transit testing equipment, construction technology and equipment, operation and maintenance facilities and standard of informatization, under the backdrop of rapid development of urban rail transit in the PRC. By establishing linkages among industry, academy and research, through research on fundamental theories, core technology research and development, main equipment manufacturing and key project implementation to establish an innovative platform for the construction of urban rail transit featuring green and safe construction technology and facilitate sustainable, sound development of the urban rail transit in the PRC.

2. *Demand for improvement of the independent innovation capabilities in urban rail transit construction and infrastructure*

The urban rail transit construction projects involve high investment, high degree of difficulty, high level of risks, complicated conditions for construction and complex characteristics of engineering and sophisticated construction technology, drawing high concern from the government and throughout the society. After years of development, urban rail transit in the PRC made prominent progress in areas such as design and consultancy, construction management, project construction, production and installation of mechanical and electrical equipment as well as operation and maintenance. A number of supporting policies, standards and norms have also been formulated by the State in recent years, which underpinned the development of urban rail transit in the PRC. However, many weaknesses still exist in the urban rail transit in the PRC such as system testing for urban rail transit, system integration for vehicles, communication and operation control for trains, system security protection as well as project construction. Construction of urban rail transit remains much room for improvement, particularly in areas such as safety, quality, energy saving and efficiency, comprehensive testing technology of infrastructure as well as informatization of operation and maintenance. Implementation of the project is advantageous to safeguarding the independent innovation capabilities of urban rail transit core technology of the PRC, which enable it to occupy a dominant position in such area in terms of technology, standard and future development, enhance the technical standard of technology and system of which it owns intellectual property, improve the quality and efficiency of project construction for urban rail transit, accomplish the development objectives of energy-saving and environmental protection, safety and reliability, and convenient operation and maintenance of equipment for comprehensive testing of infrastructure.

3. *Demand for acceleration of the transformation and industrialization of scientific achievements*

The “going global” strategy has been promoted in a large scale for high-speed rails in the PRC. With the accumulation of technology and transformation of achievements in recent years, urban rail transit in the PRC has also encountered an urging need to go global. The large-scale market of urban rail transit construction provided a training ground for technological advancement in the PRC. Implementation of the project will make a breakthrough on technical difficulties of urban rail transit in research and development and engineering process of technology, craftsmanship and equipment including construction and equipment of digital engineering technology,

comprehensive testing, processing technology on detected data, smart software system, construction technology and operation and maintenance, with an aim to promote the industrialization of scientific achievements, and to facilitate enterprises to equip with actual international competitiveness through their own technological innovation, so as to carry out the standardization and systematization in the manufacture, development and application of main equipment and systems in the field of rail transit. Implementation of the project will speed up narrowing of the gap from achieving the international advanced standards, so as to realize the “going global” strategy, and to promote the overall technological upgrade of rail transit industry in the PRC.

(III) The necessity and reasonableness of the construction of the R&D base project

1. *Establishment of technological innovation systems by enterprises is an inevitable trend under the national strategy on innovation development*

Since the “12th Five-Year Plan”, the PRC has attached high emphasis on technological innovation and regarded it as the core of the overall national development. A number of key plans including “Outline of the National Strategy on Innovation-Driven Development” (《國家創新驅動發展戰略綱要》) and “13th Five-Year Innovation Plan on National Science and Technology” (《十三五國家科技創新規劃》) specified the leading position of enterprises in relation to technology innovation system, and encouraged leading enterprises in the industry to focus on major regional and industrial needs on technology, gather various innovative elements, develop different forms of advanced technological research and development and transformation of achievements and set up high-standard research and development institutions, to establish a more efficient and sound scientific research organization system. Under the new economic circumstances that innovation takes the lead to facilitate development in the PRC, as a leading enterprise in urban rail transit consulting industry in the PRC, changing the traditional design and consultancy business-oriented development method and constructing dedicated research and development institutions to provide support to technological innovation in enterprises have become an inevitable trend for enterprises to achieve innovation and sustainable development. Under this trend, with the aim of achieving the innovation and development of enterprises, it is necessary to opt for co-ordination of the Company’s existing technological base, talent pool, research and development conditions, capital investment and other innovative resources, concentration on major technical needs within several main business segments such as design and consultancy, construction, management of operation and maintenance and industrialization of science and technology, innovation on the model of technological research and development and management, and construction of a high-standard technological R&D base.

2. *The scale, intelligence and diversified development of urban rail transit industry requires enterprises to equip with sustainable technological innovation capacity*

Along with the transformation of development situation, diversified development trends will occur in the future's urban rail transit such as scale expansion, structural networking, mode diversification, industry standardization, and market internationalization. At the same time, key planning projects such as "Made in China 2025" (《中國製造2025》), "13th Five-Year Innovation Plan on Systems for National Science and Technology" (《「十三五」國家科技創新體系規劃》), "13th Five-Year Development Plan on Modern Integrated Transportation System" (《「十三五」現代綜合交通運輸體系發展規劃》) and "13th Five-Year Special Plan of Technological Innovation in Transportation" (《「十三五」交通領域科技創新專項規劃》) have introduced more demanding requirements on technological innovation of urban rail transit. Under the new pattern of such industrial development, as a leading enterprise in the PRC's urban rail transit consulting industry, the Company is also taking up more important periods of diversified development. It is inevitable to develop new business models based on traditional design and consultancy business. After years of development and accumulation, the Company has obtained considerable results in key projects, technological innovation, standardization and normalization as well as talent cultivation of the rail transit. However, technical development based on design and consultancy will encounter critical challenges, particularly in the circumstances of technological industrialization, where more demanding requirements have been put forward for areas such as technological innovation input and management. Since new improvement in efficiency and core competitiveness require continuous technological innovation and sustainable development, there is an urging need to establish a research and development base in corporate level.

3. *With technical experience accumulated throughout the years, the Company is urgently in need of the establishment of a dedicated technological research and development team through integration of resources*

After years of development and accumulation, the Company has achieved fruitful results in scientific research projects, standards, norms and other aspects. The Company set up national and provincial scientific research platforms such as the National Engineering Laboratories for Green & Safe Construction Technologies of Urban Rail Transit and the Engineering and Technology Research Centre of Beijing Rail Structure. In the meantime, the Company keeps abreast of the direction of development, and establishes an incubating model of scientific and technological achievement combining industry, academy and research. By accelerating the

transformation of scientific and technological achievements towards the market, the Company continues to promote the application of new technologies such as automation and intelligence into urban rail transit and industrial automation areas. However, some problems still exist such as mismatch between innovation capability and management system, fragmentation of scientific research resources and personnel, insufficient strategic planning of science and technology, and the inefficiency in conversion of “actualization” of most scientific research achievements concerning technological innovation of the Company. Therefore, it is necessary to carry out resource integration in the corporate level, and further enhance the overall research and development level of the Company by establishing a dedicated technological research and development team. Through operation of the research and development base, standardization on technological research and development, guidance of technological development to the industry, cultivation of leading talents of the industry, promotion on scientific and technological achievements, expansion of the Company’s scope of business, strengthening of market competitiveness and enhancement of the Company’s brand influence will provide impetus to sound and sustainable development of the Company.

(IV) The necessity and reasonableness of the supplement to working capital project

1. *The Company continues to expand its scale of operation, with increasing demand for working capital*

With rapid expansion of urban rail transit in the PRC, the operating revenue of the Company showed steady growth. From 2015 to 2017, the operating revenue of the Company grew at a CAGR of 31.89%. With the development of the industry, the increase in number of customers and the implementation of the projects invested with proceeds in the future, the Company’s operating revenue will continue to grow. With substantial expansion in the scale of revenue, the number of projects in progress has increased, and maintaining certain amount of monetary funds is necessary for satisfying the need of project operation. Since project construction is characterized by long project cycle and long settlement period and so on, the duration for utilization of working capital for accounts receivables and inventories will be longer. As the volume of contracted projects continues to grow, it is expected that the Company’s need in working capital will continue to grow.

2. *Optimizing the financial structure is a way to enhance the operational efficiency of the Company*

With rapid development of the Company's business and significant increase in operating results, the debt level of the Company has stood at a high level for a long period. As of 31 December 2017, the Company's total assets amounted to RMB14.342 billion. Total liabilities amounted to RMB10.159 billion. The Company's consolidated gearing ratio reached 70.83%. In addition, from 2015 to 2017, the Company's finance costs were RMB4.98 million, RMB59.03 million and RMB141.24 million respectively, representing 1.09%, 10.41% and 23.20% of the total profits for the period respectively. The substantial increase in operating results and gradual increase in the number of PPP projects caused the Company's finance costs to increase rapidly in 2017, which to a certain extent affected the profitability of the Company. A portion of proceeds from the Issuance will be used to replenish working capital, which will be beneficial to the Company in reducing debt to an appropriate level, lowering the Company's finance costs, optimizing financial structure of the Company, and enhancing its overall profitability, thereby laying a good foundation for the future development of the Company.

III. THE RELATIONSHIP BETWEEN THE PROJECTS INVESTED WITH PROCEEDS AND THE EXISTING BUSINESS OF THE COMPANY, AND THE RESERVES OF THE COMPANY'S PROJECTS INVESTED WITH PROCEEDS IN ASPECTS SUCH AS PERSONNEL, TECHNOLOGY AND MARKETS

(I) The relationship between the projects invested with proceeds and the existing business of the Company

The Company is a firm engaged in comprehensive survey, design and consultancy which provides diversified services for projects such as urban rail transit, integrated transportation hub, underground space development, industrial and residential buildings, municipal, bridge and road construction projects. The Company, with the longest history in operation, is also a leading contractor among the enterprises engaged in construction and design of urban rail transit in the PRC. The financed capital invested in upgrading and reconstructing project of the design centre, the national engineering laboratory project, projects for research and development base and the supplement to working capital project will be advantageous to the design of the Company's office environment and the protection of the independent innovation capability in the core technology of urban rail transit of the PRC, enabling the Company to occupy a dominant position in technology, standard and future development of such area. Leveraged on enhancing the technical standards in the technology and system of its own intellectual property rights, and by improving the quality and efficiency of

urban rail transit construction, the Company aims at achieving the development objectives of energy-saving and environmental protection, safety and reliability, and convenient operation and maintenance of comprehensive testing equipment on infrastructure. The Company provides comprehensive urban construction services directed by design, and establishes a “four-in-one” scientific and technological innovation system which comprises scientific research management, technological research and development, management of technological innovation platform and expert management, in order to raise the Company’s standard of scientific and technological research and development, further enhance the core competitiveness of the Company and facilitate rapid development of the industry.

In the meantime, a portion of the fund raised from the share issuance will be used to replenish working capital. This will help the Company reduce debt to an appropriate level, lower the Company’s finance costs, optimize its financial structure and enhance its overall profitability, thereby laying a good foundation for the future development of the Company.

(II) The reserves on the Company’s projects invested with proceeds in aspects such as personnel, technology and markets

1. Personnel reserve

The Company possesses a research and development team involving multi-disciplinary integration of structures, tunnels, rails, bridges, informatization and management. The team possesses industry leading edges in many aspects such as design, scientific research, testing and application. The Company has a number of professors, professor-level senior engineers and senior engineers, a variety of experts who are entitled to special allowance from the State Council, as well as scientific and technical teams including “Hundreds of Leading Talents for Technology Beijing” (科技北京百名領軍人才), “Hundreds, Thousands, and Ten Thousands of Talents for the New Century” (新世紀百千萬人才) and “Beijing Nova in Science” (北京市科技新星), who have been engaged in research and development work related to the urban rail transit for a long period. The Company’s well-established teams are beneficial to the Company for achieving a leading position in rail transit business, laying a solid foundation for the Company to enhance its market share in rail transit industry, providing strong support for the smooth implementation of the projects invested with proceeds.

2. *Technological reserve*

The Company is the first professional metro design firm in the PRC, and is the first firm “going abroad” to undertake metro design projects in foreign countries. It is also the sole listed company engaged in the area of urban rail transit in the PRC. With more than 50 years of development and accumulation, the Company has undertaken a large number of urban rail transit design projects which covered a variety of businesses including design and consultancy, project construction and industrialization, forming a whole industrial chain. The Company has completed rail transit design and consultancy tasks in over 30 cities at home and abroad, conducted feasibility studies for over 50 rail transit lines and completed general contracting design projects for 66 urban rail transit lines, of which multiple lines and stations have been put into operation. The Company’s outstanding strength in research and development and experience in scientific research have offered important assurance for implementation of the project.

Through years of accumulation and development, the Company has created and owned a series of technical achievements and products. Ever since the first metro of Beijing Line 1 established in the PRC, the Company has been committed to promoting new construction method and technology development of urban rail transit, introducing a large number of new technologies and methods for large scale urban rail underground structures and underground spaces, in possession of independent intellectual property rights. At the same time, the Company played a key role or participated in compilation and formulation for most of the standards and norms in the metro area, such as the national standard of “Standards for Subway Design” (《地鐵設計規範》), the national standard of “Standards of Urban Rail Transit Engineering Project Construction” (《城市軌道交通工程項目建設標準》), the national standard of “Standards of Geological Engineering Survey of Urban Rail Transit” (《城市軌道交通岩土工程勘察規範》), the national standard of “Technical Specifications of Urban Rail Transit” (《城市軌道交通技術規範》) and the national standard of “Standard on Management of Urban Rail Transit Construction Projects” (《城市軌道交通建設項目管理規範》). As the firm responsible for the project, the Company is undertaking four key research and development projects in the “13th Five-Year Plan”. In addition, the Company has undertaken a number of major scientific research projects of the State ministries and commissions, provinces and cities, in which to a certain extent resolved the major technical problems of urban rail structures in the PRC, hence paving way for improvement of the industry. The Company’s scientific achievements and product series serve as important foundations for smooth implementation of the projects invested with proceeds.

3. *Market reserve*

Leveraged on its business and marketing networks covering 30 large and medium-sized cities nationwide, the Company is in favorable position to capture new business opportunities in the domestic urban rail transit market.

The Company is an early mover in the PRC urban rail transit engineering design market. With more than 50 years of operation and provision of excellent services to its customers, the Company has a stable customer base and cooperative relationship. There are cities with construction of urban rail transit lines (including transit lines under construction) in the PRC, of which more than 30 cities received design and/or survey service from the issuer. The Company has established extensive business network comprising branches and project departments in 30 cities in the PRC. Branches and project departments in various parts of the PRC can gather project information at an appropriate time, understand the requirements from various areas as to the Company's services, and communicate with the project owner instantly in order to provide close and tailor-made services.

IV. **REMEDIAL MEASURES FOR RETURNS OF THE COMPANY**

Considering the potential impact of the Issuance on dilution of ordinary shareholders' current returns and in order to safeguard the interests of the Company's ordinary shareholders (especially minority shareholders), the Company will adopt the following specific measures to enhance the profitability of the Company and level of shareholders' return, as to offset for the impact on the dilution of current returns of ordinary shareholders from this Public Issuance.

(I) **To foster and develop new business actively**

Led by design and driven by investment, the Company will urge for expansion of the PPP business to realize multi-dimensional synergetic development, as well as strive to implement a number of PPP projects; adhere to the organic integration of the five aspects of rail transit on planning, design, investment and financing, construction as well as operation, create synergies among sectors, and promote the integrated development of property of rail; cultivate operational capacity actively based on the practical experience from the projects invested with proceeds and modern tram project in Delingha; being market-oriented, create an incubation model of technical achievements combining industry, academy and research to accelerate the research and development and marketing for new products from technological industrialization.

(II) To enlarge the design and consultancy business; to strengthen the general contracting business of construction

Supported by the leading advantages in urban rail transit and highly valued in the preliminary stage of marketing, the Company will proactively expand businesses in third- and fourth- tier cities to urge for penetration into markets and strive to expand our market shares; strengthen the management of excellent services and work on the performance of projects with high standards, consolidate and enhance the Company's leading advantages in survey, design and consultancy areas and devote to maximizing our market scale and operational efficiency; combine BIM, geographic information systems and other new technological applications and build an intelligent product system for the survey business; adopt a differentiated competition strategy, further broad the markets of civil construction, municipal engineering, integrated development and survey, as well as to closely follow new businesses supported by the State such as sponge city, utility tunnel and rural construction industries. The Company will proactively plan for projects overseas and continue to expand our overseas markets by focusing on the new market and new opportunities emerging in the infrastructure along the Belt and Road Initiative.

We will focus on civilized construction and ensure high-quality performance of projects through setting up of the construction management platform and modern management techniques. Based in Beijing, the Company systemically develops markets in other cities and under the principles of caution, controllable risks and steady progress, we will actively develop business areas such a subways, light rail, modern trams and utility tunnels, continually improve our cost control standards and focus on the development of a general contracting business model that is led by design and characterized by EPC.

(III) To improve efficiency of the use of proceeds and enhance the management of proceeds

The Company has fully discussed and justified the feasibility of the projects to be invested with the proceeds raised in the Issuance. The projects invested with proceeds are consistent with industry development trends and national policies on industries, and have good market prospects and profitability. After proceeds raised in the Issuance are received, the Company will speed up the construction of the projects invested with proceeds and strive to commence operation in such projects as soon as possible and realize expected benefits. Meanwhile, the Company will manage the use of proceeds stringently in accordance with the relevant regulations and the requirements of the measures for the management of proceeds raised of the Company to ensure that the proceeds are fully and effectively utilized according to the original intended purposes.

(IV) To revise the dividend distribution policy of the Company and ensure the interests and return of shareholders of the Company

To improve the profit distribution system of the Company and motivate the Company to establish a more scientific and reasonable profit distribution and decision-making mechanism to better safeguard the interests of shareholders and investors, the Company has revised the relevant terms in the Articles of Association relating to the decision-making mechanism, formula and form of profit distribution in respect of profit distribution policy in accordance with the requirements of the “Notice on Relevant Matters Relating to Further Implementation of Distribution of Cash Dividends by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》)” and “Regulatory Guidance for Listed Companies No. 3 – Distribution of Cash Dividends by Listed Companies (《上市公司監管指引第3號－上市公司現金分紅》)” issued by the China Securities Regulatory Commission and other relevant laws, regulations and regulatory documents after taking into account the actual circumstances of the Company.

In order to clarify the dividends return to old and new shareholders after the Issuance and listing of the Company, and to further refine the terms of the Articles of the Association on profit distribution policy and enhance the transparency and operability of dividend distribution decisions, the Company has formulated the “Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited”.

The Company will strictly execute the relevant provisions to practically protect the legitimate interest of investors and enhance the protection mechanism for the interests of medium and small investors.

(V) To constantly improve corporate governance and provide institutional guarantee for the Company’s development

The Company will strictly follow the Company Law, the Securities Law, the Standards on Corporate Governance of Listed Companies, and other laws, regulations and regulatory documents, and constantly improve the corporate governance structure to ensure that shareholders can fully exercise their rights, to ensure that the Board exercise their powers and responsibilities in accordance with laws, regulations and the Articles of Association, to make decisions scientifically, rapidly and cautiously, to ensure that independent directors earnestly perform their duties, and safeguard the overall interests of the Company, especially the legitimate interests of medium and minority shareholders, and to provide institutional guarantee for the development of the Company.

V. UNDERTAKINGS GIVEN BY THE CONTROLLING SHAREHOLDERS OF THE COMPANY IN RESPECT OF THE REMEDIAL MEASURES ON DILUTION OF CURRENT RETURNS AS A RESULT OF THE ISSUANCE AND THE LISTING

In order to assure that the remedial measures for dilution on current returns by the issuers can be effectively implemented, the controlling shareholders shall give the following undertakings regarding the dilution of current returns by the issuers:

1. As a controlling shareholder, he/she shall not go beyond his/her power to interfere the operation management activities of the issuers and shall not encroach upon the interests of the issuers;
2. To carry out all necessary and reasonable measures actively according to the relevant regulations promulgated by regulatory authorities such as the China Securities Regulatory Commission and the Shanghai Stock Exchange in the future so that the remedial measures for dilution of current returns by the issuers can be effectively implemented;
3. To illustrate with specific reasons for the failure to perform the above undertakings publicly on the designated website required by the CSRC if the above undertakings are not fulfilled, to apologize to other shareholders of the Company and public investors, and to assume relevant responsibilities in accordance with the law.

VI. UNDERTAKINGS GIVEN BY THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY REGARDING THE REMEDIAL MEASURES FOR RETURNS

In order to assure that the remedial measures for dilution on current returns by the issuers can be effectively implemented, the directors and senior management of the Company shall give the following undertakings regarding the remedial matters for dilution of current returns by the issuers:

- “1. I hereby undertake to perform my duties faithfully and diligently to safeguard the legitimate rights and interests of the Company and all of its shareholders;
2. I hereby undertake not to harm the Company’s interests by offering benefits to other firms or individuals unpaid or unfairly or in other manners;
3. I hereby undertake to restrict any consumption behaviors in relation to my duties;

APPENDIX IV THE REMEDIAL MEASURES ON DILUTION OF CURRENT RETURNS BY INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND UNDERTAKINGS OF RELEVANT UNDERTAKING ENTITIES BY BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

4. I hereby undertake not to use the Company's assets for investment or consumption that are unrelated to the performance of my duties;
5. I hereby undertake to actively promote the formulation and strictly comply with the remuneration system that is linked with the implementation of the Company's remedial measures on returns;
6. If the Company intends to prepare for disclosure of the Company's ownership incentive plan in the future, I hereby undertake to actively promote the setting of exercise conditions for such ownership that are linked with the implementation of the Company's remedial measures on returns;
7. I hereby shall, in violation of or with denial to perform the above undertakings, explain with specific reasons for the failure to perform the above undertakings publicly on the designated website required by the China Securities Regulatory Commission, apologize to the shareholders of the Company and public investors, and assume relevant responsibilities in accordance with the law."

Beijing Urban Construction Design & Development Group Co., Limited

29 March 2018

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

No.	Current Articles	Articles after Amendments
	Chapter I General Provisions	Chapter I General Provisions
1	<p>Article 1 The Articles of Association are formulated pursuant to Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Special Provisions of the State Council Concerning the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (“Special Provisions”), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas (“Mandatory Provisions”), Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to Be Listed in Hong Kong (“Zheng Jian Hai Han”) and other relevant requirements, in order to protect the legitimate rights and interests of Beijing Urban Construction Design & Development Group Co., Limited (“Company” or “the Company”) and shareholders and creditors thereof and regulate the organization and behavior of the Company.</p>	<p>Article 1 The Articles of Association are formulated pursuant to Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China, Special Provisions of the State Council Concerning the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (“Special Provisions”), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas, Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to Be Listed in Hong Kong, <u>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules of the Stock Exchange”), Rule Governing the Listing of Stocks on Shanghai Stock Exchange (“Listing Rules of the Shanghai Stock Exchange”), Guidance on Articles of Association of Listed Companies (the “Guidance on Articles of Association”)</u> and other relevant requirements, in order to protect the legitimate rights and interests of Beijing Urban Construction Design & Development Group Co., Limited (“Company” or “the Company”) and shareholders and creditors thereof and regulate the organization and behavior of the Company.</p>

No.	Current Articles	Articles after Amendments
2	<p>Article 2 The Company was established as a joint stock limited company under the Company Law, Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>The Company was incorporated by way of joint promotion by the promoters with the approval by the State-owned Assets Supervision and Administration Commission of Beijing (北京市人民政府國有資產監督管理委員會), as evidenced by the Circular Jing Guo Zi [2012] No.157. The Company was registered with the Administration for Industry and Commerce of Beijing and was granted a business license on 28 October 2013. The Company’s current enterprise legal person business license number is 110000000574583.</p> <p>.....</p>	<p>Article 2 The Company was established as a joint stock limited company under the Company Law, Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>The Company was incorporated by way of joint promotion by the promoters with the approval by the State-owned Assets Supervision and Administration Commission of Beijing (北京市人民政府國有資產監督管理委員會), as evidenced by the <u>document</u> Jing Guo Zi [2012] No.157. The Company was registered with the Administration for Industry and Commerce of Beijing and was granted a business license on 28 October 2013. The Company’s current <u>unified social credit code</u> of enterprise legal person business license is <u>91110000101360785M.</u></p> <p>.....</p>
3	<p>Article 7 The Articles of Association are passed by way of special resolution at the general meeting of the Company with approval of the relevant authorities of the State, and come into effect from the date of listing of the Company’s overseas-listed foreign shares on the Stock Exchange of Hong Kong Limited Stock Exchange (hereafter referred to as “Hong Kong Stock Exchange”). The Company’s original articles of association registered with the relevant administration for industry and commerce shall be superseded by the Articles of Association.</p> <p>.....</p>	<p>Article 7 The Articles of Association are passed by way of special resolution at the general meeting of the Company and come into effect from the date of the Company’s <u>initial public offering of domestic-listed RMB ordinary shares and listing on the Shanghai Stock Exchange (“SSE”)</u>. The Company’s original articles of association registered with the relevant administration for industry and commerce shall be superseded by the Articles of Association.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
4	<p>Article 8 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members; ……</p> <p>Shareholders may institute legal proceedings against the Company pursuant to the Articles of Association; the Company may institute legal proceedings against its shareholders pursuant to the Articles of Association; Shareholders may institute legal proceedings against other shareholders pursuant to the Articles of Association; Shareholders may institute legal proceedings against the directors, supervisors, general manager and other senior management members of the Company pursuant to the Articles of Association.</p> <p>The term “legal proceedings” referred to in the preceding paragraph includes any legal action brought before a court or arbitration application submitted to an arbitration institution. Other senior management members referred to in the preceding paragraph include the deputy manager, chief engineer, chief economist and chief accountant and secretary to the board of directors.</p>	<p>Article 8 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members; ……</p> <p><u>The Company may institute legal proceedings against its shareholders, directors, supervisors, general manager and other senior management members;</u></p> <p>Shareholders may institute legal proceedings against the Company pursuant to the Articles of Association; Shareholders may institute legal proceedings against other shareholders pursuant to the Articles of Association; Shareholders may institute legal proceedings against the directors, supervisors, general manager and other senior management members of the Company pursuant to the Articles of Association.</p> <p>The term “legal proceedings” referred to in the preceding paragraph includes any legal action brought before a court or arbitration application submitted to an arbitration institution.</p>

No.	Current Articles	Articles after Amendments
	Chapter II Objectives and Scope of Business	Chapter II Objectives and Scope of Business
5	<p>Article 12 The scope of business of the Company shall be based on the items approved by the review and approval department subject to the review and approval by the administration authority for industry and commerce.</p> <p>The Company's scope of business includes: Licensed business items: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; Internet information services (except news, publication, education, healthcare, pharmaceuticals, medical devices); Foreign labour service cooperation (as licensed and approved by Ministry of Commerce); General contracting, specialist contracting, and labour subcontracting; General business items: Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management.</p> <p>.....</p>	<p>Article 12 The scope of business of the Company shall be based on the items approved by the review and approval department subject to the review and approval by the administration authority for industry and commerce.</p> <p>The Company's scope of business includes: Licensed business items: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; <u>Internet information services</u>; Foreign labour service cooperation; General contracting, specialist contracting, and labour subcontracting; General business items: Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management; <u>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 Development Commission. Enterprise is allowed to choose the business to be engaged in and carry out such business activities pursuant to laws; For business activities for which approval is 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.)</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
	Chapter III Shares, Share Transfer and Registered Capital	Chapter III Shares, Share Transfer and Registered Capital
6	<p>Article 15 Subject to the approval of the competent securities regulatory authority of the State Council,</p> <p>.....</p>	<p>Article 15 Subject to the approval of the competent securities regulatory authority of the State Council,</p> <p>.....</p> <p><u>The issue of shares by the Company shall adhere to the principles of openness, fairness and impartiality, and shares of the same class shall rank pari passu in all respects of the same class.</u></p> <p><u>Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance; and the same price shall be paid for each of the shares subscribed for by any entity or individual.</u></p>

No.	Current Articles	Articles after Amendments
7	<p>Article 16 Shares issued by the Company to domestic investors for subscription in Renminbi…….</p> <p>……</p> <p>The overseas listed foreign shares of the Company listed in Hong Kong shall refer to as H shares. H shares are shares which are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) upon approval with a par value denominated in Renminbi and are subscribed and traded in Hong Kong dollars.</p> <p>……</p>	<p>Article 16 Shares issued by the Company to domestic investors for subscription in Renminbi……<u>Shares listed and traded on a domestic stock exchange with the approval of the domestic securities regulatory authorities shall be referred to as domestic-listed shares.</u></p> <p>……</p> <p>……</p> <p><u>Domestic-listed shares issued by the Company are centrally deposited with a depositary institution in accordance with relevant requirements; overseas-listed foreign shares issued by the Company may be deposited with a nominee company in accordance with the laws and requirements of securities registration and depository of the place where the shares are listed, or may also be held by shareholders in their own name.</u></p>

No.	Current Articles	Articles after Amendments
8	<p>Article 18 After the establishment of the Company and upon approval from the securities regulatory authorities of the State Council, a total of 387,937,000 overseas listed foreign shares (H shares) have been issued through the initial public offering (upon the full exercise of the over-allotment option, i.e., 15%), accounting for 30.48% of its total ordinary shares. After the completion of the abovementioned H shares issuance, the share capital structure of the Company shall be as follows: 1,272,670,000 ordinary shares, of which 884,733,000 shares are domestic shares, among which, 571,031,118 shares are held by Beijing Urban Construction Group Co., Ltd.; 87,850,942 shares are held by Beijing Infrastructure Investment Co., Ltd.; 46,000,000 shares are held by Beijing Jingguofa Equity Investment Fund (Limited Partnership); 43,925,470 shares are held by Beijing Rail Transit Construction and Management Co., Ltd.; 43,925,470 shares are held by Beijing Gonglian Highway Connect Line Co., Ltd.; 46,000,000 shares are held by Tianjin Jun Rui Qi Equity Investment Partnership (LLP); 23,184,000 shares are held by Beijing Zhongtai Investment Management Co., Ltd.; 22,816,000 shares are held by Beijing You Neng Shang Zhuo Venture Capital Fund (LLP). The remaining 387,937,000 shares are H shares.</p>	<p>Article 18 After the establishment of the Company and upon approval from the securities regulatory authorities of the State Council, a total of 387,937,000 overseas listed foreign shares (H shares) have been issued through the initial public offering (upon the full exercise of the over-allotment option, i.e., 15%), accounting for 28.76% of its total ordinary shares.</p> <p><u>Before the Company's initial public offering of domestic-listed shares and its listing,</u> the share capital structure of the Company shall be as follows: <u>1,348,670,000</u> ordinary shares, of which <u>960,733,000</u> shares are domestic shares, among which, 571,031,118 shares are held by Beijing Urban Construction Group Co., Ltd.; 87,850,942 shares are held by Beijing Infrastructure Investment Co., Ltd.; <u>76,000,000 shares are held by Beijing Chengtong Enterprise Management Center (北京城通企業管理中心) (general partnership)</u>, 46,000,000 shares are held by Beijing Jingguofa Equity Investment Fund (Limited Partnership); 43,925,470 shares are held by Beijing Rail Transit Construction and Management Co., Ltd.; 43,925,470 shares are held by Beijing Gonglian Highway Connect Line Co., Ltd.; 46,000,000 shares are held by Tianjin Jun Rui Qi Equity Investment Partnership (LLP); 23,184,000 shares are held by Beijing Zhongtai Investment Management Co., Ltd.; 22,816,000 shares are held by Beijing You Neng Shang Zhuo Venture Capital Fund (LLP). The remaining 387,937,000 shares are <u>overseas-listed foreign shares.</u></p>

No.	Current Articles	Articles after Amendments
		<p>Upon approval by the securities regulatory authority of the State Council, <u>[•] domestic-listed shares will be issued upon initial public offering of the Company and listed on Shanghai Stock Exchange. After the initial public offering and listing of domestic-listed shares, the ordinary share capital of the Company comprises: [•] ordinary shares, including [•] domestic-listed shares, accounting for approximately [•]% of the total number of ordinary shares that may be issued by the Company; and [•] overseas-listed foreign shares, accounting for approximately [•]% of the total number of ordinary shares that may be issued by the Company.</u></p>
9	<p>Article 19 Upon approval by the competent securities regulatory authority of the State Council of the Company's proposal for issue of overseas listed foreign shares and domestic shares, the board of directors of the Company may make implementation arrangements for separate share issues.</p> <p>The Company's arrangement for separate issue of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph may be implemented within fifteen months from the date of approval by the competent securities regulatory authority of the State Council.</p>	<p>Article 19 Upon approval by the competent securities regulatory authority of the State Council of the Company's proposal for issue of overseas listed foreign shares and domestic shares, the board of directors of the Company may make implementation arrangements for separate share issues.</p> <p>The Company's arrangement for separate issue of overseas listed <u>shares</u> and <u>domestic-listed shares</u> pursuant to the preceding paragraph may be implemented within fifteen months from the date of approval by the competent securities regulatory authority of the State Council, <u>excepted as otherwise provided by the securities regulatory authority of the State Council.</u></p>
10	<p>Article 21 The Company has a registered capital of RMB1,272,670,000.</p>	<p>Article 21 The Company has a registered capital of RMB<u>[•]</u>.</p>

No.	Current Articles	Articles after Amendments
	Chapter IV Capital Reduction and Repurchase of Shares	Chapter IV Capital Reduction and Repurchase of Shares
11	<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> <p>.....</p>	<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> <p>.....</p> <p><u>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.</u></p>

No.	Current Articles	Articles after Amendments
12	<p>Article 29 Shares which have been repurchased by the Company according to paragraphs (1), (2) and (4) of Article 26 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 26 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 29 The repurchase of the Company shares by the Company for any reasons provided for in Item (i) <u>to Item (iii)</u> of Article 26 of <u>the Articles of Association require a resolution of the general meeting. The Company's shares acquired by the Company according to Article 26 of the Articles of Association shall be cancelled within 10 days after the date of the acquisition if in the case of Item (i) of Article 26 or transferred or cancelled within 6 months if in the case of Item (ii) and Item (iv) of Article 26.</u></p> <p><u>The Company's shares acquired by the Company according to Item (iii) of Article 26 of the Articles of Association shall not exceed 5% of the total number of the issued shares of the Company; the fund for such acquired shall be paid out of the after-tax profits of the Company; and the acquired shares shall be transferred to employees within 1 year.</u> The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>

No.	Current Articles	Articles after Amendments
	Chapter VI Share Certificates and Register of Members	Chapter VI Share Certificates and Register of Members
13	<p>Article 35 The share certificates shall be signed by the chairman.</p> <p>.....</p>	<p>Article 35 The share certificates shall be signed by the chairman.</p> <p>.....</p> <p><u>Under the circumstance that the shares of the Company are issued and traded in a paperless manner, such provisions as provided by the securities regulatory authorities at the place where the shares of the Company are listed shall apply.</u></p>
14	<p>Article 36 The Company shall keep a register of members which shall register the following particulars:</p> <p>.....</p> <p>The transfer and transmission of shares shall be registered with the overseas share transfer register appointed by the Company.</p> <p>.....</p> <p>When two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to the following terms:</p> <p>(1) the Company does not need to register more than four persons as joint holders of any shares;</p>	<p>Article 36 The Company shall keep a register of members <u>according to the certificate provided by the securities registration authority</u> and shall register the following particulars:</p> <p>.....</p> <p>The transfer <u>of overseas-listed foreign shares listed in Hong Kong</u> shall be registered with the overseas share transfer register <u>in Hong Kong</u> appointed by the Company.</p>

No.	Current Articles	Articles after Amendments
	<p>(2) the joint holders of any shares shall jointly and severally assume the liability to pay for all the amounts payable for the relevant shares;</p> <p>(3) In case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be the persons having ownership of the relevant shares. But the board of directors shall have the right, for the purpose of making amendments to the register of members, to demand evidence of death of relevant shareholder where it deems appropriate; and</p> <p>(4) For joint holding of any shares, only the joint holder whose name appears first in the register of members is entitled to receive the certificate for the relevant shares and the Company's notices, and to attend and exercise all voting rights of the relevant shares in the shareholders' general meetings of the Company. Any notice served on the above person shall be deemed to have been served on all joint holders of the relevant shares.</p>	

No.	Current Articles	Articles after Amendments
15.	<p>Articles 40 All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The board may refuse to recognize any instrument of transfer without explanation unless such transfer meets the following conditions:</p> <p>(1) The relevant expenses have been paid to the Company according the fee schedule set out in the Listing Rules for registration of transfer and other documents relating to or which will affect the right of ownership of the shares;</p> <p>.....</p> <p>The directors, supervisors and other senior management of the Company shall declare to the Company any shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares of the Company they held; the shares of the Company they held are not transferable within one year from the listing date of the H shares. They shall not transfer the shares of the Company within six months from the termination of office.</p> <p>.....</p>	<p>Articles 40 All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The board may refuse to recognize any instrument of transfer without explanation unless such transfer meets the following conditions:</p> <p>(1) The relevant expenses have been paid to the Company according the fee schedule set out in the <u>Listing Rules of the Stock Exchange</u> for registration of transfer and other <u>documents</u> relating to or which will affect the right of ownership of the shares;</p> <p>.....</p> <p><u>The shares of the Company can be legally transferred.</u></p> <p><u>Shares that have been issued before public offering of A Shares of the Company (apart from H shares) shall not be transferred within 1 year from the date that the shares of the Company are listed and traded on a stock exchange.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>The Directors, Supervisors and senior management of the Company shall declare to the Company</u> any shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares of the <u>Company</u> they held; the shares of the Company they held are not transferable within one year from the listing date of the <u>shares</u> of the Company. They shall not transfer <u>the shares of the Company</u> within six months from the termination of office.</p> <p><u>If Directors, Supervisors and senior management personnel of a listed Company hold shares less than 1,000 shares, they can transfer their shares all at once, free from the preceding proportional limit.</u></p> <p><u>Directors, Supervisors, senior management and Shareholders of the Company holding more than 5% of the Company's shares who sell the Company's shares within 6 months after buying, or purchase it within 6 months after selling, the benefit from the exchange will accrue to the Company, and the Board of the Company will forfeit his gains. However, if the securities company which underwrites the stocks of the Company holds more than 5% of the Company shares due to their role as the underwriter purchasing all the unsold stock, it can sell its stock freely and without the 6 months' limit.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>If the Board of the Company does not perform in accordance with the above paragraphs, the Shareholders have the right to request the Board of the Company to execute it within 30 days. If the Board does not execute it within that time limit, the Shareholders are entitled to directly file a suit in the People's Court for the benefit of the company in their own names. If the Board of the Company does not perform in accordance with the above paragraphs, the responsible Director shall bear joint liabilities according to laws.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
16.	<p>Article 41 All transfers of overseas-listed foreign shares listed in Hong Kong shall be effected by a written document of transfer in an ordinary or common form or any other form acceptable to the board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time). The written document of transfer may be signed by hand or stamped with company seals if transferors or transferees are companies. The instrument of transfer of any share may be executed by hand or, in case the transferor or the transferee is a corporation, be executed with the seal of the corporation. If the transferor or the transferee is a recognized clearing house as defined in the relevant laws of Hong Kong in force from time to time (“Recognized Clearing House”) or its agent, the share transfer form may be executed by hand or in mechanically-printed form.</p> <p>All instruments of transfer shall be maintained at the legal address of the Company or addresses as the board of directors may designate from time to time.</p>	<p>Article 41 All transfers of overseas-listed foreign shares listed in Hong Kong shall be effected by a written document of transfer in an ordinary or common form or any other form acceptable to the board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time). <u>The written document of transfer may be signed through signed documents or stamped with company seals</u> if transferors or transferees are companies. The instrument of transfer of any share may be executed by hand or, in case the transferor or the <u>transferee</u> is a corporation, be executed with the seal of the corporation. If the transferor or the transferee is a recognized clearing house as defined in the relevant laws of Hong Kong in force from time to time (“Recognized Clearing House”) or its agent, the share transfer form may be executed by <u>signature</u> or in mechanically-printed form.</p> <p>All instruments of transfer shall be maintained at the <u>domicile</u> of the Company or addresses as the board of directors may designate from time to time.</p>
17	<p>Article 43 When the Company intends to convene a general meeting, distribute dividends, enter into liquidation or engage in other activities that involve confirmation of equity interests, the board of directors shall determine a specific day for confirmation of shareholdings. Shareholders shown on the register of members by the end of the date for confirmation of shareholdings shall be the shareholders of the Company.</p>	<p>Article 43 When the Company intends to convene a general meeting, distribute dividends, enter into liquidation or engage in other activities that involve confirmation of equity interests, the Board or <u>the convener of the general meeting</u> shall determine a specific day for <u>registration</u> of shareholdings. <u>Shareholders shown on the register of members during after-hours on the registration date are shareholders entitling relevant interests of the Company.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter VII Shareholders' Rights and Obligations	Chapter VII Shareholders' Rights and Obligations
	<p>Article 48 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.</p> <p>.....</p>	<p>Article 48 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.</p> <p>.....</p> <p><u>If two or more individuals are registered as joint shareholders of any share, they are treated as co-owners of any related shares, subject to the following restrictions:</u></p> <p>(1) <u>the Company shall not register more than four individuals as joint shareholders;</u></p> <p>(2) <u>all joint shareholders of any share shall bear the joint liabilities for all amount payable to the related share;</u></p> <p>(3) <u>if one of the joint shareholders pass away, only other living joint shareholders should be regarded by the Company as the holders of the ownership of the related share. However, the Board retains the right to ask for proper death certificate in order to change the register of shareholders; and</u></p>

No.	Current Articles	Articles after Amendments
		<p>(4) <u>In the regard of joint shareholders of any share, only the first ranked shareholder in the register of shareholders has the right to collect related share certificate from the Company, receive notifications from the Company, attend the shareholders' general meeting of the Company, or exercise all voting rights of related shares. All notifications sent to this individual are treated as delivered to all joint shareholders of such related shares.</u></p> <p><u>Any receipts issued to the Company by any one of the joint shareholders in relation to any dividend, bonus or capital return paid to such joint shareholders shall be treated as a valid receipt issued by such joint shareholders to the Company.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
19	<p>Article 49 Holders of ordinary shares of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(2) the right to attend or appoint a proxy to attend the shareholders' general meetings and to exercise the voting right there at;</p> <p>.....</p> <p>(4) to transfer the shares held by them in accordance with the laws, administrative regulations and the listing rule of the stock exchange where the Company has its shares listed and the Articles of Association;</p> <p>.....</p> <p>5. minutes of shareholders' general meetings and resolutions of the board of directors and Board of Supervisors;</p> <p>.....</p> <p>(7) other rights conferred by the laws, administrative regulations and the Articles of Association.</p>	<p>Article 49 Holders of ordinary shares of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(2) <u>to lawfully request, convene, preside over</u>, attend or appoint a proxy to attend the <u>shareholders' general meetings</u> and to exercise the voting right there at;</p> <p>.....</p> <p>(4) to transfer, <u>give as a gift, or pledge its shares held</u> by them in accordance with the laws, administrative regulations and the listing rule of the stock exchange where the Company has its shares listed and the Articles of Association;</p> <p>.....</p> <p>5. minutes of <u>shareholders' general meetings</u> and resolutions of the board of directors and Board of Supervisors;</p> <p>.....</p> <p>(7) <u>to demand the Company to purchase its shares held by shareholders who disagree with the resolutions adopted at a shareholders' general meeting in relation to the merger or division of the Company; and</u></p>

No.	Current Articles	Articles after Amendments
		<p>(8) to have other rights conferred in accordance with the laws, administrative regulations, <u>departmental rules</u> and the Articles.</p> <p><u>Where a shareholder requests to inspect the relevant information as set forth in above paragraphs or obtains such materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held by them in the Company. The Company shall provide such information or materials at the request by such shareholder after verification of such shareholder's identity.</u></p>
20	None	<p>Article 50 <u>The invalidation of resolution of the general meeting or the Board of the Company in case of the violation of laws and administrative regulations.</u></p> <p><u>If the convening procedure or voting method of the general meeting or the Board meeting is in violation of laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to apply to the People's Court for revocation within 60 days after the resolution being adopted.</u></p>

No.	Current Articles	Articles after Amendments
21	None	<p data-bbox="847 342 1396 1102"><u>Article 51 If any Director or senior management violates the requirements of laws, administrative regulations or these Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholder(s) individually or jointly holding 1% or more of the shares of the Company for 180 or more consecutive days shall be entitled to request the Board of Supervisors in writing to institute legal proceedings to People’s Court. If the Board of Supervisors violates the requirements of laws, administrative regulations or these Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders shall be entitled to request the Board in writing to institute legal proceedings to the People’s Court.</u></p> <p data-bbox="847 1157 1396 1706"><u>If the Board of Supervisors or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraphs shall be entitled to directly institute legal proceedings to the People’s Court in their own names for the interests of the Company.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the People’s Court according to the provisions of the two preceding paragraphs.</u></p>
22	None	<p>Article 52 <u>If any Director or senior management violates the requirements of laws, administrative regulations or these Articles of Association, thereby causing any loss to the shareholders, the shareholders may institute legal proceedings to the People’s Court.</u></p>

No.	Current Articles	Articles after Amendments
23	<p>Article 50 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(1) to comply with the Articles of Association;</p> <p>.....</p> <p>(3) not to abuse the rights of shareholders to damage the interests of the Company or other shareholders; a shareholder who abuses shareholder's right shall be liable for indemnification to any loss so caused to the Company or other shareholders according to law;</p> <p>(4) substantial shareholders shall report to board of directors in a timely, truthful and complete manner the list of its contacts and the information on its connected transactions among others;</p> <p>.....</p>	<p>Article 53 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(1) to comply with the <u>laws, administrative regulations and</u> the Articles of Association;</p> <p>.....</p> <p><u>(3) except as otherwise provided by laws and regulations, withdrawal of share capital shall not be permitted;</u></p> <p>(4) not to abuse shareholder's right to prejudice the interests of the Company or other shareholders; <u>not to abuse the independent status of legal person of the Company or shareholder's limited liability to prejudice the interests of the creditors of the Company.</u> Shareholders who abuse their shareholder's rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the law. <u>Where shareholders of the Company abuse the independent status of legal person of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;</u></p>

No.	Current Articles	Articles after Amendments
		<p>(5) substantial shareholders shall report to board of directors in a timely, truthful and complete manner the list of its contacts and the information on its connected (related) transactions among others; and</p> <p>.....</p>
24	None	<p>Article 54 <u>If any shareholder holding more than 5% voting shares of the Company pledges its shares, the said shareholder shall submit a written report to the Company on the date on which the said pledge is executed.</u></p>

No.	Current Articles	Articles after Amendments
25	None	<p data-bbox="847 342 1377 672"><u>Article 55 The controlling shareholders (as defined under Article 57 of the Articles of Associations) and actual controllers of the Company shall not use the connected relations to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred to the Company.</u></p> <p data-bbox="847 729 1377 1300"><u>The controlling shareholders and actual controllers of the Company shall be honest to the Company and general public shareholders of the Company. The controlling shareholders shall duly exercise contributors' rights according to law, shall not damage the legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation and loan guarantee and shall not abuse its controlling status to damage the interests of the Company and general public shareholders.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter VIII Shareholders’ General Meeting	Chapter VIII Shareholders’ General Meeting
	Section I General Provisions on Shareholders’ General Meetings	Section I General Provisions on Shareholders’ General Meetings
26	<p>Article 54 The general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(3) to elect and replace supervisors who are appointed from the shareholders’ representatives and decide on matters relating to their remuneration;</p> <p>.....</p> <p>(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;</p> <p>(15) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto.</p>	<p>Article 59 The general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(3) to elect and replace supervisors who are appointed from the <u>non-employee’s</u> representatives and decide on matters relating to their remuneration;</p> <p>.....</p> <p>(14) <u>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 Associations;</u></p>

No.	Current Articles	Articles after Amendments
	<p>Matters which, as required by the laws, administrative regulations and the Articles of Association, shall be resolved at general meetings, shall be considered at shareholders' general meetings so as to protect the decision-making rights of shareholders of the Company on such matters. The board of directors may be authorized by shareholder' general meeting whenever necessary and reasonable to make decisions within its scope of authorization as delegated by shareholders' general meetings on specific matters which are relevant to the aforementioned resolutions and cannot be approved forthwith at the shareholders' general meeting.</p>	<p>(15) <u>to consider 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;</u></p> <p>(16) <u>to consider matters relating to the change of use of proceeds;</u></p> <p>(17) <u>to consider share-based incentive schemes;</u></p> <p>(18) <u>to consider the connected transaction which are required to be considered and approved under the laws, administrative regulations, department rules, rules required by the stock exchange on which shares of the Company are listed and the Articles of Association;</u></p> <p>(19) Other matters which are required to be resolved at the general meetings under the laws, administrative regulations, <u>department rules, relevant requirements required by the stock exchange on which shares of the Company are listed</u> are listed and the Articles of Association.</p>

No.	Current Articles	Articles after Amendments
		<p><u>The connected transaction considered and approved at the general meeting as stipulated in Item (18) of this Article refers to considering and approving the connected transaction (as defined under the Listing Rules of the Shanghai Stock Exchange) between the Company and connected parties (as defined under the Listing Rules of the Shanghai Stock Exchange), in which the involved transaction (other than provision of guarantee, receipt of cash assets and liabilities solely used to deduct the obligations of the listed companies) is above RMB30,000,000 and more than 5% of the absolute value of Company's audited net assets. And the connected transaction as stipulated should be approved in the general meeting in the Listing Rules of the Stock Exchange (the definition of connected transaction is based on the Listing Rules of the Stock Exchange which may be amended from time to time). Specifically, based on the test implemented, any of the asset ratio, profit ratio, consideration ratio and equity ratio of such connected transaction or the aggregate of relevant connected transaction (the principle of cumulative calculation are based on the Listing Rules of the Stock Exchange which may be amended from time to time) is equivalent to or higher than 5% (specific details are based on the Listing Rules of the Stock Exchange which may be amended from time to time), unless any of the abovementioned ratios is less than 25% and the consideration for the transaction is less than HK\$10 million.</u></p>

No.	Current Articles	Articles after Amendments
	<p>Matters which, as required by the laws, administrative regulations, <u>rules required by the stock exchange on which shares of the Company are listed</u> and the Articles of Association shall be resolved at the general meeting, shall be considered at the general meeting to protect the decision-making rights of shareholders of the Company on such matters. The Board may be authorized at the general meeting to make decisions within its scope of authorization whenever necessary and reasonable regarding matters which are related to such resolutions and specific relevant matters which cannot be determined immediately at the general meeting.</p>
27	None	<p>Article 60 <u>The following external guarantees provided by the Company shall be considered at the general meeting after such guarantees have been considered and approved by the Board:</u></p> <p>(1) <u>any subsequent guarantee provided after the total amount of external guarantee by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets;</u></p> <p>(2) <u>any subsequent guarantee provided after the total amount of the external guarantee by the Company has reached or exceeded 30% of the latest audited total assets;</u></p> <p>(3) <u>any guarantee provided for guaranteed party whose asset-liability ratio has exceeded 70%;</u></p>

No.	Current Articles	Articles after Amendments
		<p data-bbox="847 342 1383 455">(4) <u>the amount of any single guarantee exceeding 10% of the latest audited net assets;</u></p> <p data-bbox="847 512 1383 710">(5) <u>guarantees exceeding 30% of the latest audited total assets of the Company when being aggregated with guarantees incurred in 12 consecutive months;</u></p> <p data-bbox="847 768 1383 1008">(6) <u>guarantee exceeding 50% of the latest audited net assets of the Company when being aggregated with guarantees incurred in 12 consecutive months, with absolute amount exceeding RMB50 million;</u></p> <p data-bbox="847 1066 1383 1178">(7) <u>guarantees provided to shareholders, actual controllers and its connected parties ;</u></p> <p data-bbox="847 1236 1383 1306">(8) <u>guarantees provided to connected persons; and</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(9) other external guarantees required by the laws, administrative regulations, department rules, regulations of the stock exchange where the Company's share is listed and the Articles of Association.</u></p> <p><u>The guarantee within the authority of the Board requires not only the approval of the majority of all the Directors, but also the approval of more than two-thirds of the Directors attending the Board meeting; the above guarantee in item (5) shall be approved by more than 2/3 of the voting rights held by the shareholders present at the general meeting.</u></p> <p><u>When provision of any guarantee to shareholder, actual controller and its connected parties is considered at the general meeting, such shareholder or any shareholder controlled by the said actual controller shall not vote on such matters.</u></p>
28	Article 55. The Company shall not, without prior approval of shareholders' general meeting, enter into any contract with any person other than a director, supervisor, general manager and other senior management members whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.	Article 61 <u>Except under unusual circumstances such as a crisis,</u> the Company shall not, without prior approval of shareholders' general meeting <u>by way of special resolution,</u> enter into any contract with any person other than a director, supervisor, general manager and other senior management members whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

No.	Current Articles	Articles after Amendments
29	<p>Article 56 Shareholders’ general meeting include annual general meetings and extraordinary general meetings. Shareholders’ general meetings shall be convened by the board of directors. The annual general meeting is held once a year, and shall take place within six months after the end of the previous accounting year.</p> <p>Under any of the following circumstances, the board shall convene an extraordinary general meeting within 2 months:</p> <p>.....</p> <p>(3) where shareholders who hold, alone or in aggregate, 10% or more of the shares outstanding of the Company with voting rights request in writing to convene an extraordinary general meeting;</p> <p>(4) whenever the board of directors deems necessary or when proposed by the Board of Supervisors or more than two independent directors;</p> <p>.....</p> <p>(6) other circumstances as specified by the Articles of Association.</p> <p>.....</p>	<p>Article 62 Shareholders’ general meeting include annual general meetings and extraordinary general meetings. Shareholders’ general meetings shall be convened by the board of directors. The annual general meeting is held once a year, and shall take place within six months after the end of the previous accounting year. <u>The number of extraordinary general meetings held each year is not limited.</u></p> <p>Under any of the following circumstances, the <u>Company</u> shall convene an extraordinary general meeting within two months <u>from the date of the following occurrence:</u></p> <p>.....</p> <p>(3) where shareholders who hold, alone or in aggregate, 10% or more of the shares outstanding of the Company with voting rights request in writing to convene an <u>annual general meeting;</u></p> <p><u>(4) whenever the Board deems necessary;</u></p> <p>(5) <u>when proposed by the</u> Board of Supervisors;</p> <p>(6) when proposed <u>by more than one-half of the independent (non-executive)</u> directors;</p>

No.	Current Articles	Articles after Amendments
		<p>.....</p> <p>(8) other circumstances as specified by <u>the laws, administrative regulations, department rules or the</u> Articles of Association.</p> <p>.....</p>
30	None	<p>Article 63 <u>The location for convening the general meeting of the Company shall be the place where the Company’s domicile is or other location set out in the notice of the general meeting.</u></p> <p><u>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 laws, administrative regulations, regulations of the competent securities authorities of the State Council and 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 general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. The holders of overseas listed foreign invested shares will not be provided with online voting access.</u></p>

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

No.	Current Articles	Articles after Amendments
	Section 2 Convening, Proposals and Notice of General Meetings	Section 2 Convening, Proposals and Notice of General Meetings
31	<p>Article 58 The shareholder(s) holding more than 3% of total shares with voting rights of the Company may put forward new proposals in writing to the shareholders' general meeting 10 days prior to the shareholders' general meeting. The convener of the general meeting shall serve a supplementary notice of the shareholders' general meeting to other shareholders within 2 days after receiving the proposal, and add the proposals which relates to the scope of duties of the shareholders' general meeting to agenda of the meeting. The Company shall also comply with other requirements of the listing rules of the stock exchange where the Company has its shares listed.</p>	<p>Article 65 Where the Company convenes a general meeting, <u>the Board, the Board of Supervisors, and shareholders severally or jointly holding more than 3% of total shares</u> with voting rights of the Company <u>may make proposals to the Company. Shareholders severally or jointly holding more than 3% of total shares with voting rights of the Company</u> are entitled to propose a <u>provisional proposal</u> to the Company <u>and submit it to the convener in writing</u> to 10 days before a general meeting is convened. The convener of general meeting shall serve a supplementary notice of general meeting within two days after receipt of the proposal and inform other shareholders, <u>announcing the content of the provisional proposal</u> considered at the general meeting. The Company shall also comply with other requirements of the listing rules of the stock exchange where the Company has its shares listed.</p>

No.	Current Articles	Articles after Amendments
	<p>The resolution proposed by shareholders shall be subject to the following conditions:</p> <p>(1) the content of such resolution shall not violate any laws and regulations and shall fall within the scope of business of the Company and scope of duties of the shareholders' general meeting;</p> <p>(2) such resolution shall include a clear subject and specific matter to be resolved; and</p> <p>(3) such resolution shall be in writing and submitted or delivered to the board of directors.</p>	<p><u>Other than the circumstances referred to in the preceding article proposed by the shareholders, after the convener has issued a notice for the general meeting, no changes shall be made to the stated proposals in the notice of meeting and no new proposal shall be added.</u></p> <p><u>Proposal on matters which are not specified in the notice of general meeting or not as provided in item 4 of this Article shall not be voted on or resolved at general meetings.</u></p> <p>The proposal raised at a general meeting shall satisfy the following requirements:</p> <p>(1) The substance of the proposed resolution shall not be in contravention with the laws, administrative regulations and the Articles of Association and shall fall within the business scope of the Company and the scope of responsibility of the general meeting;</p> <p>(2) It shall have definite topics to discuss and specific matters to resolve; and</p> <p>(3) It shall be submitted or served in writing to the convener.</p>

No.	Current Articles	Articles after Amendments
32	<p>Article 60 Notice of the shareholders’ general meeting shall fulfil the following requirements:</p> <p>.....</p> <p>(2) specifying the place, date and time of the meeting;</p> <p>(3) stating the issues to be considered at the meeting;</p> <p>.....</p> <p>(7) containing a conspicuous statement that a shareholder entitled to attend and vote may appoint one or more proxies to attend and vote and such proxy is not necessarily a shareholder;</p> <p>.....</p>	<p>Article 67 Notice of the shareholders’ general meeting shall fulfil the following requirements:</p> <p>.....</p> <p>(2) specifying the place, date, time and <u>duration of the meeting;</u></p> <p>(3) stating the matters and <u>proposals</u> to be <u>considered</u> at the meeting;</p> <p>.....</p> <p>(7) Containing a conspicuous statement that all ordinary shareholders are entitled to attend the general meeting and vote, and such shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy needs not to be a shareholder of the Company;</p> <p>.....</p> <p><u>The notice and the supplementary notice of the general meeting shall sufficiently and fully disclose specific content of all proposals and all materials and explanations necessary for shareholders to make a reasonable judgment about matters to be discussed. If independent (non-executive) directors are required to give opinions about matters to be discussed, such independent (non-executive) directors’ opinions and reasons will be disclosed at the same time when giving the notice or the supplementary notice of the general meeting.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>In the event that a general meeting is held through internet or otherwise, the notice of general meeting shall explicitly state the voting time and voting procedures through internet or otherwise. Voting at the general meeting through internet or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site general meeting, and not later than 9:30 am on the day of the on-site general meeting, and shall conclude not earlier than 3:00 pm on the day of concluding the on-site general meeting.</u></p>
33	None	<p>Article 68 <u>In the event that the election of directors and supervisors is to be discussed at a general meeting, the notice of general meeting shall fully disclose details of candidates for the directors and supervisors, and shall at least include the following particulars:</u></p>

No.	Current Articles	Articles after Amendments
		<p>(1) <u>their educational background, work experience, concurrent positions and other personal details;</u></p> <p>(2) <u>whether or not they have any related connections with the Company or the Company's controlling shareholders and de facto controllers;</u></p> <p>(3) <u>the disclosed number of shares of the Company they hold;</u></p> <p>(4) <u>whether or not they have been penalized by the competent securities authority of the State Council and other relevant departments, or disciplined by the stock exchange; and</u></p> <p>(5) <u>Other information required by regulatory requirements of the place where the shares of the company are listed.</u></p> <p><u>In addition to adopting the cumulative voting system to elect directors and supervisors, a single proposal on each of the candidates for director and supervisor shall be submitted.</u></p>

No.	Current Articles	Articles after Amendments
34	<p>Article 61 Except as otherwise provided in the relevant laws, regulations, the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association,</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council within the period between 45 days and 50 days prior to the date of the meeting; upon the publication of the announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' meeting.</p>	<p>Article 69 Except as otherwise provided in the relevant laws, regulations, the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association,</p> <p>The announcement regarding <u>the notification of general meeting for holders of domestic-listed shares</u> referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council within the period between 45 days and 50 days prior to the date of the meeting; upon the publication of the announcement, the holders of <u>domestic-listed shares</u> shall be deemed to have received the notice of the relevant <u>general meeting</u>.</p>
35	None	<p>Article 70 <u>After a notice of general meeting is given, the general meeting shall not be postponed or canceled, and the proposals set out in the notice of general meeting shall not be canceled without due reason. Once the meeting is postponed or cancelled, the convener shall make an announcement and explain the reasons at least two working days prior to the scheduled meeting date.</u></p>

No.	Current Articles	Articles after Amendments
	Section 3 Holding of General Meeting	Section 3 Holding of General Meeting
36	None	<p>Article 72 <u>The Board of the Company or other convener shall take necessary measures to ensure the proper order of the general meeting. The Board or other convener shall take measures to stop any act disturbing the general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.</u></p>
37	<p>Article 63 Any shareholders entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more proxies (who may or may not be a shareholder of the Company) to attend and vote on his/her behalf. The proxy or proxies may exercise the following rights in accordance with the shareholder's authorization:</p> <p>.....</p>	<p>Article 73 <u>All shareholders of ordinary shares or their proxies whose name appear on the register of members on the record date shall have the right to attend the general meeting, and exercise their voting rights in accordance with the laws, regulations and these Articles of Association.</u> Shareholders <u>may attend the general meeting in person</u> or appoint one or more proxy/proxies (the person may not be a shareholder) to attend and exercise voting rights within <u>his/her/their scope of authority conferred.</u> The proxy or proxies may exercise the following rights in accordance with the shareholder's authorization:</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
38	<p>Article 66 Any instrument issued to a shareholder by the board of the directors of the Company for use in appointing a proxy shall be in such format as to enable the shareholders to instruct the proxy to vote in favour of or against the resolutions according to the shareholder's free will, and to enable the shareholders to give instructions in respect of each individual matter to be voted on at the meeting. The proxy form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote at his/her will.</p> <p>The Company is entitled to ask the proxy who represents a shareholder to attend the shareholders' general meeting to provide his identification document. In the case a legal person shareholder appoints its representative to attend the meeting, the Company is entitled to require the representative to provide his identification document and the copy of the resolution or the power of attorney which has been notarized (other than a recognized clearing house or its agent), indicating the appointment by the board of directors or other power authority of the said legal person shareholder.</p>	<p>Article 76 Any instrument issued to a shareholder by the board of the directors of the Company for use in appointing a proxy shall be in such format as to enable the shareholders to instruct the proxy to vote in favour of or against the resolutions or <u>abstain from voting</u> according to the shareholder's free will, and to enable the shareholders to give instructions in respect of each individual matter to be voted on at the meeting. The proxy form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote at his/her <u>discretion</u>.</p> <p><u>The letter of attorney issued by a shareholder to entrust a proxy to attend the general meeting shall be in writing and include the following contents:</u></p> <p>(1) <u>the name of the proxy;</u></p> <p>(2) <u>whether the proxy has the voting right or not;</u></p> <p>(3) <u>the instructions to vote for, against or abstain from voting on each item to be considered by the general meeting respectively;</u></p>

No.	Current Articles	Articles after Amendments
		<p>(4) <u>whether the proxy has the voting right over provisional proposal which may be included in the agenda of the general meeting or not, and specific instructions shall be given over what voting right shall be exercised if the proxy does have the voting right;</u></p> <p>(5) <u>the issuance date and expiry date of the letter of attorney; and</u></p> <p>(6) <u>the signature (or seal) of the entrusting party. Where the entrusting party is a corporate shareholder, the letter of attorney shall be sealed by the seal of the legal entity.</u></p> <p>The Company is entitled to require the proxy who represents a shareholder to attend the shareholders' general meeting to provide his identification document. <u>If such shareholder attends the meeting in person, he/she shall produce his/her own identity card or other valid documents or evidence to prove his/her identity and shareholding evidence. If a shareholder appoints a proxy to attend the meeting, the proxy shall produce his/her own valid identification documents and the shareholder's power of attorney and shareholding evidence.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. If a legal representative attends the meeting, he/she shall produce his/her own identity card or other valid documents evidencing his/her capacity as legal representative and shareholding evidence; if a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card and the written power of attorney issued by the legal representatives of corporate shareholders according to law, or</u> the copy of the resolution or the power of attorney which has been notarized (other than a recognized clearing house or its agent), indicating the appointment by the board of directors or other power authority of the said legal person shareholder <u>and the shareholding evidence.</u></p>
39	None	<p>Article 78 <u>A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of voting shares held or represented and names of appointers (or name of organizations).</u></p>

No.	Current Articles	Articles after Amendments
40	None	<p>Article 79 <u>The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of their shares carrying voting rights.</u></p>
41	None	<p>Article 80 <u>When a general meeting is held, all directors, supervisors and the board secretary shall attend the meeting and the general manager and other senior management shall attend the meeting as non-voting attendees.</u></p>
42	None	<p>Article 81 <u>The Company shall lay down the rules of procedures for general meeting, specifying in detail the procedures for convening and voting at such general meeting, including notice, registration, proposal consideration, voting, vote counts, voting result announcement, meeting resolution formation, meeting minutes and execution thereof, public announcement as well as the principles to authorize the Board by the general meeting. The authorization shall be clear and specific. The rules of procedures for general meeting shall serve as an appendix to the Articles of Association, and shall be prepared by the Board and approved by the shareholders.</u></p>

No.	Current Articles	Articles after Amendments
43	None	Article 82 <u>During any annual shareholders' meeting, the Board of Directors and the Board of Supervisors shall submit reports to such shareholders' general meeting in respect of their work in the past year. Each independent (non-executive) director shall also submit his work report.</u>
44	None	Article 83 <u>Directors, supervisors and senior management shall explain with respect to inquiries and suggestions from shareholders at a general meeting.</u>
45	None	Article 84 <u>The chairman of the meeting shall declare the number of the shareholders and proxies present at the meeting and the total number of the voting rights held before voting. Such number of the shareholders and proxies present at the meeting and the total number of the voting rights held shall be subject to those registered for the meeting.</u>
46	None	Article 85 <u>The convener shall ensure that a general shareholders' meeting shall proceed until final resolutions have been adopted. If a general shareholders' meeting suspends or no resolution is adopted due to force majeure events or other special circumstances, necessary measures shall be taken to resume the shareholders' general meeting or terminate such meeting directly, and make an announcement in a timely manner. In the same time, the convener shall report to relevant competent department in accordance with applicable provisions.</u>

No.	Current Articles	Articles after Amendments
	Section 4 Voting and Resolution at a General Meeting	Section 4 Voting and Resolution at a General Meeting
47	<p>Article 68 Resolutions of a shareholders' general meeting include ordinary resolutions and special resolutions.</p> <p>Any ordinary resolutions proposed at general meetings shall be passed by a simple majority of the votes of the shareholders (including proxies thereof) attending the general meeting.</p> <p>Any special resolutions proposed at general meetings shall be passed by more than two-thirds of the votes of shareholders (including proxies thereof) attending the general meeting.</p>	<p>Article 86 Resolutions of a shareholders' general meeting include ordinary resolutions and special resolutions.</p> <p>Any ordinary resolutions proposed at general meetings shall be passed by a simple majority of the votes of the shareholders <u>with voting rights</u> (including proxies thereof) attending the general meeting.</p> <p>Any special resolutions proposed at general meetings shall be passed by more than two-thirds of the votes of shareholders <u>with voting rights</u> (including proxies thereof) attending the general meeting.</p>

No.	Current Articles	Articles after Amendments
48	<p>Article 69 In the case of voting at shareholders’ general meetings, shareholders (including their proxies) may exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote. The Company has no voting right for the shares of the Company it holds.</p> <p>.....</p>	<p>Article 87 In the case of voting at shareholders’ general meetings, shareholders (including their proxies) may exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote. The Company has no voting right for the shares of the Company it holds. <u>When calculating the total number of the voting rights shares for the shareholders’ general meeting, such portion of the shares shall not be included.</u></p> <p><u>When material matters affecting the interests of minority shareholders are considered at a shareholders’ general meeting, the votes of minority shareholders of domestic-listed shares shall be counted separately. The voting results of such domestic-listed shares shall be disclosed publicly in a timely manner.</u></p> <p><u>The Board, independent (non-executive) directors and shareholders of the Company who meet the relevant requirements may publicly collect votes from shareholders. Information including the specific voting preference shall be fully provided to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders’ voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
49	None	<p data-bbox="847 342 1396 757"><u>Article 88 Connected shareholders shall not take part in voting when connected transactions are being considered at a shareholders' general meeting. The number of shares with voting rights represented by them shall not be included in the total number of valid votes; The announcement on the resolutions made at a shareholders' general meeting shall fully disclose details of voting by non-connected shareholders.</u></p> <p data-bbox="847 815 1396 1017"><u>When connected transactions are being considered at a shareholders' general meeting, the withdrawing and voting procedure for connected shareholders are as follows:</u></p> <p data-bbox="847 1074 1396 1357"><u>(1) If the transaction considered at the general meeting has connected relation with the shareholders, the relevant shareholders shall actively disclose or at the request of the Company disclose its connected relationship before such transaction is approved;</u></p> <p data-bbox="847 1415 1396 1740"><u>(2) When connected transactions are being considered at a shareholder's general meeting, the chairman of the meeting announces the shareholders who have connected relationship, and explains the connected relationship between the connected shareholders and connected transactions;</u></p>

No.	Current Articles	Articles after Amendments
		<p data-bbox="847 342 1390 587"><u>(3) The chairman of the meeting announces the withdrawal of connected shareholders and the connected transaction is considered and voted by non-connected shareholders;</u></p> <p data-bbox="847 640 1390 1098"><u>(4) For a connected transaction to become a resolution, it shall be passed by more than half of voting shares by non-connected shareholders with voting rights attending the meeting; if such transaction is within the scope of special resolution, such resolution shall be passed by more than two-thirds of voting shares by non-connected shareholders with voting rights attending the meeting.</u></p>

No.	Current Articles	Articles after Amendments
50	None	<p data-bbox="847 342 1377 842"><u>Article 91 Shareholders attending the general meeting shall propose their opinions to the proposals submitted to the general meeting by one of the followings: voting in favor of, against or abstaining from voting, except that securities registration and settlement institutions, being the nominal holders of shares subject to the Interconnection Mechanism for Transactions in the Mainland and Hong Kong Stock Markets, may express opinions according to the intentions of actual holders.</u></p> <p data-bbox="847 902 1377 1172"><u>If the votes are incomplete, not completed correctly, or the writing in the votes cannot be recognized, the unvoted votes shall be deemed as waiver of their voting rights and the voting results of the number of shareholdings shall be recorded as “abstained”.</u></p>

No.	Current Articles	Articles after Amendments
51	None	<p data-bbox="847 336 1377 497">Article 94 <u>The list of candidates for Director and Supervisor is submitted to a general meeting for voting in the form of a motion.</u></p> <p data-bbox="847 555 1377 923"><u>When voting on the election of directors and supervisors, the general meeting may implement cumulative voting system according to the Articles of Association or the resolution of the general meeting. Where the shareholding of the controlling shareholders exceeds 30%, cumulative voting shall be adopted for election of Directors.</u></p> <p data-bbox="847 981 1377 1434"><u>Cumulative voting system referred to in the preceding paragraph means a system whereby each share, at voting to elect directors or supervisors at a general meeting, carries the number of voting rights equivalent to the number of the directors or supervisors to be elected, and a shareholder may concentrate his voting rights. The Board shall make public to the shareholders the resume and general information of the candidates for director and supervisor.</u></p>

No.	Current Articles	Articles after Amendments
52	None	<p>Article 95 <u>Except for the accumulative voting system, all resolutions to be included in the agenda of the general meeting shall be voted on an individual basis. If there are different resolutions on the same matter, such resolutions will be voted in chronological order of proposing such resolutions. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the general meeting will not suspend the proposal and will not abort the voting.</u></p>
53	None	<p>Article 96 <u>No amendments shall be made to a proposal when it is considered at the shareholders' general meeting. Amended proposal shall be deemed as a new proposal and shall not be voted at the same general meeting.</u></p>
54	None	<p>Article 97 <u>The same voting right shall only be exercised by way of one of the followings: on-site voting, voting via the Internet or one of the other voting methods. The first voting result shall prevail for repeated voting on the same voting right.</u></p>
55	None	<p>Article 98 <u>All votes of the shareholders at the general meeting shall be taken by poll.</u></p>

No.	Current Articles	Articles after Amendments
56	None	<p>Article 99 <u>When proposals are voted on at the general meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has interests in any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of ballots.</u></p> <p><u>When proposals are voted on at the general meeting, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes. If otherwise provided the listing rules of the stock exchanges where the Company's shares are listed, its requirements shall also be met.</u></p> <p><u>Shareholders of the Company or proxies thereof voting via internet or otherwise shall have the right to check their voting results via the corresponding voting system.</u></p>
57	None	<p>Article 100 <u>The on-site voting shall not conclude earlier than via internet voting or any other method of voting at the general meeting. The chairman of the meeting shall announce details of voting in connection with each proposal and the voting result. The chairman of the meeting shall be held responsible for announcing whether or not a resolution has been passed based on the voting result.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>Before the voting result is announced, the relevant parties including the company, counting officer, monitoring officer, major shareholders and network service provider involved at the venue, over the network or otherwise shall have the confidentiality obligation.</u></p>
58	<p>Article 74 The following matters shall be passed by way of ordinary resolution at shareholders' general meeting:</p> <p>.....</p> <p>(3) election or removal of members of the board of directors and shareholders' representative supervisors and their remuneration and terms of payment;</p> <p>(4) annual budget and final account, balance sheet, profit statement and other financial statements of the Company; and</p> <p>.....</p>	<p>Article 101 The following matters shall be passed <u>by way of</u> ordinary resolution at shareholders' general meeting:</p> <p>.....</p> <p>(3) <u>appointment and removal</u> of members of the board of directors and <u>non-employee</u> representative supervisors and the remuneration of <u>relevant directors and supervisors</u> and its terms of payment;</p> <p>(4) <u>annual preliminary and final financial budgets of the Company;</u></p> <p>(5) annual <u>report, annual</u> balance sheet, profit statement and other financial statements of the <u>Company;</u> and</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
59	<p>Article 75 The following matters shall be passed by way of special resolution at shareholders' general meetings:</p> <p>.....</p>	<p>Article 102 The following matters shall be passed by way of special resolution at shareholders' general meetings:</p> <p>.....</p> <p>(5) <u>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;</u></p> <p>(6) <u>Guarantees exceeding 30% of the audited total assets of the Company during the latest period, when aggregated with the amount of guarantees incurred in 12 consecutive months;</u></p> <p>(7) <u>Share incentive scheme;</u></p> <p>.....</p> <p>(9) <u>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.</u></p>

No.	Current Articles	Articles after Amendments
60	<p>Article 76 Shareholders or the Board of Supervisors demanding an extraordinary general meeting or class meeting shall abide by the following procedures:</p> <p>(1) The Board of Supervisors or two or more shareholders jointly or separately holding 10% or more of the shares carrying the right to vote at the upcoming meeting may request the board of directors to convene an extraordinary general meeting or a class meeting by signing one or several copies of written request(s) in the same format and content, and stating the subject of meeting and resolutions proposed. The board of directors shall convene the extraordinary general meeting or the class meeting as specified in the request as soon as possible. The shareholdings referred to above shall be calculated as at the date of written request made.</p>	<p>Article 103 Shareholders or the Board of Supervisors demanding an extraordinary general meeting or class meeting shall abide by the following procedures:</p> <p>(1) Shareholders <u>individually or jointly holding 10% or more of the Company's shares</u> may sign one or more counterpart requests requiring the Board to convene an extraordinary general meeting or a class meeting and stating the objectives of the meeting. The Board <u>shall give its feedback in writing stating whether it agrees or disagrees to convene the extraordinary general meeting within ten days</u> after receipt <u>of the proposal in accordance with the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the extraordinary general meeting or the class meeting, a notice for convening the extraordinary general meeting or the class meeting shall be issued within five days upon adoption of the resolution by the Board. Any changes made to the original requests in the notice shall require the approval of relevant shareholders.</u> The aforesaid number of shares held shall be calculated as per the one incurred on the date on which the shareholder submits a written request.</p>

No.	Current Articles	Articles after Amendments
	<p>(2) If the board of directors fails to send a notice to convene such a meeting 30 days after receiving the written request referred to in the preceding paragraph, the shareholders or Board of Supervisors bringing forward the request may by themselves convene such a meeting within four months after the board of directors receives this request with the procedures as similar as possible as that in which shareholders' general meetings are to be convened by the board of directors.</p>	<p>(2) <u>If the Board does not agree to convene the extraordinary general meeting or the class meeting, or if it fails to give its feedback within ten days upon receipt of such request, shareholders individually or jointly holding more than 10% of the Company's shares are entitled to propose to the Board of Supervisors to convene an annual general meeting or the class meeting, and shall propose such request in writing to the Board of Supervisors. If the Board of Supervisors agrees to convene the annual general meeting or the class meeting, a notice for convening such meeting shall be issued within five days upon receipt of such request. Any changes made to the original request in the notice shall require the approval of relevant shareholders. If the Board of Supervisors fails to issue a notice for the general meeting or the class meeting in the prescribed period, it shall be regarded as not convening and presiding the general meeting by the Board of Supervisors. Shareholders</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>individually or jointly holding more than 10% of the shares of our Company for more than 90 consecutive days may convene and preside at the meeting at their own discretion. (Before the resolution of general meeting is announced, the proportion of shares held by the convening shareholders should not be less than 10%).</u> The procedure of convening shall be the same as the procedure for the Board to convene a general meeting as much as possible.</p>
61	None	<p>Article 104 <u>An annual general meeting may be convened upon proposal by independent (non-executive) directors to the Board. Regarding the proposal of the independent (non-executive) directors to convene an annual general meeting, the Board shall, pursuant to the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the annual general meeting within 10 days after receipt of the proposal. Where the Board agrees to convene the annual general meeting, it will serve a notice of such meeting within five days after the resolution is made by the Board. Where the Board does not agree to convene the annual general meeting, it will give reasons and make an announcement in respect thereof.</u></p>

No.	Current Articles	Articles after Amendments
62	None	<p data-bbox="845 342 1396 757"><u>Article 105 The Board of Supervisors shall be entitled to propose to the Board to convene an annual general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the annual general meeting within 10 days after receipt of the proposal.</u></p> <p data-bbox="845 815 1396 1102"><u>Where the Board agrees to convene the annual general meeting, it will serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original proposal set forth in the notice shall be subject to approval by the Board of Supervisors.</u></p> <p data-bbox="845 1159 1396 1485"><u>If the Board does not agree to convene the annual general meeting or fails to give a written request within 10 days after receipt of the proposal, the Board shall be deemed as unable to or failing to perform the duty of convening the general meeting, and the Board of Supervisors may convene and preside over the meeting by itself.</u></p>

No.	Current Articles	Articles after Amendments
63	None	<p>Article 106 <u>Where the Board of Supervisors or shareholders decide(s) to convene a general meeting by themselves, it/they shall notify the Board in writing, and shall at the same time report to the local representative office of the competent securities authorities under the State Council and the stock exchange.</u></p> <p><u>The Board of Supervisors and the convening shareholders shall submit the relevant documents to the local representative office of the competent securities authorities under the State Council and the stock exchange when issuing the notice for convening of the general meeting and the announcement on resolution proposed at the general meeting.</u></p>
64	None	<p>Article 107 <u>With regard to the general meeting convened by the Board of Supervisors or shareholders on their own initiative, the Board and its secretary will offer cooperation. The Board shall provide a register of members as of the equity registration date. Where the Board fails to provide the register of members, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the general meeting. The shareholders' register obtained by the convener shall not be used for other purposes except for convening the general meeting.</u></p>

No.	Current Articles	Articles after Amendments
65	<p data-bbox="279 342 395 370">Article 76</p> <p data-bbox="279 427 336 455">.....</p> <p data-bbox="279 512 823 842">Any reasonable expenses incurred by shareholders or the Board of Supervisors in convening and holding a meeting by reason of the failure of the board of directors to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.</p>	<p data-bbox="850 342 1390 629">Article 108 <u>Where the Board of Supervisors or shareholders convene the general meeting by themselves, the expenses necessarily accrued therefrom</u> shall be borne by the Company and be deducted from the amounts due for payment to the directors as a result of their negligent manners.</p>

No.	Current Articles	Articles after Amendments
66	<p>Article 77 Shareholders' general meetings are organized and convened by the board of directors and presided over by the chairman of the board of directors; where the chairman of the board of directors is unable to or do not perform his duties, a director may be elected by more than one-half of the directors to preside over the meeting. Where the board of directors is unable to or do not perform its duty of convening shareholders' general meetings, the Board of Supervisors shall convene and preside over the meeting in a timely manner; where the Board of Supervisors do not convene and preside over shareholders' general meetings, shareholders individually or collectively holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.</p>	<p>Article 109 The general meeting shall be convened by the Board, and the chairman of the Board shall act as the presider of the meeting. If the chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the <u>presider</u> of the meeting. <u>Where no such director can be elected by more than one-half of the directors to preside over the meetings, the shareholders present at the meeting may elect a person to act as the chairman; if, for any reasons, the shareholders fails to elect a chairman, the shareholder (or his proxy or proxies) holding the largest number of voting shares shall act as the chairman of the meeting.</u></p> <p><u>The general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform his/her duties, the vice chairman of the Board of Supervisors shall preside over the general meeting. Where the vice chairman of the Board of Supervisors is inexistent, or is unable or fails to perform his duties, a supervisor shall be elected by more than one-half of the supervisors to preside over the meeting.</u></p> <p><u>The general meeting convened by shareholders shall be presided over by a representative elected by the convener.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>Where any violation of the rules of procedure by the chairman of the general meeting renders the general meeting discontinued, a person may be elected by more than one-half of the shareholders with the voting rights who are present at the general meeting to replace the chairman of the meeting to continue the meeting.</u></p>
67	<p>Article 80 If ballots are counted at a shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p>The minutes of the meeting together with the attendance records and the proxy forms shall be kept at the domicile of the Company for a period of at least ten years.</p>	<p>Article 112 If ballots are counted at a shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p><u>The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, the secretary to the Board of Directors, the convener or his or her representative, and the chairman of the meeting attending the meeting shall sign the minutes of the meeting.</u> The minutes of the meeting and the signed attendance record of the shareholders who attended in person, the proxy forms and the <u>valid information relating to voting online and by other means shall be kept together</u> at the premises of the Company for a term of not less than 10 years.</p>

No.	Current Articles	Articles after Amendments
68	None	<p>Article 113 <u>Minutes shall be kept for general meetings and are responsible by the secretary to the board. The minutes of meeting shall have the following contents:</u></p> <p>(1) <u>time, venue, agenda of the meeting and name of the convener;</u></p> <p>(2) <u>name of the chairman as well as the directors, supervisors, general managers and other senior management present at of the meeting or attending the meeting;</u></p> <p>(3) <u>the number of shareholders and proxies present at the meeting, the number of voting shares held by such shareholders and proxies, and their proportion to the Company's total number of shares;</u></p> <p>(4) <u>details of consideration of, main points of discussion and voting results relating to each resolution;</u></p> <p>(5) <u>shareholders' queries or suggestions as well as the corresponding replies or explanations;</u></p> <p>(6) <u>Names of legal adviser, vote counting officers and scrutineer; and</u></p> <p>(7) <u>Other content required to be included in the minutes pursuant to the Articles of Association of the Company.</u></p>

No.	Current Articles	Articles after Amendments
69	None	<p>Article 115 <u>The Company shall, in compliance with the applicable laws, regulations and relevant provisions of the stock exchange of the place where the Company's shares are listed, publish announcements on resolutions passed at general meeting. Such announcement is to indicate the number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold and its proportion to the total number of shares with voting rights of the Company, the means of voting, the voting results of each proposal, the details of each resolution adopted as well as other contents required by stock exchange where the shares of the Company are listed.</u></p>
70	None	<p>Article 116 <u>Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special notice shall be made in the announcement of the resolutions of the general meeting.</u></p>
71	None	<p>Article 117 <u>Where relevant proposals on selection of directors and supervisors were passed at the general meeting, new directors and supervisors shall take their posts immediately after the conclusion of the general meeting or according to the time indicated in the resolution of the general meeting.</u></p>

No.	Current Articles	Articles after Amendments
72	None	<p>Article 118 <u>If a resolution is adopted at a meeting with respect to the payment of cash dividend, stock dividend or the capitalization of the capital reserve, the Company shall implement the specific plan within 2 months after such general meeting concludes.</u></p>
73	None	<p>Article 119 <u>When convening the general meeting, the Company will engage legal counsels to issue legal opinion on the following matters and make public announcement:</u></p> <p>(1) <u>whether the convening and holding procedures of the meeting are in compliance with laws, administrative regulations and the Articles of Association;</u></p> <p>(2) <u>whether the qualifications of persons attending the meeting and the convener are legitimate and valid;</u></p> <p>(3) <u>whether the procedure and result of the voting are legitimate and valid;</u> <u>and</u></p> <p>(4) <u>legal opinion provided on other relevant matters as required by the Company.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter IX The Special Procedures for Voting by Class Shareholders	Chapter IX The Special Procedures for Voting by Class Shareholders
74	<p>Article 89 In addition to shareholders of other classes, holders of domestic shares and holders of overseas-listed foreign shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class meetings shall not apply in any of the following circumstances:</p> <p>.....</p> <p>(3) upon obtaining an approval from the competent securities authority of the State Council, holders of domestic shares of the Company may transfer the Company's shares held by them to foreign investors and have such shares listed and traded on one or more overseas stock exchanges.</p>	<p>Article 127 In addition to shareholders of other classes, holders of <u>domestic-listed shares</u> and holders of overseas-listed foreign shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class meetings shall not apply in any of the following circumstances:</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
	Chapter X Board of Directors	Chapter X Board of Directors
	Section 1 Directors	Section 1 Director
75	<p>Article 90 Directors shall be elected at the shareholders’ general meetings for a term of office of 3 years. Upon expiration of the term of office, a director is eligible for re-election and re-appointment.</p> <p>The Company has independent (non-executive) directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in Chapter XIV of the Articles of Association shall be applicable to independent (non-executive) directors. An independent non-executive director may serve his/her term of office continuously for a maximum of nine years. For any extension, the board of directors shall submit an independent resolution to the shareholders’ general meeting for review and explain the reason for further extension.</p> <p>.....</p> <p>Functions and duties of independent (non-executive) directors of the board of directors of the Company include but is not limited to:</p> <p>.....</p>	<p>Article 128 Directors shall be elected <u>or replaced</u> at the shareholders’ general meetings for a term of office of 3 years. Upon expiration of the term of office, a director is eligible for re-election and re-appointment. <u>Before expiry of the term, Shareholders shall not remove such director without cause.</u></p> <p><u>The term of office of directors commences from the date of appointment up to the expiry of the current term of office of the Board. In the event that the term of a director falls upon expiry whereas the new member of the Board is not re-elected in time, the existing director shall continue to perform his duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association until the re-elected director assumes office.</u></p> <p>The Company has appointed independent (non-executive) directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in Chapter XIV of the Articles of Association shall be applicable to independent (non-executive) directors. Independent (non-executive) directors shall be <u>re-elected for a term</u> of not more than <u>6 years</u>.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
		<p>Functions and duties of independent (non-executive) directors of the board of directors of the Company include but is not limited to:</p> <p>.....</p>
	<p>(2) to demonstrate the leading and guiding role whenever there is potential conflict of interests such as where the Company is entering into connected transactions so as to fully protect the overall legitimate rights and interests of the Company and the shareholders;</p>	<p>(2) to demonstrate the leading and guiding role whenever there is potential conflict of interests such as where the Company is entering into connected transactions so as to fully protect the overall legitimate rights and interests of the Company and the shareholders;</p>
	<p>(3) to serve as a member of special committees such as the audit committee, remuneration committee and nomination committee of the board of directors when invited; and</p>	<p>(3) to serve as a member of special committees such as <u>strategy and investment committee</u>, audit committee, remuneration committee and nomination committee of the board of directors when invited; and</p>

No.	Current Articles	Articles after Amendments
76	<p>Article 91 The nomination of candidates for directorship is generally put forward by the board of directors at the shareholders’ general meeting of the Company in forms of resolution. Shareholders and the Board of Supervisors may nominate candidates for directorship as provided in this Articles of Association.</p> <p>The intention to nominate a candidate as a director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the Company on or after the date of issue of the notice of the relevant shareholders’ general meeting but not later than seven days prior to the date of convening such shareholders’ general meeting. The period that the Company allows nominators and nominees to submit the notice and documents referred to in the preceding sentence shall be no less than seven days and counted from the next day after the notice of the shareholders’ general meeting is published.</p> <p>.....</p>	<p>Article 129 The nomination of candidates for directorship is put forward at the general meeting of the Company in forms of resolution. Candidates for <u>independent (non-executive)</u> directors of the Company are nominated <u>by the Board of the Company, Board of Supervisors, shareholders who individually or collectively hold more than 1% of issued shares of the Company. Remaining candidates for director are nominated by the Board of the Company, Board of Supervisors and shareholders who individually or collectively hold more than 3% of issued shares of the Company.</u></p> <p>The intention to nominate a candidate as a director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the Company <u>10 days before the date of convening such general meeting.</u> The period that the Company allows nominators and nominees to submit the notice and <u>documents</u> referred to in the preceding sentence shall be no less than <u>ten</u> days and counted from the next day after the notice of the shareholders’ general meeting is published. <u>For regulatory rules where the shares of the Company are listed otherwise required shall be adopted accordingly.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
77	<p>Article 92 Directors may tender resignation prior to the expiry of the term of office. The resigning director shall submit to the Board a written resignation.</p>	<p>Article 130 Directors may tender resignation prior to the expiry of the term of office. The resigning director shall submit to the Board a written resignation. <u>The Board shall disclose relevant information within 2 days. For regulatory rules where the shares of the Company are listed otherwise required shall be adopted accordingly.</u></p>
78	<p>Article 92</p> <p>.....</p> <p>If the number of directors fall below the statutory requirement on the quorum of directors of the Company when a director resigns, the notice of resignation of the resigning director will only become effective until a new director is appointed to fill the vacancy. The remaining directors of the board of directors shall convene an annual general meeting to elect a new director to fill the vacancy as soon as possible. The term of appointment of the newly-elected director or any director appointed so as to increase the number of directors will be effective from the date of appointment to the next annual general meeting of the Company and such director will then be eligible for re-election.</p> <p>.....</p>	<p>Article 131 If the number of directors fall below the statutory requirement on the quorum of directors of the Company when a director resigns, the notice of resignation of the resigning director will only become effective until a new director is appointed to fill the vacancy. The remaining directors of the board of directors shall convene an extraordinary general meeting to elect a new director to fill the vacancy as soon as possible. The term of appointment of the newly elected director or any director appointed so as to increase the number of directors will be effective from the date of appointment <u>to the expiry of the current term of office of the Board of the Company</u>, and such director will then be eligible for re-election.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
79	<p>Article 93</p> <p>.....</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 132</p> <p>.....</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><u>If an independent (non-executive) Director abstains from attending meetings of the board of Directors in person for three times in succession, the board of Directors shall propose a replacement of the Director at a general meeting. Except for the conditions set forth above and the situations in which a person shall not serve as a Director under the Company Law, the office of an independent (non-executive) Director shall not be terminated without any reason before expiration. In case of termination of a director's office prior to expiration, it shall be disclosed as a special issue by the Company. If the independent (non-executive) Director so removed considers that the reason for his removal is not proper, he or she can make a public declaration.</u></p>

No.	Current Articles	Articles after Amendments
80	None	<p>Article 134 <u>In cases where a director’s resignation takes effect or his/her tenure expires, he/she shall complete the handing-over procedures with the Board. His/her duty of loyalty owed to the Company and the shareholders shall not be relieved absolutely after the tenure expires and shall remain valid within the reasonable period specified by the Articles of Association.</u></p>
81	None	<p>Article 135 <u>Without the authorisation stipulated under the Articles of Association or of the Board, any director shall not act in his/her own name on behalf of the Company or the Board. In cases where a director is acting in his/her own name and the third party may reasonably believe that the director is acting on behalf of the Company or the Board, the director shall declare his/her position and capacity in advance.</u></p>
82	None	<p>Article 136 <u>An Independent (Non-executive) Director shall carry out the requirements according to laws, administrative regulations and departmental rules, the Articles and relevant systems to the Company.</u></p>

No.	Current Articles	Articles after Amendments
	Section II. Board of Directors	Section II. Board of Directors
83	<p>Article 95 Under the premise of compliance with the applicable requirements of the relevant listing rules from time to time, the Company shall have a board of 15 directors with one chairman and five independent non-executive directors. The number of independent non-executive directors shall not be less than 3 and not less than one-third of all directors at any time.</p>	<p>Article 137 Under the premise of compliance with the applicable requirements of the listing rules of <u>the stock exchanges of the place(s) where the Company's shares are listed,</u> from time to time, the Company shall have a board of 7–15 directors with one chairman and five independent non-executive directors. The number of independent (non-executive) directors shall not be less than 3 and not less than one-third of all directors at any time. <u>The Board shall comprise at least one independent (non-executive) director who has appropriate professional qualifications of accounting.</u></p>

No.	Current Articles	Articles after Amendments
84	<p>Article 96 The board of directors is accountable to the shareholders' general meeting and exercises the following powers and functions:</p> <p>.....</p> <p>(4) to prepare the annual financial budget and final accounts of the Company;</p> <p>(5) to prepare proposals for profit distribution and recovery of losses of the Company;</p> <p>(6) to formulate proposals for increase or reduction in the Company's registered capital and the issue of corporate bonds;</p> <p>.....</p>	<p>Article 138 The board of directors is accountable to the shareholders' general meeting and exercises the following powers and functions:</p> <p>.....</p> <p>(4) to prepare the annual financial budget and final accounts of the Company;</p> <p>(5) to prepare proposals for profit distribution and recovery of losses of the Company;</p> <p>(6) to formulate proposals for increase or reduction in the Company's registered capital and the issue and listing of corporate bonds or other securities;</p> <p>(7) <u>to draft proposals of major acquisitions, repurchase of the Company's shares;</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
(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) <u>to resolve on external guarantees other than those requiring approval of the general meeting in accordance with provisions of relevant laws, administrative regulations and this Articles of Association;</u>
.....		(10) <u>to resolve on (among others) external investment, purchase and sale of assets, assets mortgage, entrustment of financial services and connected transactions of the Company within the authorization of the general meeting;</u>
(11)	to draft amendments to the Articles of Association;
.....		(12) to appoint or dismiss the general manager, board secretary of the Company, and 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, <u>rewards and punishments;</u>
(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.
		(14) to <u>formulate</u> proposals for amendment to <u>the Articles of Association;</u>
	

No.	Current Articles	Articles after Amendments
	<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><u>(17) to hear the work report and inspect the work of the general manager of the Company; and</u></p> <p><u>(18) Other duties authorized by the law, administrative regulations, departmental regulations, the applicable requirements of the listing rules of the stock exchanges of the place(s) where the Company's shares are listed, the Articles of Association and the general meeting.</u></p> <p><u>Matters beyond the scope of authorization of the shareholders' general meeting should be submitted to the shareholders' general meeting for discussion.</u></p> <p>Resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of <u>more than half of all</u> directors with the exception of resolutions on matters referred to in items (6), (7) , <u>(8)</u> and <u>(14)</u>, which shall require the affirmative vote of more than two-thirds of <u>all</u> directors <u>(item (9) shall require the affirmative vote of more than two-thirds of the directors who are attending the Board meeting)</u>. The board of directors shall perform its duties in accordance with the State's laws, administrative regulations, <u>the Articles of Association</u> and resolutions of the shareholders' general meeting.</p>

No.	Current Articles	Articles after Amendments
85	None	<p><u>Article 139</u> The board of directors shall <u>make explanation to the shareholders' general meeting in respect of auditors' report with a qualified opinion issued by the certified public accountants regarding the financial statements of the Company.</u></p>
86	None	<p><u>Article 140</u> The Board of Directors shall <u>formulate the rules of procedures for Board meetings so as to ensure the implementation of resolutions passed at the shareholders' general meeting and the efficiency and scientific decision-making of the Board of Directors. The Rules of Procedures shall be the Appendix to the Articles of Association. The Rules of Procedures for the Board shall be formulated by the Board and shall be approved at a general meeting.</u></p>
87	<p>Article 97 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 decison-making of the board of directors. The rules of work for each committee shall be formulated by the board of directors.</p>	<p>Article 141 The board of directors shall establish special committees, such as <u>strategy and investment committee</u>, 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 decison-making of the board of directors. The rules of work for each committee shall be formulated by the board of directors.</p>

No.	Current Articles	Articles after Amendments
88	<p>Article 98 Unless otherwise required by the laws and regulations or listing rules of the stock exchanges where the Company has its shares listed, the Company's investment in other corporate and the provision of guarantee(s) for third parties shall be resolved by the board of directors. The Company's provision of guarantee(s) for company shareholders or actual controllers shall be resolved at the general meetings.</p> <p>Any shareholder referred to in the preceding paragraph or any shareholder controlled by the actual controller referred to in the preceding paragraph shall not vote on the matters referred to in the preceding paragraph. Any such matters shall be approved by a majority of the voting rights held by other shareholders attending the meeting.</p> <p>.....</p>	<p>Article 142 <u>The board of directors shall establish the authority for external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management and connected transaction and put in place stringent examination and decision-making procedures; major investment projects shall be assessed and examined by an expert or professional panel and put to the shareholders' general meeting for approval.</u></p> <p>.....</p>
89	<p>Article 100 The chairman of the board of directors is entitled to the following powers and functions:</p> <p>.....</p> <p>If the chairman of the Board is unable to exercise his/her duties, he/she may designate a director to exercise such functions and powers in his/her stead.</p>	<p>Article 144 The chairman of the board of directors is entitled to the following powers and functions:</p> <p>.....</p> <p>If the chairman is unable to exercise his <u>duties or fails to exercise his duties, more than half of the directors may elect</u> a director to convene and act as the president of the meeting to <u>exercise his duties.</u></p>

No.	Current Articles	Articles after Amendments
90	<p>Article 101 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 the general manager at least fourteen days before the meeting is held. The requirement on the notice period is not applicable to extraordinary board meetings, but a reasonable notice should be served to all directors, supervisors and the general manager.</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>Extraordinary board meetings may be convened under one of the following circumstances:</p> <p>.....</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 directors;</p> <p>.....</p>	<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 <u>other persons attending the meeting</u> at least fourteen days before the meeting is held. Notice of extraordinary board meetings will be served to all directors, supervisors and <u>other persons attending the meeting at least five days</u> 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>Extraordinary board meetings may be convened under one of the following circumstances:</p> <p>.....</p> <p>(4) <u>demande</u>d by the shareholders representing more than one-tenth of the voting rights of <u>the Company's total voting shares</u>;</p> <p>(5) demanded by more than one-half of the independent <u>(non-executive)</u>-directors;</p> <p>.....</p> <p><u>(7) when the securities regulatory authorities request a meeting;</u></p> <p><u>(8)</u> any other situation specified in the Articles of Association.</p>

No.	Current Articles	Articles after Amendments
	The chairman of the board of directors shall convene and preside over a board meeting within ten days upon receipt of any demand.	The chairman of the board of directors shall convene and preside over a board meeting within ten days upon receipt of any demand.
91	<p>Article 102 Notice for convening the board meeting and extraordinary board meeting shall be served as follows: written notices of meetings stamped with the seal of the board of directors shall be delivered to all directors, supervisors and general manager by way of direct delivery in person or by e-mail or facsimile. Delivery by e-mail or facsimile shall also be confirmed by telephone and recorded. Notice for regular board meetings shall be served fourteen days prior to the convening of the meeting while the requirement of notice period is not applicable to extraordinary board meetings, but reasonable notice should also be given to all directors, supervisors and the general manager.</p> <p>.....</p>	<p>Article 146 Notice for convening the board meeting and extraordinary board meeting shall be served as follows: written notices of meetings stamped with the seal of the board of directors shall be delivered to all directors, supervisors and <u>other persons attending the meeting</u> by way of direct delivery in person or by e-mail or facsimile. Delivery by e-mail or facsimile shall also be confirmed by telephone and being recorded. When an Board meeting <u>needs to be held as early as possible in case of an emergency, the meeting notice is allowed to be given by telephone or in other verbal forms at any time provided that the convener makes necessary explanations at the meeting and receives the approval of exempting from notice period of Board meeting by the directors who are attending the meeting.</u></p> <p><u>Notice of Board meeting shall contain:</u></p> <p>(1) <u>date, time and place of the meeting;</u></p> <p>(2) <u>form of the meeting;</u></p> <p>(3) <u>duration of the meeting;</u></p> <p>(4) <u>matters and matters to be considered (meeting proposals);</u></p> <p>(5) <u>the convener and chairman of the meeting, persons submitting proposals of extraordinary meetings and the written proposals;</u></p>

No.	Current Articles	Articles after Amendments
		<p>(6) <u>meeting information needed for voting by Directors;</u></p> <p>(7) <u>requirements with regard to meeting attendance by Directors in person or through authorization of other Directors;</u></p> <p>(8) <u>contact person for the meeting and his/her contact details; and</u></p> <p>(9) <u>date of dispatch of notices.</u></p> <p>.....</p>
92	<p>Article 103 The quorum of the board meeting shall be more than half of the directors (including those entrusted to attend the meeting under Article 104 of the Articles of Association).</p> <p>Each director shall have one vote. Resolutions of the board of directors shall be passed by more than half of all directors, unless otherwise required by the Articles of Association.</p> <p>Resolutions made by the board of directors in relation to connected transactions will only be valid upon signing by independent (non-executive) directors.</p> <p>In case a director is interested in the resolution of the board meeting, that director shall avoid attending the meeting and have no voting right. That director will also be excluded from the calculation of quorum for the board of directors.</p>	<p>Article 147 The quorum of the board meeting shall be more than half of the directors (including those entrusted to attend the meeting under Article 148 of the Articles of Association).</p> <p>Each director shall have one vote. Resolutions of the board of directors shall be passed by more than half of all directors, unless otherwise required by this Articles of Association.</p> <p>Resolutions made by the board of directors in relation to connected (related) transactions will only be valid upon signing by independent (non-executive) directors.</p>

No.	Current Articles	Articles after Amendments
93	<p>Article 104 Directors shall attend board meetings in person. Where a director is unable to attend for some reasons, he/she may authorize in writing another director to attend the Board meeting in his/her stead. The power of attorney shall specify the scope of authorization.</p> <p>.....</p>	<p>Article 148 Directors shall attend board meetings in person. Where a director is unable to attend for some reasons, <u>he/she shall review the meeting materials and form a clear opinion and authorise another director in writing to attend on his/her behalf (independent directors shall authorise another independent director to attend on their behalf)</u>. Authorize in writing another director to attend the Board meeting in his/her stead. The power of attorney shall specify <u>names of the appointer and proxy, acting matters, the scope of authorization, validity period and appointer's voting intention on each proposal and shall be signed or sealed by the appointer.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
94	<p>Article 105 The board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting and the board secretary. The minutes of board meetings shall be kept for a period of ten years. Directors shall be responsible for the resolutions of the board of directors. Where a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association and causes serious losses to the Company, the directors who took part in such resolution shall be liable to compensate the Company; However, if a director can be proved to have expressed his/her objection to such resolution when it was put to the vote, and such objection has been recorded in the minutes, the director may be relieved of such liability.</p> <p>.....</p>	<p>Article 149 The board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting and the board secretary. The minutes of board meetings shall be kept as company files, and shall be kept for a period of at least ten years. Directors shall be responsible for the resolutions of the board of directors. Where a resolution of the board of directors violates the laws, administrative regulations or this Articles of Association and causes serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company; However, if a director can be proved to have expressed his/her objection to such resolution when it was put to the vote, and such objection has been recorded in the minutes, the director may be relieved of such liability.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
95	<p>Article 106 In respect of any matter which needs to be determined by the extraordinary board meeting and where the board of directors has sent out written notice (including facsimile) of proposals to be resolved at such meeting to all directors and the number of directors who have signified their consent thereto reaches the required number as set out in the Articles of Association, a valid resolution shall be deemed to be passed and there is no need to convene a board meeting.</p> <p>Article 107 In principle, the board meeting shall be held at the legal address of the Company, however it can be held in other places inside and outside the PRC as resolved by the board of directors.</p>	<p>Article 150 <u>The voting method of the resolutions of the</u> board of directors <u>are: vote by show of hands, vote by oral form or written <u>vote</u> (including facsimile <u>vote</u>).</u></p> <p><u>If the meeting of the board of directors is held in the form of telephone conference (including video conference) or by similar communications equipment and votes are taken by the attending directors in the oral form, resolutions shall be made on this basis at the meeting of the board of directors.</u></p> <p><u>Provided that the directors can fully express their opinions at the extraordinary board meetings, resolutions could be made by written form (including facsimile), and shall be signed by directors attending the meetings. Given that the draft resolution must be complete and comprehensive, and shall be delivered to each of the directors by hand, post or fax. The notice of the meeting shall have a clear time limit for voting. The directors attending the meetings shall sign on the votes and deliver their votes in the manner prescribed in the notice of the meeting before the time limit for voting as prescribed in the notice of the meeting. Immediately following the expiration of voting period, the resolutions of the board of directors shall take effect.</u></p> <p><u>If otherwise required by regulatory provisions of the place where the shares of the Company are listed, those provisions shall prevail.</u></p>

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

No.	Current Articles	Articles after Amendments
96	None	<u>Article 151 The board meeting shall be held at the address of the Company or at any other place as specified in the notice of the board meeting.</u>
	Chapter XII General Manager	Chapter XII General Manager
97	<p>Article 112 The Company shall have one general manager who shall be appointed or dismissed by the board of directors, and several deputy general managers who shall be nominated by the general manager and appointed and dismissed by the board of directors. A director may also act as the general manager, deputy general manager and other members of senior management.</p> <p>.....</p>	<p>Article 112 The Company shall have one general manager who shall be appointed or dismissed by the board of directors, and several deputy general managers who shall be nominated by the general manager and appointed and dismissed by the board of directors. A director may also act as the general manager, deputy general manager and other members of senior management.</p> <p>.....</p> <p><u>The term of office of general manager is three years which is renewable upon re-appointment.</u></p> <p><u>Any person who serves as an employee other than a director in the controlling shareholder, actual controller of the Company may not serve as a senior management officer of the Company.</u></p>

No.	Current Articles	Articles after Amendments
98	<p>Article 113 The general manager of the Company shall be accountable to the board of directors and exercise the following powers and functions:</p> <p>(1) to be in charge of the Company’s production, operation and management and to organize the implementation of the resolutions of the board of directors;</p> <p>.....</p> <p>(12) to exercise other powers and functions conferred by the Articles of Association and the board of directors.</p> <p>.....</p>	<p>Article 157 The general manager of the Company shall be accountable to the board of directors and exercise the following powers and functions:</p> <p>(1) to be in charge of the Company’s production, operation and management, to organize the implementation of the resolutions of the board of directors, <u>and to report to the board of directors;</u></p> <p>.....</p> <p>(12) to exercise other powers and functions conferred by <u>laws, administrative regulations, departmental rules and regulations, relevant provisions stipulated by the stock exchange where the shares of the Company are listed, and the Articles of Association, shareholders’ general meetings</u> and the board of directors.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
99	Article 116 The rules of work for general manager shall be formulated by the general manager of the Company and be implemented upon approval of the board of directors.	<p>Article 160 The rules of work for general manager shall be formulated by the general manager of the Company and be implemented upon approval of the board of directors.</p> <p><u>The rules of work for general manager includes:</u></p> <p>(1) <u>conditions and procedures for the convening and participants of general manager meetings;</u></p> <p>(2) <u>specific duties and work allocation of the general manager and other senior management;</u></p> <p>(3) <u>scope of authorization regarding the use of funds and assets of the Company and the entering of material contracts, and the system for reporting to the board of directors and the board of supervisors; and</u></p> <p>(4) <u>other matters which the board of directors considers necessary.</u></p>
100	None	Article 162 The general manager may resign prior to the expiry of his/her term of office. The specific procedures and methods of resignation of the general manager shall be governed by his/her contract with the Company.

No.	Current Articles	Articles after Amendments
	Chapter XIII Board of Supervisors	Chapter XIII Board of Supervisors
101	<p>Article 119 The Board of Supervisors shall consist of 11 supervisors, including five shareholder representatives, two independent supervisors and four employee representatives. Supervisors shall have a term of three years and be eligible for re-election upon expiry of the term.</p> <p>.....</p>	<p>Article 163 <u>The Company shall establish a Board of Supervisors.</u> The Board of Supervisors shall consist of <u>7-11</u> supervisors, among whom employee representatives <u>shall not be less than one third.</u> Supervisors shall have a term of three years and be eligible for re-election upon expiry of the term.</p> <p>.....</p> <p><u>The external supervisors (refer to those who do not hold office within the Company, the same below) shall represent more than half of the members of the Board of Supervisors. The Company’s external supervisors shall report to the shareholders’ general meeting independently on the senior management officers’ performance in respect of their duty of honesty and duty of care.</u></p>
102	None	<p>Article 164</p> <p>.....</p> <p><u>If the term of office of a supervisor expires but re-election cannot be held immediately or if any supervisor resigns during his term of office so that the number of the Board of Supervisors falls short of the statutory minimum, the said supervisor shall continue to fulfill the duties as a supervisor pursuant to the laws, administrative regulations and these Articles until a new supervisor is elected and assumes his post.</u></p>

No.	Current Articles	Articles after Amendments
103	<p>Article 120 Supervisors who are not representatives of employees shall be elected and removed at shareholders' general meeting and supervisors who are representatives of employees shall be elected and removed by the employees of the Company democratically and shall represent not less than one-third of the total number of supervisors.</p>	<p>Article 165 Supervisors who are not representatives of employees shall be elected and removed at shareholders' general meeting and supervisors who are representatives of employees shall be elected and removed by the employees of the Company <u>through the meeting of employee representatives, meeting of employees or other forms of democratic election or recall</u> and shall represent not less than one-third of the total number of supervisors.</p>
104	<p>Article 122 The Board of Supervisors shall convene meeting at least twice a year. The meeting shall be convened by the chairman of the Board of Supervisors for at least every six months. Any supervisor may propose for an extraordinary meeting of the Board of Supervisors to be held. Where the chairman of the Board of Supervisors is unable or does not to perform his duties, a supervisor may be appointed by him/her to perform his/her duties on his/her behalf.</p>	<p>Article 167 The Board of Supervisors shall convene meeting at least twice a year. The meeting shall be convened <u>and presided</u> by the chairman of the Board of Supervisors for at least every six months. Any supervisor may propose for an extraordinary meeting of the Board of Supervisors to be held. Where the chairman of the Board of Supervisors is unable or does not to perform his duties, a supervisor <u>elected by more than half of the supervisors shall convene and preside over the meeting of Board of Supervisors.</u></p>

No.	Current Articles	Articles after Amendments
105	<p>Article 123 The Board of Supervisors is accountable to the shareholders' general meeting and exercises the following powers and functions in accordance with the laws:</p> <p>.....</p> <p>(2) to supervise the performance by directors and senior management in executing the duties of the Company and to propose the removal of any director or senior management who have violated any laws, administrative regulations, the Articles of Association or resolutions passed at the shareholder's general meeting;</p> <p>.....</p>	<p>Article 168 The Board of Supervisors is accountable to the shareholders' general meeting and exercises the following powers and functions in accordance with the laws:</p> <p>.....</p> <p>(2) to supervise the performance by directors and senior management in executing the duties of the Company and to propose the removal of any director or senior management who have violated any laws, administrative regulations, the Articles of Association or resolutions passed at the <u>shareholder's general meeting</u>;</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
	<p>(4) to inspect financial materials such as the financial reports, operation reports and profit distribution proposals prepared by the board of directors to be submitted to shareholders' general meetings. In the case of any doubts, the Board of Supervisors may appoint certified public accountants or practicing auditors to help with the review in the name of the Company;</p> <p>.....</p>	<p>(4) to <u>review the periodic reports of the Company formulated by the board of directors and provide written review opinion, and</u> inspect financial materials such as the financial reports, operation reports and profit distribution proposals prepared by the board of directors to be submitted to shareholders' general meetings. In the case of any doubts, the Board of Supervisors may appoint certified public accountants or practicing auditors to help with the review in the name of the Company;</p> <p>.....</p>
	<p>(7) to deal with or take legal actions against directors and senior management members on behalf of the Company; and</p> <p>(8) to exercise other powers and functions as stipulated in the Articles of Association.</p> <p>Supervisors shall attend meetings of the board of directors.</p>	<p>(7) <u>to propose to convene an extraordinary board meeting;</u></p> <p>(8) to deal with or take legal actions against directors and senior management members on behalf of the Company;</p> <p>(9) <u>to conduct investigations whenever unusual operation conditions of the Company arise and if necessary, to engage professional institutions such as accounting firms and lawyers to assist in the investigations at the cost of the Company; and</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(10) to exercise other powers and functions conferred by laws, administrative regulations, departmental rules and regulations, relevant provisions stipulated by the stock exchange where the shares of the Company are listed, and the Articles of Association.</u></p> <p><u>Supervisors must attend shareholders' general meetings. Supervisors may be present at meetings of the board of directors and raise questions or make suggestions concerning proposed resolutions at board meetings.</u></p>
106	<p>Article 124 Supervisors shall have the right to request the chairman of the Board of Supervisors to convene an extraordinary meeting with reasonable cause. Notices of meetings of the Board of Supervisors stamped with the seal of the Board of Supervisors shall be given by the staff to all supervisors ten days prior to such meetings by way of direct delivery in person or by mail, facsimile, e-mail or telephone. Indirect delivery shall also be confirmed by telephone and be recorded. The notice shall include the date and venue of the meeting, the duration of the meeting, issues to be discussed at the meeting and the date of issue of the notice.</p> <p>.....</p>	<p>Article 169 Supervisors shall have the right to request the chairman of the Board of Supervisors to convene an extraordinary meeting with reasonable cause. Notices of <u>regular and extraordinary</u> meetings of the Board of Supervisors stamped with the seal of the Board of Supervisors shall be given by the staff to all supervisors ten <u>and five</u> days <u>in advance, respectively,</u> prior to such meetings by way of direct delivery in person or by mail, facsimile, e-mail or telephone. Indirect delivery shall also be confirmed by telephone and be recorded. The notice shall include the date and venue <u>for convening of</u> the meeting, the duration of the meeting, <u>reasons of the meeting and</u> issues to be discussed at the meeting and the date of issue of the notice.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
107	<p>Article 125 The Board of Supervisors shall maintain records of its meetings. The supervisors shall be entitled to make particular illustrative statements regarding their opinions expressed at the meeting recorded in the minutes. The minutes of a meeting shall be signed by the attending supervisors and the recorder. Minutes of the meetings of the Board of Supervisors shall be maintained by the board secretary and kept as records of the Company for a period of ten years.</p>	<p>Article 170 The Board of Supervisors shall maintain records of its meetings. The supervisors shall be entitled to make particular illustrative statements regarding their opinions expressed at the meeting recorded in the minutes. The minutes of a meeting shall be signed by the attending supervisors and the recorder. Minutes of the meetings of the Board of Supervisors shall be maintained by the board secretary and kept as records of the Company. <u>As records of the Company, the minutes shall be kept</u> for a period of <u>at least</u> ten years.</p>
108	<p>Article 129 Supervisors shall discharge their supervising duties diligently in accordance with the laws, administrative regulations and the Articles of Association.</p>	<p>Article 174 Supervisors shall <u>discharge their supervising duties, duties of loyalty and duties of diligence</u> diligently in accordance with the laws, administrative regulations and the Articles of Association. <u>They shall not abuse their authority of office to obtain bribes or other illegal income and not misappropriate the property of the Company.</u></p> <p><u>The supervisors shall ensure that the information disclosed by the Company is true, accurate, complete.</u></p> <p><u>A supervisor may not make use of his/her connected relationship to harm the Company's interests. For any losses suffered by the Company arising therefrom, he shall be liable to make indemnification.</u></p>

No.	Current Articles	Articles after Amendments
109	None	<u>Article 175 The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors and express the discussion methods and voting procedures, to ensure the work efficiency and scientific decision-making of the Board of Supervisors. The rules of procedure for the Board of Supervisors shall be formulated by the Board of Supervisors and attached to this Articles of Association, which shall be approved at the shareholders' general meeting.</u>

No.	Current Articles	Articles after Amendments
	Chapter XIV Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management	Chapter XIV Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management
110	<p>Article 130 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:</p> <p>.....</p> <p>(10) circumstances as prescribed by the laws and regulations of the place of listing of the Company's shares.</p>	<p>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:</p> <p>.....</p> <p>(10) <u>if such person 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;</u></p> <p>(11) circumstances as prescribed by the laws, <u>administrative regulations, departmental rules and other normative documents</u> of the place of listing of the Company's shares.</p> <p><u>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.</u></p>

No.	Current Articles	Articles after Amendments
111	None	<p data-bbox="847 336 1385 540">Article 180 <u>Directors shall fulfill the following obligations of diligence in accordance with the laws, administrative regulations and the Articles of Association of the Company:</u></p> <p data-bbox="847 597 1385 1012">(1) <u>To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;</u></p> <p data-bbox="847 1070 1385 1098">(2) <u>To treat all shareholders impartially;</u></p> <p data-bbox="847 1155 1385 1268">(3) <u>To keep informed of the operation and management conditions of the Company;</u></p> <p data-bbox="847 1325 1385 1523">(4) <u>To initial and approve periodic reports of the Company and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;</u></p> <p data-bbox="847 1581 1385 1825">(5) <u>To honestly provide the Board of Supervisors with relevant information, not to prevent the Board of Supervisors or supervisors from exercising their functions and powers; and</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(6) To fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules, the applicable requirements of the listing rules of the stock exchanges where the Company's shares are listed and Articles of Association.</u></p> <p><u>The above Article 4 to Article 6 related to the diligent obligations are also applicable to the senior management members.</u></p>
112	<p>Article 134 Each of the Company's directors, supervisors, general manager and other senior management members shall exercise his powers or carry out his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duties and his interests may be in conflict. Without limiting the generality of the foregoing, the following obligations (including but not limited to) shall be discharged:</p> <p>.....</p> <p>(8) without the informed consent of shareholders given at a general meeting, not to accept commissions in connection with the Company's transactions;</p>	<p>Article 181 Each of the Company's directors, supervisors, general manager and other senior management members shall exercise his powers or carry out his duties in accordance with the principle of fiduciary, shall not put himself in a position where his duties and his interests may be in conflict and <u>shall abide by the laws, administrative rules and these Articles of Association and perform the obligations of loyalty.</u> Without limiting the generality of the foregoing, the following obligations (including but not limited to) shall be discharged:</p> <p>.....</p> <p>(8) not to accept commissions in connection with the Company's transactions and <u>be possessed of the commissions;</u></p>

No.	Current Articles	Articles after Amendments
(9)	to abide by the Articles of Association, faithfully execute his duties and protect the Company's interests, and not to exploit his position and the functions and powers in the Company to advance his own private interests;	(9) to abide by the Articles of Association, faithfully execute his duties and protect the Company's interests, not to exploit his position and the functions and powers in the Company to advance his own private interest, <u>and not to, without the consent of the general meeting, abuse his position to appropriate the business opportunities for himself or other persons which should otherwise belong to the Company, or operate businesses similar to those of the Company for himself or other persons;</u>
.....	
(11)	not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide guarantee for the debts of the shareholder(s) of the Company or other individual(s) with the Company's assets; and	(11) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets <u>or capital</u> and not to provide guarantee for the shareholder(s) of the Company or other <u>individual(s)</u> with the Company's assets;
(12)		(12) <u>not to use his connected relations to prejudice the interests of the Company;</u>
.....	

No.	Current Articles	Articles after Amendments
		<p><u>(14) To fulfill other obligations of integrity and diligence stipulated by laws, administrative regulations, departmental rules, the applicable requirements of the listing rules of the stock exchanges where the Company's shares are listed and Articles of Association.</u></p> <p><u>Any incomes obtained by Directors, Supervisors, general manager or other senior management in violation of any provisions of this Article shall belong to the Company. The Director, Supervisor, general manager or other senior management shall be accountable to indemnify the Company against any losses incurred.</u></p>
113	None	<p>Article 184 <u>Any director, supervisor, general manager or other senior management officer of the Company who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties shall be held liable for indemnify against any loss caused to the Company.</u></p>

No.	Current Articles	Articles after Amendments
114	<p data-bbox="280 342 408 370">Article 138</p> <p data-bbox="280 427 336 455">.....</p> <p data-bbox="280 512 823 1395">In the event that a director is connected to companies associated with matters to be resolved at the board meeting (by the word “connected”, it means that the director takes the post of director or senior management with the counterpart, or the post of director or senior management with a corporate entity that directly or indirectly controls the counterpart or is under the direct or indirect control of the counterpart), such director shall not exercise his voting rights on such resolution, nor shall he vote on behalf of other directors and shall abstain from voting. The board meeting may be convened with a majority of the non-connected directors. Resolutions shall be approved by a majority of non-connected directors at the board meeting. When there are less than three non-connected directors present at the board meeting, such matters shall be submitted to the shareholders’ general meeting for consideration.</p>	<p data-bbox="852 342 979 370">Article 186</p> <p data-bbox="852 427 908 455">.....</p> <p data-bbox="852 512 1394 1523">In the event that a director is connected <u>(as defined in the listing rules as amended from time to time of the stock exchange(s) on which the Company’s shares are listed)</u> to companies associated with matters to be resolved at the board meeting (by the word “connected”, it means that the director takes the post of director or senior manager with the counterpart, or the post of director or senior manager with a corporate entity that directly or indirectly controls the counterpart or is under the direct or indirect control of the counterpart), such director shall not exercise his voting rights on such resolution, nor shall he vote on behalf of other directors and shall abstain from voting. The board meeting may be convened with a majority of the non-connected directors. Resolutions shall be approved by a majority of non-connected directors at the board meeting. When there are less than three non-connected directors present at the board meeting, such matters shall be submitted to the shareholders’ general meeting for consideration.</p>

No.	Current Articles	Articles after Amendments
	<p>Except as otherwise stated in the Listing Rules or with exceptions allowed by the Hong Kong Stock Exchange, a director shall not vote nor shall he be included in the quorum on any board resolution approving any contract, transaction or arrangement or any other proposal in which he or any of his associates (as defined in the applicable listing rules) has a material interest.</p> <p>.....</p>	<p>Except as otherwise stated in the <u>HKEx Listing Rules</u> or with exceptions allowed by the Hong Kong Stock Exchange, a director shall not vote nor shall he be included in the quorum on any board resolution approving any contract, transaction or arrangement or any other proposal in which he or any of his associates (as defined in the applicable <u>HKEx Listing Rules</u>) has a material interest.</p> <p>.....</p> <p><u>Except as otherwise stated in the laws and regulations and the listing rules of the stock exchange(s) on which the Company's shares are listed are not applicable to the restrictions stated in the paragraphs 1 to 5 of this Article.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter XV Financial and Accounting System and Profit Distribution and Auditing	Chapter XV Financial and Accounting System and Profit Distribution and Auditing
115	None	<p>Article 202 <u>The Company shall submit its annual financial and accounting reports to the regulatory authorities within four months from the ending date of each fiscal year and make announcement, submit the interim financial and accounting reports to the regulatory authorities within two months from the ending date of the first six months of each fiscal year and make announcement, and submit the quarterly financial and accounting reports to the regulatory authorities within one month from the ending dates of the first three and first nine months of each fiscal year and make announcement respectively.</u></p> <p><u>The above financial reports are prepared in accordance with laws, administrative regulations and the provisions of departmental regulations.</u></p>
116	Article 155 The Company shall not keep accounting books other than those required by law.	Article 203 The Company shall not keep accounting books other than those required by law. <u>No asset of the Company may be deposited into a bank account opened in the name of any individual.</u>

No.	Current Articles	Articles after Amendments
117	None	<p data-bbox="847 342 1394 629"><u>Article 204 In the distribution of profits after tax of a financial year, 10% of the profits shall be allocated to the statutory reserve. No further allocation to the statutory reserve is required where such reserve exceeds 50% of the registered capital of the Company.</u></p> <p data-bbox="847 687 1394 974"><u>Where the statutory reserve is insufficient to make up losses of the previous financial year, the profits of a financial year shall be applied to make up such losses before allocation to the statutory reserve shall be made in accordance with the preceding clause.</u></p> <p data-bbox="847 1032 1394 1229"><u>Upon the approval of the general meeting, where the Company has made allocation to the statutory reserve from the profits after tax, the Company may make allocation to the discretionary reserve.</u></p> <p data-bbox="847 1287 1394 1613"><u>Any surplus of profits after tax after the Company has made up losses and made allocations to the statutory reserve will be distributed as dividends to shareholders in proportion to their shareholdings, unless it is otherwise stipulated in these Articles that the profits shall not be distributed in pro rata to the shareholding of the shareholders.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>Where the general meeting distributes, in breach of the above clauses, profits to shareholders before the Company has made up losses and made allocations to the statutory reserve, shareholders shall return such profits distributed in breach of the above clauses to the Company.</u></p> <p><u>Shares of the Company held by the Company shall not be involved in the profit distribution.</u></p>
118	None	<p>Article 206 <u>The Company's reserve funds are used to make up for any losses, expansion of production and businesses of the Company or as additional capital of the Company. However, capital reserve cannot be used to make up for the Company's losses.</u></p> <p><u>When the statutory reserve funds are converted to capital, the balance of the statutory reserve funds cannot be less than 25% of the Company's registered capital before the conversion.</u></p>

No.	Current Articles	Articles after Amendments
119	<p>Article 157 The Company may distribute a dividend in either or both of the following forms:</p> <p>(1) Cash;</p> <p>(2) Stock.</p> <p>Dividends and other distributions declared by the Company to holders of domestic shares shall be declared and denominated in Renminbi, and paid in Renminbi within three months after declaration of dividends. Dividends and other distributions declared by the Company to holders of foreign shares shall be declared and denominated in Renminbi, and paid in foreign currency within three months after declaration of dividends. The exchange rate shall be based on the average middle exchange rate of the relevant foreign currency against Renminbi announced by the People's Bank of China over the five working days preceding the date on which such dividends or other distribution are declared. Foreign currencies payable by the Company to holders of foreign shares shall be obtained pursuant to relevant State regulations on the administration of foreign exchange. The board of directors is authorised by means of ordinary resolution at general meetings to distribute dividends to shareholders.</p>	<p>Article 207 <u>The profit distribution policy of the Company shall be as follows:</u></p> <p><u>(I) Principle of profit distribution: The Company shall place emphasis on delivering reasonable return on investments to the investors but the profits of the Company to be distributed shall not go beyond the scope of cumulative distributable profits of the Company and shall not impair the Company's ability to continue as a going concern. The profits distribution policy of the Company shall be durative and stable, taking into account of the long-term interests of the Company, the overall interests of all shareholders and the Company's sustainable development.</u></p> <p><u>(II) Form of profit distribution: The Company may adopt to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws, administrative regulations, the provisions of departmental regulations and regulatory rules in the place where the Company is listed. The Company shall give priority to dividend distribution in cash over in shares.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(III) Specific conditions of cash dividend: Under the preconditions that Company has no major investment plan or no significant cash expenditure, as well as the net profits realized by the Company in current year, the accumulated undistributed profits at end of current year and the capital reserve are positive, the Company shall distribute dividends in cash as long as it does not affect the normal operation and sustainable development of the Company.</u></p> <p><u>(IV) Conditions for dividend distribution in shares: The profit distribution by shares by the Company shall be on the premise of giving reasonable cash dividends return to shareholders and maintaining proper share capital size, and give comprehensive consideration to the growth, dilution of net asset per share and other factors.</u></p> <p><u>(V) Time intervals of profit distribution: Subject to the compliance of the profit distribution principles, the maintenance of the normal operation and the long-term development of the Company, in principle, the Company makes the profit distribution (by way of cash dividend) after the convening of the general meeting once a year. The board of directors of the Company may propose to make interim profit distribution (by way of cash dividend) in accordance with its profit and fund demand situations.</u></p>

No.	Current Articles	Articles after Amendments
		<p data-bbox="847 342 1393 1357"><u>(VI) The minimum amount or proportion of cash dividend: The cumulative profit distributed in cash (including annual distribution and interim distribution) by the Company shall not be less than 10% of its distributable profits of the year, and the cumulative profit distributed in cash in the most recent three years shall not be less than 30% of the average distributable profit for the most recent three years. The board of directors of the Company shall comprehensively take into account the features of the industry where the Company operates, its stage of development, its own business model, and profitability and the factors such as whether there is significant capital expenditure arrangement in forming different cash dividend distribution policy in accordance with the procedures as stipulated in the Articles of Association:</u></p> <p data-bbox="922 1415 1393 1655"><u>1. If the Company is in a mature development stage without significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 80%;</u></p>

No.	Current Articles	Articles after Amendments
		<p data-bbox="922 342 1390 583"><u>2. If the Company is in a mature development stage with significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 40%;</u></p> <p data-bbox="922 640 1390 880"><u>3. If the Company is in a growing development stage with significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 20%.</u></p> <p data-bbox="922 938 1390 1221"><u>If the development stage of the Company with significant capital expenditure cannot be easily distinguished, cash dividends shall be distributed according to the requirement mentioned above, unless otherwise specified in the Articles.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(VII) Decision-making procedures and mechanism of cash dividend: When formulating cash dividends distribution plan of the Company, views from several parties should be considered, and the board of directors shall fully take into account and justify the reasonableness of the proposal for profit distribution and submit to general meeting for consideration after the board of directors have passed a resolution on the proposal for profit distribution. The independent (non-executive) Directors shall explicitly give their views. The independent (non-executive) Directors shall seek the opinions of the minority shareholders, prepare a dividend distribution proposal accordingly and present it directly to the board of directors for consideration. Prior to the consideration of cash dividends distribution plan at the general meeting, the Company shall proactively communicate with its Shareholders, in particular, minority Shareholders, through various channels (such as collecting public views and holding forums) to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>(VIII) Conditions, decision-making procedures and mechanism of adjustment to the cash dividend policy: The Company may adjust its profits distribution policy specified above in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations or financial conditions, or where there are changes in or adjustments to the relevant laws, regulations or regulatory rules or where the Company's board of directors considers it necessary. The board of directors shall discuss the rationality of such adjustment in detail and form a resolution which shall be submitted to shareholders' meeting for approval by special resolution. The independent (non-executive) Directors shall explicitly give their views. The convening of shareholders' meeting shall comply with regulatory provisions in the place where the Company's shares are listed. Before raising adjustment scheme of profit distribution policy, the board of directors shall fully hear opinions from independent (non-executive)</u></p>

No.	Current Articles	Articles after Amendments
		<p><u>directors, take the initiative to communicate with minority shareholders through various channels (such as collecting public views and holding forums), and carefully respond to concerns of such shareholders. When convening a general meeting to consider adjustment scheme of profit distribution policy, in addition to organizing on-site meeting, the Company should also allow shareholders to vote through Internet.</u></p> <p><u>(IX) If the Company decides not to make cash dividend or decides to make cash dividend at a ratio lower than the prescribed one in special circumstances, the Company shall implement the relevant decision-making procedures and make disclosure according to the applicable laws, administrative regulations, departmental rules and the provisions of the stock exchange at the listing place and the Articles.</u></p>

No.	Current Articles	Articles after Amendments
		<p data-bbox="847 342 1390 1400">(X) Dividends and other distributions declared by the Company to holders of domestic listed shares shall be declared and denominated in Renminbi, and paid in Renminbi. Dividends and other distributions declared by the Company to holders of foreign shares shall be declared and denominated in Renminbi, and paid in foreign currency. The exchange rate shall be based on the average closing exchange rate of the relevant foreign currency against Renminbi announced by the People's Bank of China over the five working days preceding the date on which such dividends or other distribution are declared. Foreign currencies payable by the Company to holders of foreign shares shall be obtained pursuant to relevant State regulations on the administration of foreign exchange. The board of directors is authorised by way of ordinary resolution at general meetings to distribute dividends to shareholders.</p> <p data-bbox="847 1459 1390 1706">(XI) <u>After the profit distribution plan has been adopted at the general meeting, the board of directors of the Company shall complete the dividend (or share) distribution within two months after the general meeting.</u></p>

No.	Current Articles	Articles after Amendments
120	None	<u>Article 209 The Company shall conduct internal audit and assign full-time auditors to conduct internal audit and supervision on the revenues and expenditures and economic activities of the Company.</u>
121	None	<u>Article 210 The internal audit system and the duties of the auditing staff of the Company shall come into effect upon the approval of the board. The officer-in-charge of the audit team shall be responsible to and report to the board.</u>
	Chapter XVI Appointment of Accounting Firm	Chapter XVI Appointment of Accounting Firm
122	Article 159 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial statements and other financial reports. 	Article 211 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial statements and the Company's other financial reports, <u>or conduct other related consulting services and other activities.</u>
123	Article 160 The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting.	Article 212 The accounting firm appointed by the Company shall hold office <u>for one year</u> from the close of the annual general meeting until the conclusion of the next annual general meeting. <u>At the expiry of the term of office of the accounting firm, the appointment may be renewed.</u>

No.	Current Articles	Articles after Amendments
124	None	<p><u>Article 213 The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information without any objection, omission or falsehood.</u></p>
125	<p>Article 165 The Company’s appointment, removal and non-reappointment of an accounting firm shall be resolved by shareholders at general meetings. The resolution of the shareholders’ general meeting shall be filed with the competent securities authority of the State Council.</p> <p>.....</p>	<p>Article 218 The Company’s appointment of, removal of and non-reappointment of an accounting firm shall be resolved by shareholders in general meetings. The resolution of the shareholders’ general meeting shall be filed with the competent securities regulatory authority of the State Council.</p> <p><u>The board of directors shall not engage an accounting firm before any resolution made by the general meeting.</u></p> <p>.....</p>

No.	Current Articles	Articles after Amendments
126	<p>Article 166 Prior to the removal or the non-reappointment of the accounting firm, notice of such removal or non-reappointment shall be given in advance to the accounting firm which shall be entitled to make representation at the general meeting. Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>.....</p> <p>The Company shall, within fourteen days after the receipt of the notice as mentioned in the preceding paragraph, send a copy of the notice to the relevant competent authorities. If the notice contains the statement as mentioned in the item (2) of the preceding paragraph, a copy of such statement shall be placed at the domicile of the Company for the inspection of shareholders. The Company shall also send a copy of such statement by post (with postage paid) to each shareholder entitled to receive such report on the financial position of the Company at his address on the register of members.</p> <p>.....</p>	<p>Article 219 Prior to the removal or the non-reappointment of the accounting firm, notice of such removal or non-reappointment shall be given <u>30 days</u> in advance to the accounting firm which shall be entitled to make representation at the general meeting. Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>.....</p> <p>The Company shall, within fourteen days after the receipt of the notice as mentioned in the preceding paragraph, send a copy of the notice to the relevant competent authorities. If the notice contains the statement as mentioned in the item (2) of the preceding paragraph, a copy of such statement shall be placed at the domicile of the Company for the inspection of shareholders. The Company shall also send a copy of such statement by post (with postage paid) to each shareholder <u>of overseas listed foreign shares</u> entitled to receive such report on the financial position of the Company at the address of <u>recipients</u> on the register of members.</p> <p>.....</p>

No.	Current Articles	Articles after Amendments
	Chapter XVII Merger and Division of the Company	Chapter XVII Merger, Division, <u>Dissolution and Liquidation</u> of the Company
127	<p>Article 168 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>.....</p>	<p>Article 221 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. <u>Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, the original companies will be dissolved.</u></p> <p>.....</p>
128	<p>Article 169</p> <p>The debts of the Company before division shall be borne by the companies established after division according to the concluded agreement.</p>	<p>Article 222</p> <p>The debts of the Company before division shall be <u>jointly assumed</u> by the companies established after division, <u>except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.</u></p>

No.	Current Articles	Articles after Amendments
129	None	<p>Article 223 <u>Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.</u></p> <p><u>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in newspapers within 30 days from the date of such resolution. A creditor has the rights, within 30 days after receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.</u></p> <p><u>The registered capital of the Company after reduction shall not be less than the statutory minimum amount.</u></p>
130	<p>Article 170 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.</p>	<p>Article 224 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.</p> <p><u>When increasing or reducing the registered capital, the Company shall register the changes with company registration authorities in accordance with the laws.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter XVIII Dissolution and Liquidation of the Company	Chapter XVIII Dissolution and Liquidation of the Company
131	<p>Article 171 Under any of the following circumstances, the Company shall be lawfully dissolved and liquidated:</p> <p>.....</p> <p>(4) The Company is ordered to be closed down due to violation of the laws and administrative regulations.</p>	<p>Article 225 Under any of the following circumstances, the Company shall be lawfully dissolved:</p> <p><u>(I) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;</u></p> <p>.....</p> <p><u>(V) the Company’s business license is revoked or the Company is ordered to close down or de-registered;</u></p> <p><u>(VI) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the People’s Court to dissolve the Company.</u></p>
132	None	<p>Article 226 <u>Upon the occurrence of the situation described in item (I) of Article 225 hereof, the Company may continue to exist by amending the Articles.</u></p> <p><u>Amendments to the Articles pursuant to the preceding paragraph shall be subject to the approval of the shareholders present at the general meeting by a special resolution.</u></p>

No.	Current Articles	Articles after Amendments
133	<p>Article 172 Where the Company is dissolved by virtue of the reasons set out in item (I) in the preceding Article, the Company shall establish a liquidation committee within 15 days, and the members of the liquidation committee shall be selected at shareholders' general meeting in the form of ordinary resolution.</p> <p>Where the Company is dissolved pursuant to the item (III) of the preceding article, the People's Court shall, according to the relevant laws, organise the shareholders, the relevant authorities and the professionals to form a liquidation committee for the liquidation work.</p> <p>Where the Company is dissolved pursuant to the item (IV) of the preceding article, the relevant competent department shall organise the shareholders, the relevant authorities and the professionals to form a liquidation committee for carrying out the liquidation work.</p>	<p>Article 227 Where the Company is dissolved <u>in accordance with</u> item (I), <u>(II), (V), (VI)</u> of Article <u>225 hereof</u>, the Company shall establish a liquidation committee within 15 days <u>from the date of occurrence of events giving rise to dissolution</u>, and the members of the liquidation committee shall be selected at shareholders' general meeting in the form of ordinary resolution. <u>In case no liquidation committee is established within the specified period to commence liquidation, the creditors may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.</u></p> <p>Where the Company is dissolved pursuant to the item <u>(IV)</u> of the preceding article, the people's court shall according to the relevant laws, organise the shareholders, the relevant authorities and the professionals to form a liquidation committee for the liquidation work.</p>

No.	Current Articles	Articles after Amendments
134	Article 174 The liquidation committee shall notify creditors within ten days from the date of its establishment,	<p>Article 229 The liquidation committee shall notify creditors within ten days from the date of its establishment,</p> <p><u>Where creditors file their creditors' rights, they shall explain the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation team shall register the creditors' rights.</u></p> <p><u>The liquidation team may not clear off any of the debts of any creditors during the period of filing creditors' rights.</u></p>
135	None	<p>Article 234 <u>The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.</u></p> <p><u>None of the members of the liquidation team may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.</u></p> <p><u>Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make compensation.</u></p>
136	None	Article 235 <u>Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.</u>

No.	Current Articles	Articles after Amendments
	Chapter XIX Procedures for Amendment of the Articles of Association	Chapter XIX Procedures for Amendment of the Articles of Association
137	<p>Article 179 The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of the Articles of Association.</p>	<p>Article 235 The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of the Articles of Association.</p> <p><u>Under any one of the following circumstances, the Company shall amend its articles of association:</u></p> <p><u>(I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association are in conflict with the amended laws or administrative regulations;</u></p> <p><u>(II) the changes that the Company have undergone are not in consistence with the records made in the Articles of Association;</u></p> <p><u>(III) the general meeting decides that the Article of Association should be amended.</u></p>
138	None	<p>Article 239 The board of directors shall amend the Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority. Any amendment to the Articles of Association that involves information to be disclosed as required by the laws and regulations, shall be publicly announced as required.</p>

No.	Current Articles	Articles after Amendments
139	<p>Article 184</p> <p>.....</p> <p>Where a notice is served by the Company by way of announcement, after the publication of such announcement, all related parties shall be deemed to have received the relevant notice.</p>	<p>Article 242</p> <p>.....</p> <p>Where a notice is served by the Company by way of announcement, after the publication of such announcement, all related parties shall be deemed to have received the relevant notice.</p> <p><u>China Securities Journal and/or Shanghai Securities News, the Shanghai Stock Exchange website, and/or other newspapers and/or other media (including website) designated by the competent securities authorities at the place where the shares of the Company are listed and the stock exchanges are the mediums for publishing the announcements and other necessary disclosable information of the Company.</u></p>

No.	Current Articles	Articles after Amendments
	Chapter XXI Settlement of Disputes	Chapter XXI Settlement of Disputes
140	<p>Article 185 The Company shall act according to the following rules in settlement of disputes:</p> <p>(1) Whenever any disputes or claims arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company’s directors, supervisors, general manager or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, based on any rights or obligations conferred or imposed by the Articles of Association, the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>.....</p> <p>(2) disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.</p>	<p>Article 243 The Company shall act according to the following rules in settlement of disputes:</p> <p>(1) Whenever any disputes or claims arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company’s directors, supervisors, general manager or other senior management members, or holders of the overseas listed foreign shares and holders of domestic listed shares, based on any rights or obligations conferred or imposed by the Articles of Association, the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>.....</p> <p>(2) disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.</p>

No.	Current Articles	Articles after Amendments
	<p>A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>.....</p>	<p>A claimant may elect arbitration at the China International Economic and Trade Arbitration Commission <u>to conduct arbitration at Beijing</u> in accordance with its Arbitration Rules <u>which is valid when applying for arbitration.</u> Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>.....</p>
	Chapter XXII Supplementary Provisions	Chapter XXII Supplementary Provisions
141	<p>Article 186 All “over”, “within” and “under” in the Articles of Association include the numbers themselves; “more than”, “beyond” and “more” does not include the numbers themselves.</p>	<p>Article 244 All “over” and <u>“at least”</u> in the Articles of Association and <u>its attachments</u> include the numbers themselves; “more than”, “beyond”, and “more” and “less than” does not include the numbers themselves.</p> <p><u>“Senior management” in the Articles of Association refers to the general manager, assistant general manager, general engineer, general economist, general accountant and secretary to the board of directors.</u></p>

No.	Current Articles	Articles after Amendments
142	<p>Article 188 The Articles of Association are prepared in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.</p> <p>The Articles of Association shall be construed by the board of directors of the Company. Any matters not covered by the Articles of Association shall be proposed by the board of directors for consideration and approval at the shareholders' general meeting.</p>	<p>Article 246 The Articles of Association <u>and its attachments</u> are prepared in Chinese. Should there be any discrepancies between <u>any</u> other languages <u>or different versions of the Articles</u> and the <u>Articles and its attachments</u>, the Chinese version <u>of the Articles which is the most recently registered with the registration authorities with approval</u> shall prevail.</p> <p>The Articles of Association <u>and its attachments</u> shall be construed by the board of directors of the Company. Any matters not covered by the Articles of Association shall be proposed by the board of directors for consideration and approval at the <u>shareholders' general meeting.</u></p>
143	None	<p>Article 247 <u>The attachments of the Articles include the Rules of Procedure for general meetings, the Rules of Procedure for Meetings of the board of directors and the Rules of Procedure for the Board of Supervisors.</u></p>

Note: As a result of addition and deletion of chapters and articles, the numbering of the original chapters and articles of the Articles of Association and hence those cross-referenced articles have been adjusted accordingly, which are not shown separately.

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

No	Current articles	Articles after amendment
	Chapter I General Provisions	Chapter I General Provisions
1	<p>Article 2 The Company was established as a joint stock limited company under the Company Law, Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>The Company was incorporated by way of joint promotion by the promoters with the approval by the State-owned Assets Supervision and Administration Commission of Beijing (北京市人民政府國有資產監督管理委員會), as evidenced by the Circular Jing Guo Zi [2012] No.157. The Company was registered with the Administration for Industry and Commerce of Beijing and was granted a business license on 28 October 2013. The Company’s current enterprise legal person business license number is 110000000574583.</p> <p>.....</p>	<p>Article 2 The Company was established as a joint stock limited company under the Company Law, Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>The Company was incorporated by way of joint promotion by the promoters with the approval by the State-owned Assets Supervision and Administration Commission of Beijing (北京市人民政府國有資產監督管理委員會), as evidenced by the Document Jing Guo Zi [2012] No.157. The Company was registered with the Administration for Industry and Commerce of Beijing and was granted a business license on 28 October 2013. The Company’s current <u>unified social credit code</u> of enterprise legal person business license number is <u>91110000101360785M</u>.</p> <p>.....</p>

	Chapter II Objectives and Scope of Business	Chapter II Objectives and Scope of Business
2	<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: Licensed business items: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; Internet information services (except news, publication, education, healthcare, pharmaceuticals, medical devices); Foreign labour service cooperation (as licensed and approved by Ministry of Commerce); General contractor, specialist contractor, and labour subcontractor; General business items: Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management.</p> <p>.....</p>	<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: Licensed business items: Engineering survey; Engineering design; Engineering consulting; Engineering cost consulting; <u>Internet information services</u>; Foreign labour service cooperation; General contractor, specialist contractor, and labour subcontractor; General business items: Construction design review; Planning and management; Technology development and transfer; Investment Management; Sales of machinery and equipment; Property Management; <u>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.)</u>.</p> <p>.....</p>

APPENDIX VI THE AMENDMENT TO THE ARTICLES OF ASSOCIATION OF BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

	Chapter III Shares, Share Transfer and Registered Capital	Chapter III Shares, Share Transfer and Registered Capital
3	<p>Article 18 After the establishment of the Company and upon approval from the securities regulatory authorities of the State Council, a total of 387,937,000 overseas listed foreign shares (H shares) have been issued through the initial public offering (upon the full exercise of the over-allotment option, i.e., 15%), accounting for 30.48% of its total ordinary shares. After the completion of the abovementioned H shares issuance, the share capital structure of the Company shall be as follows: 1,272,670,000 ordinary shares, of which 884,733,000 shares are domestic shares, among which, 571,031,118 shares are held by Beijing Urban Construction Group Co., Ltd.; 87,850,942 shares are held by Beijing Infrastructure Investment Co., Ltd.; 46,000,000 shares are held by Beijing Jinguofa Equity Investment Fund (Limited Partnership); 43,925,470 shares are held by Beijing Rail Transit Construction and Management Co., Ltd.; 43,925,470 shares are held by Beijing Gonglian Highway Connect Line Co., Ltd.; 46,000,000 shares are held by Tianjin Jun Rui Qi Equity Investment Partnership (LLP); 23,184,000 shares are held by Beijing Zhongtai Investment Management Co., Ltd.; 22,816,000 shares are held by Beijing You Neng Shang Zhuo Venture Capital Fund (LLP). The remaining 387,937,000 shares are H shares.</p>	<p>Article 18 The share capital structure of the Company shall be as follows: <u>1,348,670,000</u> ordinary shares, of which <u>960,733,000</u> shares are domestic shares, among which, 571,031,118 shares are held by Beijing Urban Construction Group Co., Ltd.; 87,850,942 shares are held by Beijing Infrastructure Investment Co., Ltd.; <u>76,000,000 shares are held by Beijing Chengtong Enterprise Management Center (general partnership) (北京城通企業管理中心(普通合夥))</u>; 46,000,000 shares are held by Beijing Jinguofa Equity Investment Fund (Limited Partnership); 43,925,470 shares are held by Beijing Rail Transit Construction and Management Co., Ltd.; 43,925,470 shares are held by Beijing Gonglian Highway Connect Line Co., Ltd.; 46,000,000 shares are held by Tianjin Jun Rui Qi Equity Investment Partnership (LLP); 23,184,000 shares are held by Beijing Zhongtai Investment Management Co., Ltd.; 22,816,000 shares are held by Beijing You Neng Shang Zhuo Venture Capital Fund (LLP). The remaining 387,937,000 shares are H shares.</p>
4	<p>Article 21 The Company has a registered capital of RMB1,272,670,000.</p>	<p>Article 21 The Company has a registered capital of RMB<u>1,348,670,000</u>.</p>

APPENDIX VI THE AMENDMENT TO THE ARTICLES OF ASSOCIATION OF BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

	Chapter X Board of Directors	Chapter X Board of Directors
	Section II Board of directors	Section II Board of directors
5	<p>Article 95 Under the premise of compliance with the applicable requirements of the relevant listing rules from time to time, the Company shall have a board of 15 directors with one chairman and five independent non-executive directors. The number of independent non-executive directors shall not be less than 3 and not less than one-third of all directors at any time.</p>	<p>Article 95 Under the premise of compliance with the applicable requirements of the relevant listing rules <u>of the stock exchanges where the Company’s shares are listed</u> from time to time, the Company shall have a board of <u>7 to</u> 15 directors with one chairman. The number of independent non-executive directors shall not be less than 3 <u>and</u> not less than one-third of all directors.</p>
	Chapter XIII Board of Supervisors	Chapter XIII Board of Supervisors
6	<p>Article 119 The Board of Supervisors shall consist of 11 supervisors, among whom five shall be shareholder representatives, two independent supervisors and four employee representatives. Supervisors shall have a term of three years and be eligible for re-election upon expiry of the term.</p> <p>.....</p>	<p>Article 119 The Board of Supervisors shall consist of <u>7 to</u> 11 supervisors. Supervisors shall have a term of three years and be eligible for re-election upon expiry of the term.</p> <p>.....</p> <p><u>In the event that the term of office has expired before the election of the new supervisors, or the resignation of supervisors during the term of office causes the number of supervisors to stay below the quorum, the original supervisors shall continue their duties in accordance with the laws, the administrative regulations and the Articles of Association before the new supervisors take office.</u></p>

**Comparison Chart of Amendments to the Rules of
Procedures for General Meetings of
Beijing Urban Construction Design & Development Group Co., Limited**

No	Current articles	Articles after amendments
	Chapter I General Provisions	Chapter I General Provisions
1	<p>Article 1 In order to protect the lawful rights and interests of shareholders, and to ensure normal order and efficiency of general meetings and to perform the functions of its authority, Beijing Urban Construction Design & Development Group Co., Limited (the “Company”) hereby formulates the Rules of Procedures (the “Rules of Procedures”) in accordance with the requirements of the laws, regulations and regulative documents such as the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) (the “Listing Rules”) and the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (the “Articles of Association”), and based on the actual circumstances of the Company.</p>	<p>Article 1 In order to protect the lawful rights and interests of shareholders, and to ensure normal order and efficiency of general meetings and to perform the functions of its authority, Beijing Urban Construction Design & Development Group Co., Limited (the “Company”) hereby formulates the Rules of Procedures (the “Rules of Procedures”) in accordance with the requirements of the relevant <u>domestic and foreign</u> laws, regulations, <u>department rules</u> and regulative documents such as the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) (<u>the “Listing Rules of Stock Exchange”</u>), <u>the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (“the Listing Rules of the Shanghai Stock Exchange”)</u>, <u>Code of Corporate Governance for Listed Companies in China, the Guidelines of Articles of Association of Listed Companies in China, Rules for the Shareholders’ Meetings of Listed Companies</u> and the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (the “Articles of Association”), and based on the actual circumstances of the Company.</p>

No	Current articles	Articles after amendments
2	Article 2 The Rules shall be applicable to the general meeting, and binding upon the shareholders, proxies, and directors, supervisors and senior management members who are present at the general meetings.	Article 2 The Rules shall be applicable to the general meeting, and binding upon the shareholders, proxies, and directors, supervisors, senior management <u>members and other relevant persons</u> who are attending <u>or present</u> at the general meetings.
3	Article 3 The general meeting consists of all shareholders. Shareholders may attend general meeting in person, or appoint proxies to attend and vote on their behalf and specify the scope of authorization. Other persons attending the general meeting also include directors, supervisors and other personnel the Board deems necessary to attend the general meeting.	Article 3 The general meeting consists of all shareholders. Shareholders may attend general meeting in person, or appoint proxies to attend and vote on their behalf and specify the scope of authorization. <u>All</u> directors, supervisors <u>and secretary of the Board shall attend the meeting, while general manager</u> and other <u>senior management</u> members <u>shall sit at the meeting.</u>
4	None	Article 4 <u>The Company shall hold the general meeting in strict accordance with the laws, administrative regulations, relevant regulations of the stock exchange on which shares of the Company are listed, Articles of Association and the relevant articles in this rule and safeguard shareholders' legitimate exercise of rights.</u> <u>The Board of the Company shall earnestly execute the duties and organize the general meeting in a careful and timely manner. All directors of the Company shall work diligently to ensure normal holding of the general meeting and legitimate exercise of the authority.</u>

No	Current articles	Articles after amendments
5	Article 4 The convening of general meeting, the agenda, records and daily matters are handled by the Secretariat of the Board.	Article 5 The Secretariat of the Board is responsible for the <u>preparation and organization of the general meeting.</u>
6	None	<p>Article 6 <u>When convening the general meeting, the Company shall engage legal counsels to issue legal opinion on the following matters and make public announcement:</u></p> <p>(1) <u>whether the convening and holding procedures of the meeting are in compliance with laws, administrative regulations and the Articles of Association;</u></p> <p>(2) <u>whether the qualifications of persons attending the meeting and the convenor are legitimate and valid;</u></p> <p>(3) <u>whether the procedure and result of the voting are legitimate and valid;</u> <u>and</u></p> <p>(4) <u>legal opinion provided on other relevant matters as required by the Company.</u></p>

No	Current articles	Articles after amendments
	Chapter II Duties and Powers of a General Meeting	Chapter II Duties and Powers of a General Meeting
7	<p>Article 5 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:</p> <p>.....</p> <p>(3) to elect and replace supervisors who are appointed by the shareholders' representatives and decide on matters relating to their remuneration;</p> <p>.....</p> <p>(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;</p> <p>(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;</p> <p>(15) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto.</p>	<p>Article 7 The general meeting shall be the authority of power of the Company, and shall exercise the functions of its authority as follows:</p> <p>.....</p> <p>(3) to elect and replace supervisors who are appointed by <u>non-employee's</u> representatives and decide on matters relating to their remuneration;</p> <p>.....</p> <p>(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;</p> <p>(14) <u>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;</u></p> <p>(15) <u>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;</u></p> <p>(16) <u>to consider and approve matters relating to the change of use of proceeds;</u></p>

No	Current articles	Articles after amendments
	<p>Article 6 Any authorization relating to ordinary resolutions at general meetings shall be approved by over one- half of the shareholders (or their proxies) present and entitled to vote in the meeting; if such authorization is regarded as special resolutions, an approval of two-thirds of the shareholders (or their proxies) present and entitled to vote in the meeting is required. The content of the scope of authorization shall be clear and specific.</p>	<p>(17) <u>to consider and review share option scheme;</u></p> <p>(18) <u>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;</u></p> <p>(19) <u>to consider and approve the transaction stipulated in Article 9 of the Rule;</u></p> <p>(20) Other matters which are required to be resolved at the general meetings under the laws, administrative regulations, <u>department rules, relevant rules required by the stock exchange on which shares of the Company are listed</u> and the Articles of Association.</p>

No	Current articles	Articles after amendments
		<p><u>The connected transaction considered and approved at the general meeting as stipulated in Article (18) refers to reviewing and approving the connected transaction (as defined under the Listing Rules of the Shanghai Stock Exchange) between the Company and connected parties (as defined under the Listing Rules of the Shanghai Stock Exchange), in which the involved transaction (other than provision of guarantee, receipt of cash assets and liabilities solely used to deduct the obligations of the listed companies) is above RMB30,000,000 and more than 5% of the Company's audited net assets; Specifically, based on the test implemented, any of the asset ratio, revenue ratio, consideration ratio and equity ratio of such connected transaction or the aggregate of relevant connected transaction (the principle of cumulative calculation are based on the Listing Rules of the Stock Exchange which may be amended from time to time) is equivalent to or higher than 5% (specific details are based on the Listing Rules of the Stock Exchange which may be amended from time to time), unless any of the abovementioned ratios is less than 25% and the consideration for the transaction is less than 10 million HKD.</u></p>

No	Current articles	Articles after amendments
		<p><u>Matters which, as required by the laws, administrative regulations, rules required by the stock exchange on which shares of the Company are listed and the Articles of Association, shall be resolved at the general meeting, shall be considered and review at the general meeting to protect the decision-making rights of shareholders of the Company on such matters. The Board may be authorized at the general meeting to make decisions within its scope of authorization regarding matters which are related to such resolutions and specific relevant matters which cannot be determined immediately at the general meeting whenever necessary and reasonable.</u></p> <p>For any authorization given to the Board at a general meeting, if the matter authorized is regarded as ordinary resolutions, such authorization shall be approved by more than half of voting rights held by shareholders (or their proxies) attending the general meeting; if such authorization is regarded as special resolutions, an approval of two-thirds of the shareholders (or their proxies) present and entitled to vote in the meeting is required. The content of the scope of authorization shall be clear and specific.</p>

No	Current articles	Articles after amendments
8	None	<p data-bbox="847 342 1377 540">Article 8 <u>The following external guarantees provided by the Company shall be considered at the general meeting after such guarantees have been considered and approved by the Board:</u></p> <p data-bbox="847 597 1377 795">(1) <u>any subsequent guarantee provided after the total amount of external guarantee by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets;</u></p> <p data-bbox="847 853 1377 1051">(2) <u>any subsequent guarantee provided after the total amount of the external guarantee by the Company has reached or exceeded 30% of the latest audited total assets;</u></p> <p data-bbox="847 1108 1377 1221">(3) <u>any guarantee provided for object whose asset-liability ratio has exceeded 70%;</u></p> <p data-bbox="847 1278 1377 1391">(4) <u>the amount of any single guarantee exceeding 10% of the latest audited net assets;</u></p> <p data-bbox="847 1449 1377 1647">(5) <u>guarantees exceeding 30% of the latest audited total assets of the Company when being aggregated with guarantees incurred in the preceding 12 consecutive months;</u></p>

No	Current articles	Articles after amendments
		<p>(6) <u>guarantee exceeding 50% of the latest audited total assets of the Company when being aggregated with guarantees incurred in the preceding 12 consecutive months, with absolute amount exceeding RMB50 million;</u></p> <p>(7) <u>guarantees provided to shareholders, actual controllers and its connected parties;</u></p> <p>(8) <u>guarantees provided to connected persons; and</u></p> <p>(9) <u>other external guarantees required by the laws, administrative regulations, department rules, regulations of the stock exchange where the Company's share is listed and the Articles of Association.</u></p> <p><u>The guarantee within the authority of the Board requires not only the approval of more than half of all the Directors, but also the approval of more than two-thirds of the Directors attending the Board meeting; the above guarantee in item (5) shall be approved by shareholders holding two-thirds of voting rights who present at the general meeting.</u></p> <p><u>When provision of any guarantee to shareholder, actual controller and its connected parties is considered at the general meeting, such shareholder or any shareholder controlled by the said actual controller shall not vote on such matters.</u></p>

No	Current articles	Articles after amendments
9	None	<p data-bbox="847 342 1386 753">Article 9 <u>Apart from the connected transactions required for the Article 7(18), if the transaction entered into by the Company (the definition is based on relevant listing rules of the stock exchange where the Company’s share is listed which may be amended from time to time) fulfills one of the following conditions, such transaction shall be proposed at the general meeting for consideration and approval:</u></p> <p data-bbox="847 815 1386 1012">(1) <u>transactions involving total assets (the higher one of book value and assessed value if both are available) accounting for more than 50% of the latest audited total assets of the Company;</u></p> <p data-bbox="847 1074 1386 1400">(2) <u>transactions whose subject matter (such as equity interest) generates operating revenue in the latest accounting year accounting for more than 50% of the audited operating revenue of the Company in the latest accounting year, and with an absolute amount in excess of RMB50 million;</u></p> <p data-bbox="847 1461 1386 1785">(3) <u>transactions whose subject matter (such as equity interest) generates net profit in the latest account year accounting for more than 50% of the audited net profit of the Company in the latest accounting year, and with an absolute amount in excess of RMB50 million;</u></p>

No	Current articles	Articles after amendments
		<p>(4) <u>transactions with an amount (including debts and expenses assumed) accounting for more than 50% of the latest audited net assets of the Company, and with an absolute amount in excess of RMB50 million;</u></p> <p>(5) <u>transactions generating profit accounting for more than 50% of the audited net profit of the Company for the latest accounting year, and with an absolute amount in excess of RMB5 million;</u></p> <p>(6) <u>The transaction which shall be approved at the general meeting of the Company under the Listing Rules of Stock Exchange, specifically, any of the asset ratio, profit ratio, revenue ratio, consideration ratio and equity ratio of such transaction or the aggregate of relevant connected transactions (the principle of aggregation being subject to the Listing Rules of Stock Exchange as amended from time to time) is equivalent to or higher than 25% (If the relevant transaction constitutes a connected transaction under the Listing Rules of Stock Exchange or Listing Rules of the Shanghai Stock Exchange, it shall be implemented in accordance with the regulations of the Company's Administrative Measures for Connected Transactions and the stock exchange where the Company's share is listed;</u></p>

No	Current articles	Articles after amendments
		<p data-bbox="847 342 1396 629"><u>(7) Other investment and trading projects which require approval at the general meeting according to the laws and regulations of a place on which the Company's share is listed and relevant listing rules as well as the Articles of Association of the Company.</u></p> <p data-bbox="847 683 1396 800"><u>If the figures of the indicators calculated for the above items (1) to (5) are negative, its absolute value shall be used for calculation.</u></p> <p data-bbox="847 853 1396 927"><u>The transactions referred to in this article include the following:</u></p> <p data-bbox="847 981 1294 1012"><u>(1) purchase or disposal of assets;</u></p> <p data-bbox="847 1066 1396 1183"><u>(2) external investment (including entrusted financial management, entrusted loans, etc.);</u></p> <p data-bbox="847 1236 1238 1268"><u>(3) provision of financial aid;</u></p> <p data-bbox="847 1321 1206 1353"><u>(4) provision of guarantee;</u></p> <p data-bbox="847 1406 1222 1438"><u>(5) renting or leasing assets;</u></p> <p data-bbox="847 1491 1396 1566"><u>(6) entrusted or entrusting management of assets or business;</u></p> <p data-bbox="847 1619 1190 1651"><u>(7) give or receive assets;</u></p>

No	Current articles	Articles after amendments
		<p>(8) <u>reorganization of creditor's rights or debts;</u></p> <p>(9) <u>signing of licensing agreement;</u></p> <p>(10) <u>assigning or being assigned with research and development projects; and</u></p> <p>(11) <u>other transactions identified by the stock exchange where the Company's share is listed.</u></p> <p><u>The aforesaid purchase or disposal of assets exclude asset purchase or disposal relating to daily business operations such as purchase of raw materials, fuel and power and sale of products and commodities, but still include asset purchase or disposal involved in asset swap.</u></p>
	Chapter III Convening a General Meeting	Chapter III <u>Convening a General Meeting</u>
10	<p>Article 8 Under any of the following circumstances, the Company shall convene an annual general meeting within two months from the date of the following occurrence:</p> <p>.....</p>	<p>Article 11 Under any of the following circumstances, the Company shall convene an annual general meeting within two months from the date of the following occurrence:</p> <p>.....</p>

No	Current articles	Articles after amendments
	<p>(3) where shareholders who hold, alone or in aggregate, 10% or more of the shares outstanding of the Company with voting rights request in writing to convene an annual general meeting;</p> <p>(4) whenever the board of directors deems necessary or when proposed by the Board of Supervisors or more than two independent directors;</p> <p>.....</p> <p>(6) other circumstances as specified by the Articles of Association.</p> <p>The number of shares held by shareholders as stipulated in item (3) above shall be calculated based on the date on which the shareholders make a request in writing. Such shareholders shall also sign written requests in one or more counterparts and submit a clear agenda and proposals to the board of directors.</p>	<p>(3) where shareholders who hold, alone or in aggregate, 10% or more of the shares outstanding of the Company with voting rights request in writing to convene an annual general meeting;</p> <p>(4) whenever the Board deems necessary;</p> <p>(5) <u>when proposed by</u> the Board of Supervisors;</p> <p>(6) when proposed by more <u>the one-half</u> of independent (<u>non-executive</u> directors;</p> <p>.....</p> <p>(8) other circumstances as specified by the <u>laws, administrative regulations, department rules or</u> the Articles of Association.</p> <p>The number of shares held by shareholders as stipulated in item (3) <u>above</u> shall be calculated based on the date on which the shareholders make a request in writing. Such shareholders shall also sign written requests in one or more counterparts and submit a clear agenda and proposals to the board of directors.</p>

No	Current articles	Articles after amendments
11	None	<p data-bbox="847 342 1385 715">Article 12 <u>If the Company fails to convene a general meeting within the period prescribed in Article 10 and Article 11 of the rules, the Company shall report to the local representative office of the competent securities authorities under the State Council and the stock change, and shall give the reasons and make an announcement in respect thereof.</u></p> <p data-bbox="847 768 1385 885"><u>The Board shall convene a general meeting within the period prescribed in Article 10 and Article 11.</u></p>
12	None	<p data-bbox="847 917 1385 1066">Article 13 <u>The shareholders requesting for convening of an annual general meeting or a class meeting shall follow the procedure below:</u></p>

No	Current articles	Articles after amendments
		<p>(1) <u>Shareholders individually or jointly holding more than 10% of the Company's shares may sign one or more counterpart written requests requiring the Board to convene an annual general meeting or a class meeting and stating the objectives of the meeting. The Board shall give its feedback in writing stating whether it agrees or disagrees to convene the annual general meeting or class meeting within ten days after receipt of the proposal in accordance with the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the annual general meeting or the class meeting, a notice for convening the annual general meeting or the class meeting shall be issued within five days upon adoption of the resolution by the Board. Any changes made to the original request in the notice shall require the approval of relevant shareholders. The aforesaid number of shares held shall be calculated as per the one incurred on the date on which the shareholder submits a written request.</u></p>

No	Current articles	Articles after amendments
		<p>(2) <u>If the Board does not agree to convene the annual general meeting or the class meeting, or if it fails to give its feedback in writing within ten days upon receipt of such request, shareholders individually or jointly holding more than 10% of the Company’s shares are entitled to propose to the Board of Supervisors to convene an annual general meeting or a class meeting, and shall propose such request in writing to the Board of Supervisors. If the Board of Supervisors agrees to convene the annual general meeting or the class meeting, a notice for convening such meetings shall be issued within five days upon receipt of such request. Any changes made to the original request in the notice shall require the approval of relevant shareholders. If the Board of Supervisors fails to issue a notice for convening the general meeting or class meeting shall be regarded as not convening and presiding the general meeting by the Board of Supervisors. Shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside at the meeting at their own discretion. (Before the resolution of general meeting is announced, the proportion of shares held by the convening shareholders should not be less than 10%). The procedure of convening shall be the same as the procedure for the Board to convene a general meeting as much as possible.</u></p>

No	Current articles	Articles after amendments
13	None	<p>Article 14 <u>An annual general meeting may be convened upon proposal by independent (non-executive) directors to the Board. Regarding the proposal of the independent (non-executive) directors to convene an annual general meeting, the Board shall, pursuant to the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the annual general meeting within 10 days after receipt of the proposal. Where the Board agrees to convene the annual general meeting, it will serve a notice of such meeting within five days after the resolution is made by the Board. Where the Board does not agree to convene the annual general meeting, it will give reasons and make an announcement in respect thereof.</u></p>
14	None	<p>Article 15 <u>The Board of Supervisors shall be entitled to propose to the Board to convene an annual general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the annual general meeting within 10 days after receipt of the proposal.</u></p>

No	Current articles	Articles after amendments
		<p><u>Where the Board agrees to convene the annual general meeting, it will serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original proposal set forth in the notice shall be subject to approval by the Board of Supervisors.</u></p> <p><u>If the Board does not agree to convene the annual general meeting or fails to give a written request within 10 days after receipt of the proposal, the Board shall be deemed as unable to or failing to perform the duty of convening the general meeting, and the Board of Supervisors may convene and preside over the meeting by itself.</u></p>
15	None	<p>Article 16 <u>Where the Board of Supervisors or shareholders decide(s) to convene a general meeting by themselves, it/they shall notify the Board in writing, and shall at the same time report to the local representative office of the competent securities authorities under the State Council and the stock exchange.</u></p> <p><u>The Board of Supervisors and the convening shareholders shall submit the relevant documents to the local representative office of the competent securities authorities under the State Council and the stock exchange before issuing the notice for convening of the general meeting and the announcement on resolutions proposed at the general meeting.</u></p>

No	Current articles	Articles after amendments
16	None	Article 17 <u>With regards to the general meeting convened by the Board of Supervisors or shareholders on their own initiative, the Board and its secretary will offer cooperation. The Board shall provide a register of members as of the record date. Where the Board fails to provide the register of members, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the general meeting. The shareholders' register obtained by the convener shall not be used for other purposes except for the general meeting.</u>
17	None	Article 18 <u>Where the Board of Supervisors or shareholders convene the general meeting by themselves, the expenses necessarily accrued therefrom shall be borne by the Company and be deducted from the amounts due for payment to the directors as a result of their negligent manners.</u>

No	Current articles	Articles after amendments
	None	<u>Chapter IV Proposals and Notice of General Meetings</u>
18	None	<p>Article 19 <u>Proposals at a general meeting refer to specific proposals regarding issues which shall be discussed at a general meeting, and the general meeting shall resolve on specific proposals. Where the Company convenes a general meeting, the Board, Board of Supervisors, and shareholders individually or jointly holding more than 3% of total shares with voting rights of the Company may make proposals to the Company. Shareholders individually or jointly holding more than 3% of total shares with voting rights of the Company are entitled to propose a provisional proposal to the Company and submit it to the convener in writing 10 days before a general meeting is convened. The convener of the general meeting shall serve a supplementary notice of general meeting within two days after receipt of the proposal and inform other shareholders, announcing the content of the provisional proposal. If the listing rules of the stock exchange on which the shares of Company are listed otherwise require, the provisions of the listing rules shall be fulfilled at the same time.</u></p> <p><u>Other than the circumstances referred to in the preceding item, after the convener has issued a public notice for the general meeting, no changes shall be made to the stated proposals in the notice of meeting and no new proposal shall be added.</u></p> <p><u>Proposal on matters which are not specified in the notice of general meeting as provided in item 4 of this Article shall not be voted on and resolved at general meeting.</u></p>

No	Current articles	Articles after amendments
		<p><u>The proposal raised at a general meeting shall satisfy the following requirements:</u></p> <p>(1) <u>The substance of the proposed resolution shall not be in contravention with the laws, administrative regulations and the Articles of Association, and shall fall within the business scope of the Company and the scope of responsibility of the general meeting;</u></p> <p>(2) <u>It shall have definite topics to discuss and specific matters to resolve; and</u></p> <p>(3) <u>It shall be submitted or served in writing to the convener.</u></p>
19	<p>Article 10 Except as otherwise required by relevant laws, regulations, 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.</p>	<p>Article 20 Except as otherwise required by relevant laws, regulations, the listing rules of the stock exchange where the shares of the Company are 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. <u>Shareholders who intend to attend the general meeting shall return the written replies for attending the meeting 20 days prior to the date on which the meeting is intended to be held.</u></p>

No	Current articles	Articles after amendments
	<p>The number of days calculated for the issuance of notices shall not include the day of the meeting.</p> <p>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.</p>	<p>The number of days calculated for the issuance of notices shall not include the day of the meeting and the <u>date on which the notice is issued.</u></p> <p>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.</p>
20	<p>Article 11 The notice of general meeting shall at least include the following contents and comply with Article 60 of the Articles of Association:</p> <p>(1) the time, place and duration of the meeting;</p> <p>(2) the matters to be considered at the meeting;</p>	<p>Article 21 The notice of general meeting shall <u>comply with the following requirements:</u></p> <p>(1) <u>to present in the form of writing,</u> except as otherwise provided in the relevant laws, regulations, the listing rules of the <u>of stock exchange where the shares of the Company are listed and the Articles of Association;</u></p> <p>(2) <u>to designate address, date, time and duration of the meeting;</u></p> <p>(3) <u>to specify</u> the matters <u>and proposals</u> to be considered at the meeting;</p>

No	Current articles	Articles after amendments
		<p>(4) <u>to provide shareholders with such information and explanation required to make sensible decisions on the matters to be considered, including but not limited to specific conditions and contracts of the contemplated transactions (if any) in the event of a proposed merger, repurchase of shares, reorganization of share capital or other restructuring by the Company, and to give due accounts of the cause and effect of such proposal;</u></p> <p>(5) <u>to disclose the nature and degree of material interests existing of any director, supervisor, general manager and other senior management members in the matters to be considered; in case that the impact of the matters to be considered on such director, supervisor, general manager and other senior management members in their capacity as shareholders is different from that on other shareholders of the same class, such difference shall be specified;</u></p>

No	Current articles	Articles after amendments
		<p><u>(6)</u> <u>to set forth the full text of any special resolution to be proposed at the meeting for approval;</u></p>
	<p>(3) to give explanation in clear text that all shareholders have the right to attend the general meeting, and may appoint a proxy to attend the meeting and to vote thereat. The proxy needs not be a shareholder of the Company;</p>	<p><u>(7)</u> to give explanation in clear text that all <u>ordinary</u> shareholders have the right to attend the general meeting, and may appoint a proxy <u>in writing</u> to attend the meeting and to vote thereat, <u>while</u> he proxy needs not be a shareholder of the Company;</p>
		<p><u>(8)</u> <u>to specify the record date for shareholders who are entitled to attend the general meeting;</u></p>
	<p>(4) the time and place of serving a power of attorney of the voting proxy;</p>	<p><u>(9)</u> <u>to specify</u> the time and place of serving a power of attorney of the voting proxy; <u>and</u></p>
	<p>(5) The names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>	<p><u>(10)</u> <u>to specify</u> the names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>

No	Current articles	Articles after amendments
		<p><u>All specific information of the proposal and such information and explanations required for shareholders to make appropriate judgement on matters to be considered shall be comprehensively and completely disclosed in the notice and supplementary notice of general meeting. Where opinions of independent (non-executive) directors are required on matters to be considered, the opinions and reasons of the independent (non-executive) directors shall be disclosed at the same time when the notice or supplementary notice of general meeting is issued.</u></p> <p><u>If the general meeting is held through internet or other means of communication, time and procedure of voting through internet or other means of communication shall be specified in the notice of general meeting. Time of voting through internet or other means of communication shall not be earlier than 3:00 p.m. of the date on which the on-site general meeting is held or later than 9:30 a.m. of the date on which the on-site general meeting is held. In addition, closing time shall not be earlier than 3:00 p.m. of the date on which the on-site general meeting is held.</u></p>

No	Current articles	Articles after amendments
	<p>Except as otherwise provided in the relevant laws, regulations, the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association, notices of general meeting shall be served to the shareholders (whether or not they are entitled to vote in the meeting), by hand or by prepaid mail at their addresses as shown in the register of members, or by publication on the Company's website or by other means set out in this Articles of Association. For the holders of domestic shares, notice of general meeting may be served by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council within the period between 45 days and 50 days prior to the date of the meeting; upon the publication of the announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting. Such announcements should be published in accordance with the requirements of the Listing Rules.</p>	<p><u>Except as otherwise provided in the relevant laws, regulations, the listing rules of stock exchange where the shares of the Company are listed</u> and the Articles of Association, notices of general meeting shall be served to the shareholders (whether or not they are entitled to vote in the meeting), by hand or by prepaid mail at their addresses as shown in the register of members, or by publication on the Company's website or by other means set out in this Articles of Association. For the holders of domestic-listed shares, notice of general meeting may be served by way of announcement.</p> <p>The announcement <u>in relation to the dispatch of notice of the general meeting to shareholders of domestic-listed shares referred</u> to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council within the period between 45 days and 50 days prior to the date of the meeting; upon the publication of the announcement, the holders <u>of domestic-listed shares</u> shall be deemed to have received the notice of the relevant general meeting.</p>
21	None	<p>Article 22 <u>If the election of directors or supervisors is proposed to be discussed at the general meeting, the notice of such meeting shall adequately disclose the detailed information of the directors or supervisor candidates, which shall at least include the following information:</u></p>

No	Current articles	Articles after amendments
		<p>(I) <u>personal particulars, including educational background, work experiences and concurrent positions;</u></p> <p>(II) <u>whether one has any related connection with the Company, its controlling shareholders and actual controllers;</u></p> <p>(III) <u>the amount of shares of the Company one holds;</u></p> <p>(IV) <u>whether one has been punished by competent securities authorities of the State Council and any other relevant departments and reprimanded by the stock exchanges; and</u></p> <p>(V) <u>other information provided by the regulations requirements of the place where the shares of the Company are listed.</u></p> <p><u>Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a single proposal.</u></p>
22	None	<p>Article 23 <u>Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons at least two working days prior to the original date of the meeting.</u></p>

No	Current articles	Articles after amendments
	None	<u>Chapter V Convening of a General Meeting</u>
23	None	<p>Article 24 <u>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.</u></p> <p><u>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 laws, administrative regulations, competent securities authorities of the State Council and the Articles of Association. 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.</u></p>

No	Current articles	Articles after amendments
24	<p>Article 12 Shareholders may attend a general meeting in person or appoint a proxy to attend and vote on their behalf. Shareholders who intend to attend the general meeting shall respond in writing to the Company 20 days prior to the date of such general meeting.</p> <p>.....</p> <p>The shareholders' appointment shall comply with the provisions of Article 63 to 66 of the Articles of Association.</p>	<p>Article 25 <u>All shareholders of ordinary shares or their proxies whose name appear on the register of members on the record date shall have the right to attend the general meeting, and exercise their voting rights in accordance with the laws, regulations and these Articles of Association.</u></p> <p>Shareholders may attend the general meeting in person or appoint <u>one or more proxy/proxies (the person may not be a shareholder)</u> to attend and <u>exercise voting rights within his/her/their scope of authority conferred.</u></p> <p>.....</p> <p>The shareholders' appointment shall comply with the provisions of Article <u>73</u> to <u>77</u> of the Articles of Association.</p>
25	<p>Article 13 In the event that an individual shareholder attends a general meeting in person, he/she shall produce his/her own identity card and shareholding evidence; if a proxy is appointed to attend the meeting, he/she shall produce his/her own identity card, proxy form of authorization and shareholding evidence signed by the proxy.</p>	<p>Article 26 In the event that an individual shareholder attends a general meeting in person, he/she shall produce his/her own identity card <u>or other effective documents or proofs of identity</u> and shareholding evidence; if a proxy is appointed to attend the meeting, he/she shall produce his/her own identity card, <u>power of attorney of the shareholder</u> and shareholding evidence.</p>

No	Current articles	Articles after amendments
	<p>Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. If a legal representative attends the meeting, he/she shall produce his/her own identity card or other valid documents evidencing his/her capacity of legal representative and shareholding evidence; if a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card and the legal representatives of corporate shareholders shall produce the written power of attorney according to law and shareholding evidence.</p>	<p>Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. If a legal representative attends the meeting, he/she shall produce his/her own identity card or other valid documents evidencing his/her capacity of legal representative and shareholding evidence; if a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card; the legal representatives <u>or the representatives appointed by the Board or other authorities</u> of corporate shareholders shall produce the written power of attorney <u>or present their valid identity certificates and the notarized copies of the resolutions or the power of attorney (save for a recognized clearing house or its nominees)</u> according to law; and shareholding evidence.</p>
26	<p>Article 14 The power of attorney issued by a shareholder to appoint another party to attend a general meeting shall contain the following particular:</p> <p>.....</p>	<p>Article 27 <u>Any form issued to a shareholder by the Board of Directors for use by him/her for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against or to abstain from voting for each resolution at the meeting.</u> The power of attorney issued by a shareholder to appoint another party to attend a general meeting shall contain the following particular:</p> <p>.....</p>

No	Current articles	Articles after amendments
27	<p>Article 16: The Company shall, based on the written replies received 20 days prior to the date of a general meeting, …….</p> <p>The attendees' signature record of the meeting shall be prepared by the Secretariat of the Board. The record shall list out the attendees' name (or entity name), identity card number, residential address, number of shares held or representing voting rights and names of the proxied (or entity name).</p>	<p>Article 29 The Company shall, based on the written replies received 20 days prior to the date of a general meeting, …….</p> <p>The attendees' registration record of the meeting shall be prepared by the Company. The registration record shall list out the attendees' name (or entity name), identity card number, residential address, number of shares held or representing voting rights and names of the proxied (or entity name).</p>
28	None	<p>Article 30 <u>The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of their shares carrying voting rights.</u></p>
29	None	<p>Article 31 <u>The Board of the Company or other convener shall take necessary measures to ensure the proper order of the general meeting. The Board or other convener shall take measures to stop any act disturbing the general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.</u></p>

No	Current articles	Articles after amendments
30	None	<p>Article 32 <u>When the general meeting is convened by the Company, all Directors, Supervisors and the secretary to the Board shall attend the meeting, the managers and other senior management shall attend as observers.</u></p>
31	None	<p>Article 33 <u>The general meeting shall be convened by the Board, and the chairman of the Board shall act as the presider of the meeting. If the chairman is unable or fails to perform his duties, more than half of the directors may elect a director to act as the presider of the meeting. Where no such director can be elected by more than one-half of the directors to preside over the meetings, the shareholders present at the meeting may elect a person to act as the chairman; if, for any reasons, the shareholders fails to elect a chairman, the shareholder (or his proxy or proxies) holding the largest number of voting shares shall act as the chairman of the meeting.</u></p> <p><u>The general meeting convened by the Board of Supervisor shall be presided over by the chairman of the Board of Supervisor. Where the Company does not have chairman of the Board of Supervisor or chairman of the Board of Supervisor is unable or fails to perform his/her duties, the vice chairman of the Board of Supervisor shall preside over the general meeting. Where the vice chairman of the Board of Supervisor is unable or fails to perform his duties, a supervisor shall be elected by more than one-half of the supervisors to preside over the meeting.</u></p>

No	Current articles	Articles after amendments
		<p><u>The general meeting convened by shareholders shall be presided over by a representative elected by the convener.</u></p> <p><u>Where any violation of the rules of procedure by the chairman of the general meeting renders the general meeting discontinued, a person may be elected by more than one-half of the shareholders with the voting rights who are present at the general meeting to replace the chairman of the meeting to continue the meeting.</u></p>
	None	<u>Chapter VI Consideration of and Voting at a General Meeting</u>
32	None	<p>Article 40 <u>The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be subject to registration of the general meeting.</u></p>

No	Current articles	Articles after amendments
33	<p>Article 31 Shareholders (including their proxies) shall exercise their voting rights according to the number of shares held with voting rights. Each share shall have one voting right, except that the Company's shares held by the Company do not have voting rights.</p> <p>.....</p> <p>When a poll is taken relating to connected transactions at the general meeting, any shareholder involved in such connected transactions shall abstain from voting, and their shares with voting power shall not be included in the total number of shares with voting power from shareholders attending the meeting.</p>	<p>Article 41 Shareholders (including their proxies) shall exercise their voting rights according to the number of shares held with voting rights <u>during the general meeting.</u> Each share shall have one voting right, except that the Company's shares held by the Company do not have voting rights <u>and the part of shares are not included in the total number of shares held with voting rights at the general meeting.</u></p> <p>.....</p> <p>When connected transactions <u>are considered</u> at the general meeting, <u>related</u> shareholders shall <u>not participate in</u> voting, and <u>the number of shares held and represented by them shall not be included in</u> the total number of shares with voting power <u>and the announcement of resolutions passed at the general meeting shall fully disclose the voting by unrelated (unconnected) shareholders.</u></p>

No	Current articles	Articles after amendments
		<p><u>When material matters affecting the interests of minority shareholders are considered at the general meeting, the votes of minority shareholders of domestic-listed shares shall be counted separately. The results of such separate vote counting of domestic-listed shares shall be disclosed promptly.</u></p> <p><u>The Board, independent (non-executive) Directors and Shareholders who meet the relevant requirements may collect votes from Shareholders publicly. When collecting votes from Shareholders, the information such as specific voting intention shall be disclosed fully to the ones collected from. It is forbidden to collect votes from Shareholders by paid or disguised paid ways. The Company shall not propose minimum holding proportion for the collection of votes.</u></p>
34	None	<p>Article 42 <u>When voting on the election of directors and supervisors, the general meeting may implement accumulative voting system according to the Articles of Association or the rules or the resolution of the general meeting. Where the shareholding of the controlling shareholders exceeds 30%, cumulative voting shall be adopted for election of Directors.</u></p>

No	Current articles	Articles after amendments
		<p><u>Accumulative voting system referred to in the preceding paragraph means a system whereby each share, at voting to elect directors or supervisors at a general meeting, carries the number of voting rights equivalent to the number of the directors or supervisors to be elected, and a shareholder may concentrate his voting rights. The Board shall make public to the shareholders the resume and general information of the candidates for director and supervisor.</u></p>
35	None	<p>Article 43 <u>No amendments shall be made to a proposal when it is considered at the general meeting. Amended proposal shall be deemed as a new proposal and shall not be voted at the same general meeting.</u></p>
36	None	<p>Article 44 <u>The same voting right shall only be selected by way of one of the followings: on-site voting, voting via the Internet or one of the other voting methods. The first voting result shall prevail for repeated voting on the same voting right.</u></p>

No	Current articles	Articles after amendments
37	None	<p>Article 46 <u>Shareholders attending the general meeting shall propose their opinions to the proposals submitted to the general meeting by one of the followings: voting in favor of, against or abstaining from voting, except that securities registration and settlement institutions, being the nominal holders of shares subject to the Interconnection Mechanism for Transactions in the Mainland and Hong Kong Stock Markets, may express opinions according to the intentions of actual holders.</u></p> <p><u>If the votes are incompleted, not completed correctly, or the writing in the votes cannot be recognized, the unvoted votes shall be deemed as waiver of their voting rights and the voting results of the number of shareholdings shall be recorded as “abstained”.</u></p>
38	<p>Article 34 Any voting of any resolution shall be counted by at least two representatives of shareholders and one supervisor, and the results of voting shall be announced by the vote counters. Vote counter shall be designated by the chairman of the meeting.</p>	<p>Article 48 Any voting of any resolution shall be counted by at least two representatives of shareholders and one supervisor, and the results of voting shall be announced by the vote counters. Vote counter shall be designated by the chairman of the meeting. <u>Where any shareholder has relations with any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of ballots.</u></p>

No	Current articles	Articles after amendments
		<p><u>When proposals are voted on at the general meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has interests in any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of ballots.</u></p> <p><u>When proposals are voted on at the general meeting, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes. If otherwise provided the listing rules of the stock exchanges where the Company's shares are listed, its requirements shall also be met.</u></p> <p><u>Shareholders of the Company or proxies thereof voting over the network or otherwise shall have the right to check their voting results via the corresponding voting system.</u></p>

No	Current articles	Articles after amendments
39	<p>Article 35 The chairman of the meeting shall, according to the results of the voting, determine whether to pass the resolution at the general meeting, and shall announce the voting results at the meeting. The voting results on the resolutions are recorded in the minutes. When the number of votes for and against a resolution is equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.</p>	<p>Article 49 The chairman of the meeting is <u>responsible for</u> determining whether to pass the resolution on the general meeting according to the results of the voting, and shall announce the voting results in the meeting. When the number of votes for and against a resolution is equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.</p>
40	<p>Article 37 All resolutions to be included in the agenda of the general meeting shall be voted on an individual basis. There is no reason to suspend or abort the voting. If there are different resolutions on the same matter, such resolutions shall be voted in chronological order of proposing such resolutions.</p>	<p>Article 51 <u>Except for the accumulative voting system,</u> all resolutions to be included in the agenda of the general meeting shall be voted on an individual basis. <u>Other than special reasons such as force majeure which result in the interruption of the meeting or make it impossible to come to resolution,</u> <u>the general meeting shall not be</u> suspended or <u>shall not</u> abort the voting. If there are different resolutions on the same matter, such resolutions shall be voted in chronological order of proposing such resolutions.</p>

No	Current articles	Articles after amendments
41	None	<p data-bbox="847 342 1377 757">Article 52 <u>The on-site voting shall not end earlier than the network voting or any other method of voting at the general meeting. The chairman of the meeting shall announce details of voting in connection with each proposal and the voting result. The chairman of the meeting shall be held responsible for announcing whether or not a resolution has been passed based on the voting result.</u></p> <p data-bbox="847 815 1377 1055"><u>Before the voting result is announced, the companies, counting officer, monitoring officer, major shareholders, network service provider and other relevant parties involved at the venue, over the network or otherwise shall have the confidentiality obligation.</u></p>
42	None	<p data-bbox="847 1087 1377 1285">Article 54 <u>The Board and the Board of Supervisors shall report their work in the preceding year at the annual general meeting. Each independent non-executive director shall also make his work reports.</u></p>

No	Current articles	Articles after amendments
	Chapter VI Resolution of a General Meeting	Chapter VII Resolution of a General Meeting
43	<p>Article 39 Resolutions of a general meeting include ordinary resolutions and special resolutions.</p> <p>Any ordinary resolutions proposed at general meetings shall be passed by a simple majority of the votes of the shareholders with voting rights (including their proxies) attending the general meeting.</p> <p>Any special resolutions proposed at general meetings and resolutions proposed at shareholders' class meetings shall be passed by more than two-thirds of the votes of shareholders with voting rights (including their proxies) attending with general meeting.</p>	<p>Article 55 Resolutions of a general meeting include ordinary resolutions and special resolutions.</p> <p>Any ordinary resolutions proposed at general meetings shall be passed by more than half of the votes of the shareholders with voting rights (including their proxies) attending the general meeting.</p> <p>Any special resolutions proposed at general meetings shall be passed by more than two-thirds of the votes of shareholders with voting rights (including their proxies) attending with general meeting.</p>

No	Current articles	Articles after amendments
44	<p>Article 40 The following matters proposed shall be passed at a general meeting by way of ordinary resolution with more than the one-half voting rights represented by shareholders attending the general meeting:</p> <p>.....</p> <p>(3) election or removal of members of the board of directors and shareholders' representative supervisors and their remuneration and terms of payment;</p> <p>(4) annual budget and final account, balance sheet, profit statement and other financial statements of the Company; and</p> <p>(5) matters other than those to be passed by special resolution according to the laws, administrative regulations, rules of listing of the stock exchange(s) where the Company has its shares listed or the Articles of Association.</p>	<p>Article 56 The following matters proposed shall be passed at a general meeting by way of ordinary resolution:</p> <p>.....</p> <p>(3) <u>appointment</u> or removal of members of the board of directors and <u>non-employee representative</u> supervisors and their remuneration and terms of payment;</p> <p>(4) <u>annual preliminary and final financial budgets of the Company;</u></p> <p>(5) annual <u>report</u>, <u>annual</u> balance sheet, profit statement and other financial statements of the Company; and</p> <p>(6) matters other than those to be passed by special resolution according to the laws, administrative regulations, rules of listing of the stock exchange(s) <u>on which shares of the Company are listed</u> or the Articles of Association.</p>

No	Current articles	Articles after amendments
45	<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>.....</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>.....</p>	<p>Article 57 The following matters proposed shall be passed at a general meeting by way of special resolution:</p> <p>.....</p> <p>(5) <u>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;</u></p> <p>(6) <u>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;</u></p> <p>(7) <u>Share incentive scheme;</u></p> <p>.....</p> <p>(9) Such other matters to be resolved by special resolutions as required by <u>laws, administrative rules, the listing rules of stock exchange where the shares of the Company are listed</u> or the Articles of Association.</p>

No	Current articles	Articles after amendments
46	Article 44 Candidates list of director and supervisor shall be proposed at a general meeting as a resolution. All the directors of the Company shall be elected at a general meeting; supervisors representing the shareholders shall be elected at a general meeting.	Article 60 Candidates list of directors and supervisors shall be proposed at a general meeting as a resolution. All the directors of the Company shall be elected at a general meeting; <u>non-employee representative</u> supervisors shall be elected at a general meeting.
47	None	Article 62 <u>Conveners shall ensure a general meeting is held continuously until final resolutions are made. Where a general meeting is terminated or unable to be resolved due to special reasons such as force majeure, necessary measures shall be taken to resume or terminate the general meeting as soon as possible, and an announcement shall be made in a timely manner. Meanwhile, conveners shall report to relevant competent departments in accordance with applicable rules.</u>

No	Current articles	Articles after amendments
48	None	<p>Article 63 <u>Where relevant proposals on selection of directors and supervisors are passed at the general meeting, new directors and supervisors shall take their posts in accordance with the requirements of the Articles of Association.</u></p>
49	None	<p>Article 64 <u>Where relevant proposals on cash distribution, bonus share or reserves capitalization are passed at the general meeting, the Company shall implement specific schemes within 2 months after the conclusion of the general meeting.</u></p>
50	None	<p>Article 65 <u>Any resolution of the general meeting of the Company in violation of laws and administrative regulations shall be invalid.</u></p> <p><u>Controlling shareholders and de facto controllers of the Company shall not restrict or hinder minority investors from exercising their right to vote, or harm the legitimate interests of the Company and minority investors.</u></p> <p><u>Where the convening procedure and method of vote of the general meeting are in violation of laws, administrative regulations or the Articles of Association, or the resolutions are in violation of the Articles of Association, Shareholders may request the People’s Court to withdraw within sixty days from the date on which the resolution is made.</u></p>

No	Current articles	Articles after amendments
51	Chapter VII Records of General Meeting	Chapter VIII Records of a General Meeting
52	<p>Article 46 Minutes shall be kept for general meetings and shall have the following contents:</p> <p>(1) number of voting shares present at the general meeting and their proportion to the Company's total number of shares;</p> <p>(2) date and venue of the meeting;</p> <p>(3) name of the chairman and agenda of meeting;</p> <p>(4) main points made by the speaker on each matter considered;</p> <p>(5) voting results on each resolution (including number of votes representing "for", "against" or "abstain");</p> <p>(6) shareholders queries or suggestions as well as the replies and explanations from the Board and supervising committee;</p>	<p>Article 66 Minutes shall be kept for general meetings and are responsible by the secretary to the Board. The minutes of meeting shall have the following contents:</p> <p>(1) <u>time, venue, agenda</u> of the meeting and <u>name of the convener</u>;</p> <p>(2) name of the chairman as well as the <u>directors, supervisors, managers and other senior management present at the meeting or attending the meeting</u>;</p> <p>(3) <u>the number of shareholders and proxies</u> present at the meeting, <u>the of voting shares held by such shareholders and proxies</u>, and their proportion to the Company's total number of shares;</p> <p>(4) <u>details of consideration of, main points of discussion and voting results relating to each resolution</u>;</p> <p>(5) shareholders queries or suggestions as well as the <u>corresponding</u> replies or explanations;</p>

No	Current articles	Articles after amendments
	(7) Other content required to be included in the minutes in the opinion of the general meeting and pursuant to the Articles of Association of the Company and the listing rules of the stock exchange where the Company has its shares listed therein.	(6) <u>Names of legal adviser, vote counting officers and scrutineer;</u> (7) Other content required to be included in the minutes pursuant to the Articles of Association of the Company
53	Article 47 Signature of the directors attending the meeting shall be kept by the Secretariat of the Board as company files. The record of general meetings shall be kept for a period of ten years.	Article 67 <u>Directors, supervisors, secretaries to the board, conveners or his/her representatives and the chairman of the meeting</u> attending the meeting <u>shall sign on the minutes.</u> The <u>minutes</u> shall be kept <u>at the Company's registered address together with the signature record of attending shareholders, proxy forms and valid information on internet voting and other means of voting,</u> for a period of <u>no less than</u> ten years.

No	Current articles	Articles after amendments
	None	<u>Chapter IX Announcements</u>
54	None	<p>Article 68 <u>The Company is to, in compliance with the applicable laws, regulations and relevant provisions of the place of the stock exchange where the Company's shares are listed, to publish announcements on resolutions passed at general meeting. Such announcement is to indicate the number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold and its proportion to the total number of shares with voting rights of the Company, the means of voting, the voting results of each proposals as well as the details of each resolution adopted; and other content acquired by the place of the stock exchange where the Company's shares are listed.</u></p>
55	None	<p>Article 69 <u>Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.</u></p>

No	Current articles	Articles after amendments
	Chapter VIII Supplementary Provisions	Chapter <u>X</u> Supplementary Provisions
56	None	Article 70 <u>The phrases “more than” and “within” as mentioned in these Rules are inclusive while “exceeding”, “less than” and “more than” are exclusive.</u>
57	Article 49 Rules which have not been provided for therein shall be applied in the Articles of Association and shall be enacted with reference to the relevant provisions of Company Law and Listing Rules. If the rules are inconsistent with the Articles of Association, the Company Law, the Listing Rules as well as other laws and regulations, the latter shall prevail.	Article 71 <u>Any matters not covered herein, or if the rules are inconsistent with the laws and regulations, departmental rules, regulatory documents of the place where the shares of the Company are listed or Articles of Association, the laws and regulations, departmental rules, regulatory documents of the place where the shares of the Company are listed or Articles of Association shall prevail.</u>
58	Article 51 The rules shall take effect after the approval at the general meeting and from the date of the listing of the Company.	Article 73 The rules <u>are approved by the general meeting of the Company, and shall take effect and exercise since the Company initially offered the domestic listed RMB denominated ordinary shares in public and from the date of listing on Shanghai Stock Exchange.</u>

Note: As a result of addition and deletion of articles, the numbering of the original articles of this Rules of Procedures and hence those cross-referenced articles have been adjusted accordingly, which are not shown separately.

**Comparison of the Rules of Procedures of the Board of
Directors of Beijing Urban Construction Design & Development Group
Co., Limited before and after Amendment**

No.	Current articles	Articles after amendments
	Chapter I General Provisions	Chapter I General Provisions
1	<p>Article 1 In order to standardize the procedures and decision-making procedures of the Board of Directors, assure democratic and scientific decision-making behaviors of the Company, and fully play the center role of the Board of Directors in management decision, Beijing Urban Construction Design & Development Group Co., Limited formulated this Rules of Procedures (hereinafter referred to as “the Rules”), according to the relevant laws and regulations and rules in the regulated documents in the <i>Company Law of the People’s Republic of China</i> (hereinafter referred to as the “<i>Company Law</i>”), the <i>Securities Law of the People’s Republic of China</i>, the <i>Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses</i> and the <i>Securities Listing Rules of the Stock Exchange of Hong Kong Ltd.</i>, and the <i>Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited</i> (hereinafter referred to as the “Articles of the Association”).</p>	<p>Article 1 In order to standardize the procedures and decision-making procedures of the Board of Directors, assure democratic and scientific decision-making behaviors of the Company, and fully play the center role of the Board of Directors in management decision, Beijing Urban Construction Design & Development Group Co., Limited formulated this Rules of Procedures (hereinafter referred to as “the Rules”), according to the relevant <u>domestic and foreign</u>; laws and regulations, <u>departmental regulations</u>, and rules in the regulated documents in the <i>Company Law of the People’s Republic of China</i> (hereinafter referred to as the “<i>Company Law</i>”, the <i>Securities Law of the People’s Republic of China</i>, the <i>Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses</i>, the <i>Securities Listing Rules of the Stock Exchange of Hong Kong Ltd.</i> <u>(the “Listing Rules of Stock Exchange”)</u>, <u>the Code of Corporate Governance for Listed Companies in China</u>, <u>the Guidelines of Articles of Association of Listed Companies in China and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “Listing Rules of Shanghai Stock Exchange”)</u> and the <i>Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited</i> (hereinafter referred to as the “Articles of Association”, and make reference to the “Model Rules of Procedure for the Board of Directors of Listed Companies in Shanghai Stock Exchange”.</p>

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No.	Current articles	Articles after amendments
	Chapter II The Board of Directors	Chapter II The Board of Directors
2	<p>Article 4 The Board of Directors is established by the company, and its member composition is stipulated based on the “<i>Rules of the Company</i>”. At any time, the number of independent and non-executive directors is no less than 3 and no less than 1/3 of the number of total directors. At least 1 independent and non-executive director in the Board of Directors must has proper professional qualification or must be skilled in proper accounting or relevant financial management.</p> <p>The functions of the independent and non-executive directors in the Board of Directors include but are not limited to the followings:</p> <p>.....</p> <p>(II) To play a leading and guiding role when the Company is faced with potential interest conflicts including related transactions to protect fully the overall legal rights and interests of the Company and shareholders;</p> <p>(III) To be invited by and served as the members of special committees including audit committee and compensation committee; and</p>	<p>Article 4 The Board of Directors is established by the company, and its member composition is stipulated based on the “<i>Rules of the Company</i>”. At any time, the number of independent (non-executive) directors is no less than 3 and no less than 1/3 of the number of total directors. At least 1 independent (non-executive) director in the Board of Directors must be <u>accounting professional</u>.</p> <p>The functions of the independent (non-executive) directors in the Board of Directors include but are not limited to the followings:</p> <p>.....</p> <p>(II) To play a leading and guiding role when the Company is faced with potential interest conflicts including related <u>(connected)</u> transactions to protect fully the overall legal rights and interests of the Company and shareholders;</p> <p>(III) To be invited by and served as the members of special committees including <u>strategy and investment committee</u>, audit committee and compensation committee; and</p> <p>.....</p>

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No.	Current articles	Articles after amendments
3	<p>Article 5 The Board of Directors reports to the general meeting of shareholders and performs the following functions and powers:</p> <p>.....</p> <p>(IV) To formulate the annual financial budget plans and final accounting plans of the Company;</p> <p>(V) To formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(VI) To formulate the plans for increasing or reducing registered capital and plans for issuing corporate bonds of the Company;</p> <p>.....</p>	<p>Article 5 The Board of Directors reports to the general meeting of shareholders and performs the following functions and powers:</p> <p>.....</p> <p>(IV) <u>To formulate</u> the annual financial budget plans and final accounting plans of the Company;</p> <p>(V) <u>To formulate</u> the profit distribution plans and loss recovery plans of the Company;</p> <p>(VI) <u>To formulate</u> the plans for increasing or reducing registered capital and plans for issuing corporate bonds <u>or other securities and listing</u> of the Company;</p> <p>(VII) <u>To draw up the plans for major acquisitions and the purchase of the Company's stocks;</u></p> <p>.....</p>

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No.	Current articles	Articles after amendments
	<p>(IX) 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 the vice manager, general accountant and other senior management of the Company and determine their remuneration matters;</p> <p>.....</p>	<p>(IX) <u>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;</u></p> <p>(X) <u>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 financing and related (connected) transactions;</u></p> <p>.....</p>
	<p>(XI) To draw up the amendment plan of the “Articles of Association”;</p> <p>.....</p>	<p>(XII) 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 <u>including</u> the vice manager and general accountant and determine their remuneration <u>or reward and punishment</u> matters;</p> <p>.....</p>
	<p>(XIV) Other functions and powers stipulated in laws, regulations and the Listing Rules and authorized by the general meeting of shareholders and the <i>Articles of Association</i>.</p>	

No.	Current articles	Articles after amendments
	<p>In the above resolutions made by the Board of Directors, except the items (VI), (VII) and (XI) which must be voted and approved by 2/3 of directors, others shall be voted and approved by more than half of the 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>(XIV) To formulate the amendment plan of the “Articles of Association”;</p> <p>.....</p> <p>(XVII) To hear working reports from the Company’s general manager and check his/her work; and</p> <p>(XVIII) Other functions and powers stipulated in laws, administrative regulations, departmental regulations, relevant regulations of the securities exchange where the Company is 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 (VI), (VII), (VIII) and (XIV) that must be voted and approved by 2/3 of all directors, other resolutions shall be voted and approved by more than half of all directors (of which, the item (IX) 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>

No.	Current articles	Articles after amendments
4	None	<p><u>Article 6 The Board of Directors shall determine the authority of external investment, acquisition and sales of assets, assets pledge, external guarantee, entrusted financing and related (connected) transactions and set up strict investigation and decision procedures; for major investment projects, the Board of Directors shall organize relevant experts and professionals to make evaluation and report to the general meeting of shareholders for approval.</u></p> <p><u>The authorities of the Board of Directors when considering matters including external guarantee, related (connected) transactions, external investment and other transactions are stated as follows:</u></p> <p><u>(I) External guarantee</u></p> <p><u>The Board of Directors has right to determine the external guarantee matters except those stated in the Article 60 of the <i>Articles of Association</i>. Those external guarantee matters that must be approved by the Board of Directors shall not only be approved by more than half of all directors, but also be considered, approved and resolved by more than 2/3 of directors who are attending the meeting of the Board of Directors.</u></p>

No.	Current articles	Articles after amendments
		<p><u>The so-called “external guarantee” refers to the guarantee made by the Company to others, including the Company’s guarantee to the holding subsidiaries. So-called “the total amount of external guarantee of the Company and the holding subsidiaries” refers to the total amount of the Company’s external guarantee including the Company’s external guarantee to the holding subsidiaries plus the total amount of the external guarantee of the holding subsidiaries.</u></p> <p>(II) Related (connected) transactions</p> <p>(1) Potential related (connected) transactions, that fail to meet the consideration standard of the general meeting of shareholders stated in item (XVIII) in the Article 59 of the Articles of Association, meet one of the following conditions: (i) the amount of the transaction with related natural person (as defined in the Listing Rules of Shanghai Stock Exchange) is above RMB300,000; (ii) the amount of the transaction with related legal person (as defined in the Listing Rules of Shanghai Stock Exchange) is above RMB3 million and the percent to the absolute value of the latest audited net assets is above 0.5%;</p>

No.	Current articles	Articles after amendments
		<p>(2) <u>The related transaction or accumulatively calculated related transaction (the definition and the principle of accumulative calculation are based on the <i>Listing Rules of Hong Kong Stock Exchange</i> which are amended from time to time) is measured with asset ratio, income ratio, price ratio and stock capital ratio (specific details are based on the <i>Listing Rules of Hong Kong Stock Exchange</i> which are amended from time to time). Any ratio (i) is equal to or more than 0.1% (unless the transaction value is less than HKD3 million) but is less than 5%; or (ii) is equal to or more than 1% (unless the transaction value is less than HKD3 million) but is less than 5%, and the transaction only involves in relevant personnel at major subsidiary level of the Company; or (iii) is equal to or more than 5% but is less than 25% and the transaction value is below HKD10 million.</u></p>

No.	Current articles	Articles after amendments
		<p><u>Matters within the scope of authorization of the Board of Directors as stated in the former item, for example the matters which shall be submitted, considered and approved by the general meeting of shareholders according to laws, administrative regulations, departmental regulations, regulated documents or the listing rules of the securities exchange where the Company is listed, shall be executed according to laws, administrative regulations, departmental regulations, regulated documents or the listing rules of the securities exchange where the Company is listed.</u></p> <p><u>Related transactions, with the total amount of above HKD3 million or above 5% of the latest audited net assets of the Company (as defined in the <i>Listing Rules of Shanghai Stock Exchange</i>), shall be approved by independent (non-executive) directors before submitting to the Board of Directors for discussion; the independent (non-executive) directors may appoint intermediary agency to issue independent financial consulting report as the basis of judgment before making judgment.</u></p>

No.	Current articles	Articles after amendments
		<p data-bbox="847 342 1390 455"><u>(III) External investment and other major transactions (except related (connected) transactions)</u></p> <p data-bbox="924 512 1369 540"><u>Meet one of the following standards:</u></p> <p data-bbox="924 597 1390 885"><u>(1) Total assets involved in transactions (if both book value and assessed value are available, takes a higher one) account for above 10% of the latest audited total assets of the Company;</u></p> <p data-bbox="924 942 1390 1229"><u>(2) The concluded amount of transaction (including debts and expenses) accounts for above 10% of the latest audited total net assets of the Company and the absolute amount exceeds RMB10 million;</u></p>

No.	Current articles	Articles after amendments
		<p data-bbox="922 342 1390 583"><u>(3) The profits generated by a transaction accounts for 10% or more of the audited net profits in the latest financial year and the absolute amount exceeds RMB1 million;</u></p> <p data-bbox="922 640 1390 1012"><u>(4) The relevant revenue of the transaction object in the latest financial year (such as equity interest) accounts for 10% or more of the total audited revenue or more in the latest financial year and the absolute amount exceeds RMB10 million;</u></p> <p data-bbox="922 1070 1390 1398"><u>(5) The relevant net profit of the transaction object in the latest financial year (such as stock equity interest) accounts for 10% or more of the total audited net profit in the latest financial year and the absolute amount exceeds RMB1 million;</u></p>

No.	Current articles	Articles after amendments
		<p>(6) <u>According to the rules in the <i>Listing Rules of Hong Kong Stock Exchange</i> are amended from time to time, the transaction or accumulatively calculated relevant transaction is measured with asset ratio, profit ratio, income ratio, price ratio and stock capital ratio (the specific details are based on the <i>Listing Rules of Stock Exchange</i> are amended from time to time). Any ratio is equal to or above 5% but is below 25%; any ratio is below 5%, but the transaction takes the shares of the issuing company as the transaction consideration (if relevant transactions constitute related (connected) transactions the <i>Listing Rules of Stock Exchange</i> or the <i>Listing Rules of Shanghai Stock Exchange</i>, they shall be carried out according to the <i>Management Measures on Connected Transactions of the Company</i> and the supervision rules of the securities exchange where the Company is listed);</u></p> <p>(7) <u>External equity investment fails to meet the consideration standard of the general meeting according to the local laws, regulations and rules in the place where the Company is listed, relevant listing rules and the <i>Articles of Association</i>.</u></p>

No.	Current articles	Articles after amendments
		<p data-bbox="922 342 1390 459"><u>If the figures stated in the above items (1) to (5) are negative, take absolute value for calculation.</u></p> <p data-bbox="922 512 1390 587"><u>The transactions stated in this article include the following matters:</u></p> <p data-bbox="922 640 1390 715"><u>(1) The purchase or disposal of assets;</u></p> <p data-bbox="922 768 1390 885"><u>(2) External investment (including entrusted financing and entrusted loan);</u></p> <p data-bbox="922 938 1390 970"><u>(3) Provision of financial support;</u></p> <p data-bbox="922 1023 1390 1055"><u>(4) Provision of guarantee;</u></p> <p data-bbox="922 1108 1390 1140"><u>(5) Rent or lease of assets;</u></p> <p data-bbox="922 1193 1390 1268"><u>(6) Entrust or be entrusted to manage assets and business;</u></p> <p data-bbox="922 1321 1390 1395"><u>(7) Gift assets or be gifted with assets;</u></p> <p data-bbox="922 1449 1390 1481"><u>(8) Credit and debt restructuring;</u></p>

No.	Current articles	Articles after amendments
		<p data-bbox="922 336 1362 370"><u>(9) Sign licensed use agreements;</u></p> <p data-bbox="922 421 1390 540"><u>(10) Transfer or acceptance of research and development projects;</u></p> <p data-bbox="922 591 1390 710"><u>(11) Other transactions recognized by the securities exchange where the Company is listed.</u></p> <p data-bbox="922 761 1390 1178"><u>The purchase or sales of assets stated in the above item excludes the purchase of raw materials, fuel and power, and the purchase or sales of assets related to daily operation including the sales of products and commodities. However, the purchase or sales of this type of assets in the replacement of assets are still included.</u></p> <p data-bbox="847 1238 1390 1698"><u>(IV) Other transactions that are beyond the authorization of general manager and/or the office of the general manager, but have no need to be approved, or authorized and determined by the general meeting of shareholders according to the laws and regulations in the securities exchange where the Company is listed, relevant listing rules and stipulations in the Articles of Association.</u></p>

No.	Current articles	Articles after amendments
5	<p>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 and 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.</p>	<p>Article 7 The Board of Directors has set up special committees including <u>strategy and investment committee</u>, 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 <u>audit committee, remuneration committee and nomination committee</u>. 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>
	Chapter IV The Chairman of the Board of Directors	Chapter IV The Chairman of the Board of Directors
6	<p>Article 13 The Board of Directors performs the following functions and powers:</p> <p>.....</p> <p>(II) To check the implementation of the resolutions of the Board of Directors;</p> <p>.....</p> <p>If the chairman of the Board of Directors is unable to perform his/her functions and powers, he/she shall designate a director to act functions and powers on his/her behalf.</p>	<p>Article 14 The Board of Directors performs the following functions and powers:</p> <p>.....</p> <p>(II) To <u>supervise, urge and</u> check the implementation of the resolutions of the Board of Directors;</p> <p>.....</p> <p>If the chairman of the Board of Directors is unable <u>or fails</u> to perform his/her functions and powers, a director <u>shall be jointly elected by over half of the directors</u> to act <u>functions</u> on his/her behalf.</p>

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No.	Current articles	Articles after amendments
	Chapter V The Secretary of the Board of Directors	Chapter V The Secretary of the Board of Directors
7	<p>Article 14 The Company’s Board of Directors has a secretary, who is the Company’s senior management and reports to the Board of Directors. The secretary shall be a natural person with necessary professional knowledge and experience. The duties of the secretary include:</p> <p>.....</p> <p>(VI) To keep the sensitive information of the share prices of the Company confidential and formulate effective confidentiality system and measures. As to the data leakage related to the sensitive information of share prices caused by various reasons, the secretary shall make necessary remedial measures to explain and clarify in time and announce to the securities exchange where the Company is listed and the China Securities Regulatory Committee;</p>	<p>Article 15 The Company’s Board of Directors has a secretary, who is the Company’s senior management and reports to the Board of Directors. The secretary shall be a natural person with necessary professional knowledge and experience. The duties of the secretary include:</p> <p>.....</p> <p>(VI) To keep the sensitive information of the share prices of the Company confidential and formulate effective confidentiality system and measures. As to the data leakage related to the sensitive information of share prices caused by various reasons, the secretary shall make necessary remedial measures to explain and clarify in time and announce to the securities exchange where the Company is listed and the <u>competent securities authorities of the State Council</u>;</p>

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No.	Current articles	Articles after amendments
	<p>(VII) To coordinate visit reception, keep contact with news medias, coordinate the solutions to the questions asked by the public, deal with the relations with intermediary agencies, supervision authorities and news medias, and organize and report to the China Securities Regulatory Committee about related matters;</p> <p>.....</p>	<p>(VII) To coordinate visit reception, keep contact with news medias, coordinate the solutions to the questions asked by the public, deal with the relations with intermediary agencies, supervision authorities and news medias, and organize and report to the <u>competent securities authorities of the State Council</u> about related matters;</p> <p>.....</p>
	<p>(IX) To assist directors or general manager to effectively fulfill laws, regulations, the Articles of Association and others at home and abroad when they are performing their functions and powers. To have duty to remind in time and have right to truthfully report to the China Securities Regulatory Committee and other supervision authorities, when learning that the Company has made or has possibility to make resolutions which are against relevant regulations;</p> <p>.....</p>	<p>(IX) To assist directors or general manager to effectively fulfill laws, regulations, the <i>Articles of Association</i> and others at home and abroad when they are performing their functions and powers. To have duty to remind in time and have right to truthfully report to the <u>competent securities authorities of the State Council</u> and other supervision authorities, when learning that the Company has made or has possibility to make resolutions which are against relevant regulations;</p> <p>.....</p>

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No.	Current articles	Articles after amendments
	(XI) To fulfill other functions and powers authorized by the Board of Directors and those required by the securities exchange where the Company is listed.	(XI) To fulfill other functions and powers authorized by the Board of Directors and those required by the securities exchange where the Company is listed. <u>The secretary of the Board of Directors shall comply with laws, administrative regulations, departmental regulations and relevant rules in the <i>Articles of Association</i>.</u>
8	Article 16 The Board of Directors has a secretary department, which is in charge of the daily work of the Board of Directors and is led by the secretary of the Board of Directors.	Article 17 The secretary department of the Board of Directors is in charge of the daily work of the Board of Directors.
	Chapter VI Convening of Board Meeting	Chapter VI Convening of Board Meeting
9	Article 17 The meeting of the Board of Directors shall be convened by the chairman of the Board of Directors. The meeting shall only be convened unless above 2/3 of the directors (including entrusted directors required in the article 104 of the <i>Articles of Association</i>) are present.	Article 18 The meeting of the Board of Directors shall be convened by the chairman of the Board of Directors. The meeting shall only be convened unless <u>more than half of the directors</u> (including entrusted directors required in <u>the article 26 of the Rules</u>) are present. <u>If relevant directors refuse to attend the meeting or are negligent in attending the meeting, which causes the number of attendees fail to meet the requirement for the minimum number of attendees for the convening of the meeting, the chairman and the secretary of the Board of Directors shall report to regulatory bodies in time.</u>

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No.	Current articles	Articles after amendments
10	<p>Article 18 The Board of Directors has at least four periodic meetings each year. The chairman of the Board of Directors is in charge of the convening and shall notice all directors, supervisors and general manager within 14 days before the convening of the meeting. Temporary meetings of the Board of Directors are convened without notice time, but shall be reasonably noticed to all directors, supervisors and general manager.</p>	<p>Article 19 <u>The meetings of the Board of Directors are classified into periodic and temporary meetings.</u> The Board of Directors has at least four periodic meetings each year. <u>The written notices of the periodic and temporary meetings sealed by the seal of the Board of Directors</u> shall be sent to all directors, supervisors and <u>other attendees by hand, email or fax</u> within 14 days <u>and 5 days respectively</u> before the convening of the meetings. <u>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.</u></p>

No.	Current articles	Articles after amendments
		<p><u>The notice of the meeting of the Board of Directors shall include the following contents:</u></p> <p><u>(I) Date, time and place of the meeting;</u></p> <p><u>(II) The ways of convening the meeting;</u></p> <p><u>(III) The duration of the meeting;</u></p> <p><u>(IV) Reasons for the convening of the meeting and matters to be considered (meeting proposals);</u></p> <p><u>(V) The convener and host of the meeting, and the proposer and written proposal of temporary meeting;</u></p> <p><u>(VI) Meeting materials necessary for the resolution of directors;</u></p> <p><u>(VII) The requirements that directors shall attend in person or entrust other directors to attend on behalf;</u></p> <p><u>(VIII) Contact person and contact ways; and</u></p> <p><u>(IX) The date of the delivery of notice.</u></p> <p><u>Oral notice shall include the content in items (I) and (II) and the explanation of the temporary meeting called by emergency.</u></p>

No.	Current articles	Articles after amendments
	<p>The Company shall a meeting that be hosted by the chairman of the Board of Directors and only be attended by non-executive directors (including independent and non-executive directors) in each year to independently audit the operating conditions of the Company.</p> <p>Article 20 The Board of Directors shall convene temporary meetings of the Board of Directors according to its needs. All directors, supervisors and general manager shall be informed before the convening of the temporary meetings.</p>	<p><u>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 adequate 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.</u></p> <p>The Company shall 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) in each year to independently audit the operating conditions of the Company.</p>

No.	Current articles	Articles after amendments
11	None	<p>Article 20 <u>After the delivery of the written notice of the periodic meeting of the Board of Directors, if there are changes in matters including the convening time and place of the meeting or the adding, changing and cancelling of meeting proposals, written notice for the change shall be sent, stating the explanation and relevant content and materials of new proposals within 3 days before the original convening date of the meeting. If the meeting is to be held in less than 3 days, the meeting date shall be delayed accordingly or be held as schedule after the approval by all directors.</u></p> <p><u>After the delivery of the written notice of the temporary meeting of the Board of Directors, if there are changes in matters including the convening time and place of the meeting or the adding, changing and cancelling of meeting proposals, the approval by all directors shall be made in advance and relevant records shall also be taken.</u></p>
12	None	<p>Article 21 <u>Supervisors shall attend the meeting of the Board of Directors; general manager and the secretary of the Board of Directors, who are not directors, shall attend the meeting of the Board of Directors. Other relevant personnel shall attend the meeting of the Board of Directors if the host deems as necessary.</u></p>

No.	Current articles	Articles after amendments
13	<p>Article 19 Each director has proposal right. The secretary of the Board of Directors shall generally collect proposals from directors within 15 days before the convening of the meeting. Directors who have proposals shall submit the written proposals with signature and explanation to the Board of Directors within 10 days before the meeting. The proposals shall be submitted to the chairman of the Board of Directors through the secretary of the Board of Directors to determine whether they shall be listed on the proposals of the meeting of the Board of Directors.</p>	<p>Article 22 The secretary of the Board of Directors <u>is responsible for collecting drafts to be discussed at the meeting of the Board of Directors. The proposers of relevant proposals shall submit the proposals and explanatory materials to the secretary department of the Board of Directors 5 days before the delivery of the notice of the meeting. Major related (connected) transactions (confirmed according to the listing rules in the place where the Company is listed), that shall be considered by the Board of Directors or the general meeting of shareholders according to laws, and proposals of appointing or dismissing accounting firm shall be approved by independent (non-executive) directors first.</u></p> <p><u>The secretary of the Board of Directors shall fully collect opinion from directors and form primary proposals of the meeting for the protocolling of the chairman of the Board of Directors. Before the protocolling, the chairman shall collect opinion from managers and other senior management as necessary.</u></p>

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No.	Current articles	Articles after amendments
14	<p>Article 21 The Board of Directors shall convene and host a temporary meeting of the Board of Directors within 10 days, if one of the following conditions happens:</p> <p>.....</p> <p>(IV) Shareholders who represent over 1/10 of voting right;</p> <p>(V) More than half of independent directors propose;</p> <p>.....</p>	<p>Article 23 The Board of Directors shall convene and host a temporary meeting of the Board of Directors within 10 days, if one of the following conditions happens:</p> <p>.....</p> <p>(IV) <u>Shareholders, who represent over 1/10 of the total shares of voting right of the Company, propose;</u></p> <p>(V) More than half of independent <u>(non-executive)</u> directors propose;</p> <p>.....</p> <p><u>(VII) Securities regulatory authorities require to convene;</u></p> <p><u>(VIII) Other conditions stipulated in the Articles of Association.</u></p>

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No.	Current articles	Articles after amendments
15	<p>Article 22 The convening of the temporary meetings of the Board of Directors shall be in compliance with the following rules:</p> <p>(I) When proposing to convene the temporary meeting of the Board of Directors, shareholders representing over 10% of voting right, the Board of Supervisors and general manager shall submit proposal letter to the secretary of the Board of Directors. The secretary shall report to the chairman of the Board of Directors to convene the temporary meeting of the Board of Directors.</p> <p>(II) When jointly proposing to convene the temporary meeting of the Board of Directors, over 1/3 of directors shall submit the proposal letter with the signature of all joint directors to the secretary of the Board of Directors. The secretary shall report to the chairman of the Board of Directors to convene the temporary meeting of the Board of Directors.</p> <p>.....</p>	<p>Article 24 The convening of the temporary meetings of the Board of Directors shall be in compliance with the following rules:</p> <p>(I) When proposing to convene the temporary meeting of the Board of Directors, shareholders representing over <u>1/10</u> of voting right, the Board of Supervisors and general manager shall submit proposal letter to the secretary of the Board of Directors. The secretary shall report to the chairman of the Board of Directors to convene the temporary meeting of the Board of Directors.</p> <p>(II) When jointly proposing to convene the temporary meeting of the Board of Directors, over 1/3 of directors or over 1/2 of independent (non-executive) directors shall submit the proposal letter with the signature of all joint directors and independent (non-executive) directors to the secretary of the Board of Directors. The secretary shall report to the chairman of the Board of Directors to convene the temporary meeting of the Board of Directors.</p>

No.	Current articles	Articles after amendments
		<p><u>(III) The proposal letter shall specify the following items:</u></p> <p><u>(1) The name or title of the proposer;</u></p> <p><u>(2) Reasons for proposal or objective reasons based for proposal;</u></p> <p><u>(3) The proposed time or time limit, place and ways of convening the meeting;</u></p> <p><u>(4) Clear and specific proposal; and</u></p> <p><u>(5) The contact ways of proposer, proposed date, etc.</u></p> <p>.....</p> <p><u>(V) The content of proposal shall be matters within the scope of authorization of the Board of Directors stipulated in the <i>Articles of Association</i> and materials related to the proposal shall be submitted together. After receiving the above content and materials, the secretary of the Board of Directors shall hand over to the chairman of the Board of Directors on the same day. The chairman shall require the proposer to revise or supplement the proposal if the content of the proposal is deemed as unclear and unspecific or relevant materials are deemed as in adequate.</u></p>

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No.	Current articles	Articles after amendments
	Chapter VII The Voting and Resolution of the Chairman of the Board of Directors	Chapter VII The Voting and Resolution of the Chairman of the Board of Directors
16	<p>Article 23 Each director has only one vote. Resolutions made by the Board of Directors must be approved by over half of all directors, except other regulations in the <i>Articles of Association</i>.</p> <p>The resolutions on related transactions made by the Board of Directors shall take into effect only after signed by independent (non-executive) directors.</p> <p>If the resolution of the meeting of the Board of Directors has interest relations with a director or any contact person of the director, the director shall avoid and has no vote on the relevant resolution. The director shall be excluded in the total number of legal directors who are attending the meeting of the Board of Directors.</p>	<p>Article 25 Each director has only one vote. Resolutions made by the Board of Directors must be approved by over half of all directors, except other regulations in the <i>Articles of Association</i> <u>and the Rules</u>.</p> <p>The resolutions on related <u>(connected)</u> transactions made by the Board of Directors shall take into effect only after signed by independent (non-executive) directors.</p> <p><u>If a director has related (connected) relations (the definition is confirmed according to the listing rules of the securities exchange where the Company is listed amended from time to time) with an enterprise involved in a resolution of the meeting of the Board of Directors, the director shall not vote on the resolution and shall not act the voting on behalf of other directors and shall abstain from voting. The meeting of the Board of Directors shall be convened only when attended by over half of directors who have no related (connected) relations. The resolutions made at the meeting of the Board of Directors shall be approved by over half of the directors who have no related (connected) relations. If the number of directors, who have no related (connected) relations and attend the meeting of the Board of Directors, is less than 3, the matter shall be submitted to and considered by the general meeting of shareholders.</u></p>

No.	Current articles	Articles after amendments
17	<p>Article 24 The meeting of the Board of Directors shall be attended by directors in person. Director shall make a written entrustment to entrust other directors to attend the meeting if failing to attend the meeting for some reasons. The letter of entrustment shall be delivered to the Company by fax, but the original document of the letter shall be delivered to the Company before the convening of the meeting.</p> <p>The letter of entrustment shall specify the name of trustee, entrusted matters, authorization and effective duration, with the signature or seal of client.</p>	<p>Article 26 The meeting of the Board of Directors shall be attended by directors in person. If failing to attend the meeting for some reasons, director shall <u>review the meeting materials in advance, and form clear opinion, and</u> make a written entrustment to entrust other directors to attend the meeting <u>(independent directors shall entrust other independent directors to attend the meeting). Directors shall make a written entrustment to entrust other directors to attend the meeting,</u> the letter of entrustment shall be delivered to the Company by fax, but the original document of the letter shall be delivered to the Company before the convening of the meeting.</p> <p>The letter of entrustment shall specify the name of <u>client and</u> trustee, entrusted matters, <u>scope of authorization, effective duration and the client’s instructions on voting intentions toward each proposal,</u> with the signature or seal of the client.</p> <p><u>Director shall make special authorization in the letter of entrustment if entrusting other directors to sign written confirmation opinion on periodic reports.</u></p> <p><u>Director who is entrusted to attend the meeting shall execute his/her rights within the scope of authorization. Director who fails to attend the meeting and fails to entrust a representative to attend the meeting, shall be deemed as abstain from his/her voting right at the meeting.</u></p> <p><u>Entrusted director shall submit a written letter of entrustment to the host of the meeting, and shall state the entrustment on attendance book.</u></p>

No.	Current articles	Articles after amendments
18	None	<p><u>Article 27 Director entrust and being entrusted to attend the meeting of the Board of Directors shall comply with the following rules:</u></p> <p><u>(I) When considering related (connected) transactions, non-related (connected) directors shall not entrust related (connected) directors to attend the meeting; related (connected) directors also shall not accept the entrustment made by the non-related (connected) directors;</u></p> <p><u>(II) Independent (non-executive) directors shall not entrust other directors except independent (non-executive) directors to attend the meeting; other directors except independent (non-executive) directors also shall not accept the entrustment made by the independent (non-executive) directors;</u></p> <p><u>(III) Director shall not entrust other directors with full authority to attend the meeting without explaining his/her personal opinion and voting intention on proposals. Relevant directors shall not accept the entrustment with full and unclear authority; and</u></p> <p><u>(IV) A director shall not accept the entrustment made by more than two directors. Director shall not entrust a director who has accept the entrustment made by two directors to attend the meeting. This item is added according to the article 13 of the <i>Model Rules of Procedures of the Board of Directors of Listing Companies</i>.</u></p>

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No.	Current articles	Articles after amendments
19	<p>Article 25 As to matters that shall be voted and approved at temporary meetings of the Board of Directors, the Board of Directors shall convene the meeting instead with written proposal form under the premise of assuring directors of fully expressing their opinion. However, the drafts of proposals must be complete and all-round and sent to each director by one of the three ways including someone, mail and fax. If the Board of Directors has already delivered the content of a proposal to be voted to all directors with written form, and the number of directors who have signed up for agreement has met the standard number required by the <i>Article of Association</i>, the proposal shall become an effective resolution of the Board of Directors without the convening of the meeting of the Board of Directors.</p> <p>.....</p>	<p>Article 28 The meeting of the Board of Directors <u>is based on the principle of on-site convening. If necessary,</u> under the premise of assuring directors of fully expressing their opinion, <u>the meeting shall also be convened through other ways including video, telephone, fax or email if agreed by convener (host) and proposers. The meeting shall also be convened through a combined way of on-site way and others.</u></p>
20	None	<p>Article 29 <u>The meetings of the Board of Directors that are convened on-site and through other ways including video and telephone may make full time recording when necessary.</u></p>

No.	Current articles	Articles after amendments
21	None	<p data-bbox="847 342 1385 502">Article 30 <u>The host of the meeting shall advise directors who are attending the meeting express their clear opinion on each proposal.</u></p> <p data-bbox="847 555 1385 885"><u>As to proposals that shall be approved in advance by independent (non-executive) directors as required, the host of the meeting shall designate an independent (non-executive) director to read out the written approval opinion made by independent (non-executive) directors before the discussion of the proposals.</u></p> <p data-bbox="847 938 1385 1098"><u>The host of the meeting shall stop any director from hindering the normal progress of the meeting or affecting the speech of other directors.</u></p> <p data-bbox="847 1151 1385 1523"><u>In addition to a consensus of all directors who are attending the meeting, proposals that are not included in the notice of the meeting shall not be voted at the meeting. Directors who are entrusted by other directors to attend the meeting shall not represent other directors to vote on proposals that are not included in the notice of the meeting.</u></p>

No.	Current articles	Articles after amendments
22	None	<p>Article 31 <u>Directors shall read relevant materials of the meeting seriously, and express opinion in an independent and prudent manner on a basis of full understanding of conditions.</u></p> <p><u>Directors may learn information necessary for decision-making from relevant personnel and institutions including the secretary department of the Board of Directors, convener of the meeting, general manager and other senior management, each special committee, accounting firms and law firms before the meeting. They may also suggest the host of the meeting inviting the above personnel and institutions to attend the meeting to explain relevant conditions during the meeting.</u></p>
23	None	<p>Article 32 <u>After full discussion of each proposal, the host of the meeting shall advise directors who are attending the meeting to vote.</u></p> <p><u>As to the voting of resolutions of the Board of Directors, each director has only one vote.</u></p> <p><u>Voting intentions of directors include for, against and abstain. Directors who are attending the meeting shall choose one from the above three intentions. Director fails to choose or choose two or more intentions at the same time, the host of the meeting shall require the director to choose once again. The director who refuses to choose shall be deemed as abstain from voting; director who leaves halfway at the meeting but fails to come back and fails to choose shall be deemed as abstain from voting.</u></p>

No.	Current articles	Articles after amendments
24	Article 25 As to matters that shall be voted and approved at the temporary meetings of the Board of Directors, ……	<p data-bbox="847 336 1378 497">Article 33 <u>The voting method of resolutions of the meeting of the Board of Directors include; vote by show of hands, vote by oral or written from (including fax vote).</u></p> <p data-bbox="847 555 1378 838"><u>If the meeting of the Board of Directors is convened through telephone (including video conferencing) or by similar communication equipment, directors who are attending the meeting shall cast their votes by oral form, resolutions shall be made on this basis at the meeting of the Board of Directors.</u></p> <p data-bbox="847 895 1378 1300"><u>If the meeting is not convened onsite, the number of directors who are attending the meeting shall be calculated according to the on-site directors displayed on video, the directors who express opinion through telephone meeting, the effective votes actually received through ways including fax or email in a regulated period, or the written confirmation letters of attending the meeting submitted by directors after the meeting.</u></p>

No.	Current articles	Articles after amendments
	<p>If the Company's major shareholders (refer to shareholders who have right to execute or control the execution of 10% or above of voting right at the general meeting of shareholders) or directors have interest conflict the Board of Directors deem in matters to be audited at the meeting of the Board of Directors, relevant matters shall be handled through the convening of the meeting (rather than written resolutions). Independent and non-executive director who himself/herself and his/her contact persons have no major interests in transactions shall attend relevant meetings of the Board of Directors.</p>	<p><u>Under the premise of assuring directors to fully express their opinion, the temporary meetings of the Board of Directors may be convened and resolutions shall be made through written form (including fax), and shall be signed by directors who are attending the meeting. However, the draft of proposal must be complete and all-round and be delivered to each director through one of the three ways including by hand, by post or by fax. The notice of the meeting shall clearly state the time limit of voting. Directors who are attending the meeting shall sign on the votes and deliver the votes through the way required as the notice of the meeting before the time limit of voting. Upon the expiration of the time limit of voting, resolutions of the Board of Directors shall take effect.</u></p> <p>If the Company's major shareholders (refer to shareholders who have right to execute or control the execution of 10% or above of voting right at the general meeting of shareholders) or directors have interest conflict the Board of Directors deem in matters to be audited at the meeting of the Board of Directors, relevant matters shall be handled through the convening of the meeting (rather than written resolutions). Independent (non-executive) director who himself/herself and his/her contact persons have no major interests in transactions shall attend relevant meetings of the Board of Directors.</p>

No.	Current articles	Articles after amendments
25	None	<p data-bbox="847 342 1383 757"><u>Article 34 After the completion of the voting of directors who are attending the meeting, relevant personnel of securities affairs representatives and the secretary department of the Board of Directors shall collect the votes of directors in time, then submit to the secretary of the Board of Directors for calculation under the supervision of a supervisor or an independent (non-executive) director.</u></p> <p data-bbox="847 815 1383 1183"><u>If the meeting is convened with on-site way, the host of the meeting shall announce the result of the calculation on site; under other conditions, the host of the meeting shall require the secretary of the Board of Directors to inform the result of voting to directors before the next working day after the end of the time limit of voting as required.</u></p> <p data-bbox="847 1240 1383 1430"><u>If directors cast their votes after the host of the meeting announces the voting result or after the end of the time limit of voting as required, the vote of directors shall not be calculated.</u></p>

No.	Current articles	Articles after amendments
26	None	<p data-bbox="847 342 1394 800"><u>Article 35 Except the conditions as required in the Article 36 in the Rules, consent from more than half of all directors of the Company is required for the Board of Directors to pass the proposal and form relevant resolutions. If the laws, administrative regulations, the <i>Article of Association</i> and the Rules required further consent from directors for the Board of Directors to form resolutions, relevant provisions shall apply.</u></p> <p data-bbox="847 857 1394 1187"><u>If the Board of Directors make resolutions on guarantee matters within its scope of authorization according to the regulations of the <i>Articles of Association</i> and the Rules, the guarantee matters must not only be approved by more than half of all directors of the Company, but also approved by over 2/3 directors who are attending the meeting.</u></p> <p data-bbox="847 1244 1394 1357"><u>If there are discrepancies in the content and meanings of different resolutions, the resolution formed later shall prevail.</u></p>

No.	Current articles	Articles after amendments
27	None	<p>Article 36 <u>Directors shall avoid voting on relevant proposals when:</u></p> <p>(I) <u>The listing rules of the securities exchange where the Company is listed require the directors to avoid voting;</u></p> <p>(II) <u>Directors deem necessary to avoid voting;</u></p> <p>(III) <u>Directors have related (connected) relations with enterprises involved in the proposals of the meeting as required in the <i>Article of Associations</i>.</u></p> <p><u>Under the condition that directors avoid voting, relevant meeting of the Board of Directors shall be convened if over half of directors, who have no need to avoid voting, attend the meeting. Resolutions shall be made by the approval of over half of directors who have no need to avoid voting. If the number of directors who are attending the meeting and have no need to avoid voting is less than 3, relevant proposals shall be not voted and shall be submitted to and considered by the general meeting of shareholders.</u></p>
28	None	<p>Article 37 <u>The Board of Directors shall perform its duties strictly according to the authorization of the general meeting of shareholders and the <i>Articles of Association</i>, and shall not form resolutions beyond the authorization.</u></p>

No.	Current articles	Articles after amendments
29	None	<p>Article 38 <u>If the distribution of the profits of the Company shall be resolved at the meeting of the Board of Directors, the pre-arranged plan for the distribution to be considered by the Board of Directors may be first informed to certified public accountants. The certified public accountants shall then be required to issue the draft (other financial data except those related to distribution shall be all confirmed) of audit report based on the pre-arranged plan. After the resolution is made, the Board of Directors shall require the certified public accountants to issue a formal audit report. Based on the report, the Board of Directors shall make resolutions on other relevant matters in a periodic report.</u></p>
30	None	<p>Article 39 <u>If a proposal is not approved, the meeting of the Board of Directors shall not consider other proposals with the same content within a month, provided that no significant change is found in relevant conditions and factors.</u></p>
31	None	<p>Article 40 <u>If over 1/2 of directors who are attending the meeting or more than 2 independent (non-executive) directors fail to make judgment on a proposal because the proposal is deemed as unclear and unspecific or other reasons such as inadequate materials for the convening of the meeting, the host of the meeting shall require suspension of voting on the proposal at the meeting.</u></p> <p><u>Directors who suggest to suspend the voting shall put forward clear requirements on the conditions for the proposal to be resubmitted for consideration.</u></p>

No.	Current articles	Articles after amendments
	Chapter VIII Minutes of Board Meeting	Chapter VIII Minutes and Records of Resolutions of Board Meeting
32	<p>Article 27 Minutes shall be maintained for all board meetings. Directors present at the meeting shall sign on the minutes. Directors present at meeting have the right to request their speech at the meeting to be recorded as a statement. The minutes shall contained sufficient details for matters considered and decisions reached by directors, including any concerns raised or any dissenting opinions expressed by directors.</p> <p>.....</p>	<p>Article 42 Minutes shall be maintained for all board meetings. Directors present at the meeting shall sign on the minutes. Directors present at meeting have the right to request their speech at the meeting to be recorded as a statement. The minutes shall contained sufficient details for matters considered and decisions reached by directors, including any concerns raised or any dissenting opinions expressed by directors.</p> <p><u>Directors present at the meeting shall sign on the minutes and records of resolutions for confirmation on behalf of themselves and the directors who authorize them to attend such meeting. In case of different opinions on the minutes and records of resolutions, directors may provide statements in written form when signing on these documents. When necessary, directors may report to regulatory authorities, and may also make public statements.</u></p> <p><u>Directors are deemed to have fully agreed with the content of the minutes and records of resolutions if they fail to follow the articles above to sign on these documents, provide statements on his/her dissenting opinions in written form, or report to regulatory authorities, and make public statements.</u></p> <p>.....</p>

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No.	Current articles	Articles after amendments
33	Article 28 Minutes of board meetings shall be kept as company documents by the secretary office to the Board for a period of ten years.	Article 43 The secretary of the Board <u>shall be responsible for keeping documents of board meetings, including meeting notices, meeting materials, meeting sign-in register, the power of attorney for proxies to attend meetings on behalf of directors, the sound recording of meetings, votes, minutes signed and confirmed by directors present, summary of meetings, records of resolutions, and announcements on resolutions.</u> Such documents shall be kept <u>for at least</u> ten years.
34	<p>Article 29 Minutes of board meetings shall include the followings:</p> <p>(I) the date and venue of the meeting, and the name of convener;</p> <p>.....</p> <p>(III) meeting agenda;</p> <p>(IV) main points of directors' speeches;</p> <p>(V) voting method and voting results of each proposal (number of votes in favor, votes against and votes for abstention);</p>	<p>Article 44 <u>The secretary of the Board shall appoint members of the secretary office to the Board to take minutes of board meetings.</u> Minutes of board meetings shall include the followings:</p> <p>(I) the <u>session</u>, date, venue, <u>and form</u> of the meeting, and the names of convener <u>and chairperson</u>;</p> <p>(II) <u>the dispatch of meeting notice</u>;</p> <p>.....</p> <p><u>(IV) proposals considered at the meeting and meeting agenda</u>;</p> <p><u>(V) main points of speeches, main opinions of each directors in respect of matters considered, and their voting intentions regarding proposals</u>;</p> <p><u>(VI) voting method and voting results of each proposal</u> (number of votes in favor, votes against and votes for abstention); <u>and</u></p> <p><u>(VII) other matters that directors present at the meeting regard as necessary to record.</u></p>

No.	Current articles	Articles after amendments
35	None	Article 45 <u>Besides the minutes, the secretary of the Board may also appoint members of the secretary office to the Board to make a concise summary of the meeting convened as he/she deems necessary, and to prepare separate records of resolutions approved at the meeting according to the voting results collected.</u>
36	None	Article 46 <u>The secretary of the Board shall be responsible for the announcement of resolutions of board meetings in accordance with relevant regulations set out in the listing rules of stock exchanges where the Company's shares are listed. Before the disclosure of announcement of resolutions, directors present at board meetings, other attendants, recorders and staff who have offered services to board meetings are obliged to keep the content of relevant resolutions secret.</u>
37	None	Article 47 <u>The chairman of the Board shall urge relevant staff to implement the resolutions of board meetings, inspect the implementation of resolutions, and report the implementation of resolutions approved in subsequent board meetings.</u>

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No.	Current articles	Articles after amendments
	Chapter IX Supplementary Provisions	Chapter IX Supplementary Provisions
38	None	Article 48 <u>Reference to “no less than” shall include the number specified, while references to “over”, “excluding”, “more than”, “less than” shall exclude the number specified.</u>
39	Article 30 Matters not covered by this rules of procedures shall be implemented by applying the Articles of Association and with reference to relevant requirements of the Company Law and the Listing Rules. In the event of any conflict between this rules of procedures and the Articles of Association, the Company Law, the Listing Rules and other laws and regulations, the latter shall prevail.	Article 49 <u>Laws and regulations of the place where the Company’s shares are listed, departmental regulations, regulatory documents or the Articles of Association shall prevail in the event of matters not covered by this rules of procedures or any conflict between this rules of procedures and laws and regulations of the place where the Company’s shares are listed, departmental regulations, regulatory documents or the Articles of Association.</u>
40	Article 32 This rules of procedures take effect from the listing date after approval from the general meeting.	Article 51 This rules of procedures <u>shall be considered and approved by</u> the general meeting <u>of the Company</u> , and shall take effect <u>and be implemented from the date when domestic ordinary shares denominated in Renminbi of the Company are initially offered and listed on the Shanghai Stock Exchange.</u>

Note: The numbering of chapters and articles and the changes to the cross references resulting from addition and deletion of articles will be adjusted accordingly, for which separate statements will not be provided.

**Comparison of the Rules of Procedures of the Board of Supervisors of
Beijing Urban Construction Design & Development Group Co., Limited
before and after Amendment**

No.	Current articles	Articles after amendments
	Chapter I General Provisions	Chapter I General Provisions
1	<p>Article 1 In order to clarify the responsibilities of the Board of Supervisors, regulate the organizational behaviors and operating procedures of the Board of Supervisors and clarify the responsibilities and obligations of the supervisors, Beijing Urban Construction Design & Development Group Co., Limited formulated this Rules of Procedures (hereinafter referred to as “the Rules”), according to the relevant laws and regulations and rules in the regulated documents in the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses and the Securities Listing Rules of the Stock Exchange of Hong Kong Ltd., and the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “Articles of Association”).</p>	<p>Article 1 In order to clarify the responsibilities of the Board of Supervisors, regulate the organizational behaviors and operating procedures of the Board of Supervisors and clarify the responsibilities and obligations of the supervisors, Beijing Urban Construction Design & Development Group Co., Limited formulated this Rules of Procedure (hereinafter referred to as “the Rules”), according to the relevant <u>domestic and foreign</u> laws and regulations, <u>departmental regulations</u>, and rules in the regulated documents in the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses, the Securities Listing Rules of the Stock Exchange of Hong Kong Ltd., <u>the Code of Corporate Governance for Listed Companies in China, the Guidelines of Articles of Association of Listed Company in China and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</u> and the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “Articles of Association”, <u>and make reference to the “Model Rules of Procedure for the Board of Supervisors of Listed Companies in Shanghai Stock Exchange”.</u></p>

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No.	Current articles	Articles after amendments
	Chapter II Composition and Responsibilities of the Board of Supervisors	Chapter II Composition and Responsibilities of the Board of Supervisors
2	<p>Article 4 The Board of Supervisors is composed of 8 supervisors with a three-year term. They can be re-elected and re-appointed consecutively.</p> <p>The members of the Board of Supervisors shall include more than 1/2 external supervisors (they have no positions in the Company), in which there are over 2 independent supervisors (they are independent of the Company's shareholders and have not positions in the Company). The Company's external supervisors shall make independent reports to the general meeting of shareholders on the integrity and due diligence of the Company's senior management.</p> <p>Supervisors served by non-staff representatives are elected and recalled by the general meeting of shareholders, while supervisors served by staff representatives are democratically elected and recalled by the Company's staff. The number of the supervisors served by the staff representatives must be less than 1/3 of the total number of supervisors.</p>	<p>Article 4 The Board of Supervisors is composed of <u>7-11</u> supervisors, <u>of which, the supervisors served by staff representatives shall be no less than 1/3 of the total.</u> With a three-year term, they can be re-elected and re-appointed consecutively.</p> <p>The members of the Board of Supervisors shall include more than 1/2 external supervisors (<u>supervisors who</u> have no positions in the Company, <u>same below</u>). The Company's external supervisors shall report independently the integrity and due diligence of the Company's senior management to the general meeting of shareholders.</p> <p>Supervisors served by non-staff representatives are elected and recalled by the general meeting of shareholders, while supervisors served by staff representatives are elected and recalled by the Company's staff in democratic ways including <u>staff representative congress, staff congress or others.</u> The number of the supervisors served by the staff representatives must be less than 1/3 of the total number of supervisors.</p>

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No.	Current articles	Articles after amendments
3	<p>Article 6 The Board of Supervisors has a chairman, whose appointment and dismissal shall be voted by over 2/3 of supervisors. The chairman is in charge of supervising the work of the Board of Supervisors. The chairman who is unable to or does not perform his/her duties, his/her duties shall be performed by a designated supervisor.</p>	<p>Article 6 The Board of Supervisors has a chairman, whose appointment and dismissal shall be voted by over 2/3 of supervisors. The chairman is in charge of supervising the work of the Board of Supervisors. The chairman who is unable to or does not perform his/her duties, his/her duties shall be performed by a supervisor <u>jointly elected by more than half of the supervisors.</u></p>
4	<p>Article 7 The Board of Supervisors reports to the general meeting of shareholders and executes the following functions and powers:</p> <p>.....</p> <p>(II) To make supervision on the behaviors directors and senior management perform their duties, and put forward the suggestions on the recall of directors and senior management who violating laws, administrative rules and the “Articles of Association” or resolutions of shareholder meeting.</p> <p>.....</p>	<p>Article 7 The Board of Supervisors reports to the general meeting of shareholders and executes the following functions and powers:</p> <p>.....</p> <p>(II) To make supervision on the behaviors directors and senior management perform their duties, and put forward the suggestions on the recall of directors and senior management who violating laws, administrative rules and the “Articles of Association” or the resolutions of <u>general meeting of shareholders.</u></p> <p>.....</p>

**APPENDIX IX THE APPLICABLE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS OF
BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED
UPON INITIAL PUBLIC OFFERING OF A SHARES AND LISTING OF THE COMPANY**

No.	Current articles	Articles after amendments
	<p>(IV) to check financial information including financial reports, operating reports and profit sharing schemes the Board of Directors plans to submit to the general meeting of shareholders; if problems are found, the Board of Supervisors can entrust certified public accountants and certified auditors to help review;</p> <p>.....</p>	<p>(IV) <u>To make auditing on the Company’s periodic reports prepared by the Board of Directors and puts forward written audit opinions;</u> to check financial information including financial reports, operating reports and profit sharing schemes the Board of Directors plans to submit to the general meeting of shareholders; if problems are found, the Board of Supervisors can entrust certified public accountants and certified auditors to help review;</p> <p>.....</p>
	<p>(VIII) Other functions and powers included in the “Articles of Association”.</p> <p>Supervisors must be present at board meeting.</p>	<p><u>(VII) To propose to convene an extraordinary board meetings;</u></p> <p>.....</p> <p><u>(IX) To make investigation when finding abnormal operation of the Company; if necessary, to employ professional institutions including accounting firms and law firms to assist the investigation, and the Company shall cover all costs; and</u></p>

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No.	Current articles	Articles after amendments
		<p>(X) Other functions and powers stated in <u>laws, administrative laws and regulations, departmental regulations, regulated documents, relevant regulations made by the securities exchange where the Company is listed and</u> the “Articles of Association”.</p> <p>Supervisors must be present at the general meeting of shareholders, and can attend board meeting and put forward inquiries or opinions on resolution matters of the Board of Directors.</p>
	Chapter III The Convening of the Meeting of the Board of Supervisors	Chapter III The Convening of the Meeting of the Board of Supervisors
5	<p>Article 10 The Board of Supervisors convenes at least two meetings every year, at least once half a year. The chairman of the Board of Supervisors is in charge of the convening. Supervisors can suggest the convening of temporary meeting of the Board of Supervisors. The chairman of the Board of Supervisors who is unable to or does not perform his/her duties, his/her duties shall be performed by a designated supervisor.</p> <p>In the ten days before the convening of the meeting of the Board of Supervisors, staff shall deliver the meeting notices under the Board of Supervisors seal to all supervisors through direct delivery by special persons, postal delivery, fax, email or telephone. For the meeting notices delivered by indirect ways including fax and email, staff shall confirm the delivery by telephone and make records.</p> <p>Under available justifiable reasons, supervisors are entitled to require the chairman of the Board of Supervisors to convene temporary meeting of the Board of Supervisors.</p>	<p>Article 10 The Board of Supervisors convenes at least two meetings every year, at least once half a year. The chairman of the Board of Supervisors is in charge of the convening and hosting. Supervisors can suggest the convening of temporary meeting of the Board of Supervisors. The chairman of the Board of Supervisors who is unable to or does not perform his/her duties, his/her duties to convene and host the meeting of the Board of Supervisors shall be performed by a supervisor jointly elected by more than half of the supervisors</p> <p>The Board of Supervisors shall convene temporary meeting in ten days, if one of the following conditions happens:</p> <p>(I) <u>If any supervisor suggests</u> the convening <u>of the meeting;</u></p> <p>(II) <u>If the resolutions on the violation of laws, regulations, rules, various regulations and requirements of regulatory bodies, the “Articles of Association”, the resolutions of the general meeting of shareholders and other relevant regulations are approved at the general meeting of shareholders and the meeting of the Board of Directors;</u></p>

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No.	Current articles	Articles after amendments
		<p><u>(III) If the improper behaviors of directors and senior management may bring material loss to the Company or have bad impact on the market;</u></p> <p><u>(IV) If the Company, director, supervisor and senior management are sued by other shareholders;</u></p> <p><u>(V) If the Company, director, supervisor and senior management are punished by securities regulatory bodies or receive public censure from the security exchange where the Company is listed;</u></p> <p><u>(VI) If securities supervision authority demands the convening of the meeting;</u></p> <p><u>(VII) Other conditions stated in the “Articles of Association”.</u></p>

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No.	Current articles	Articles after amendments
		<p><u>When the convening of periodic meeting and temporary meeting of the Board of Supervisors is planned, the office of the Board of Supervisors shall</u> deliver the meeting notices under the Board of Supervisors seal before ten days <u>and five days</u> respectively before the convening of the meetings to all supervisors through direct delivery by special persons, postal delivery, fax, email or telephone. For the meeting notices delivered by indirect ways including fax and email, staff shall confirm the delivery by telephone and make records.</p> <p><u>When an emergency calls for the convening of a temporary meeting of the Board of Supervisors, the meeting notice can be sent by oral message or telephone and other ways at any time, but the convener shall make explanations at the meeting.</u></p>
6	None	<p>Article 11 <u>Before the notice of the periodic meeting of the Board of Supervisors is sent, the office of the Board of Supervisors shall collect proposals of the meeting from all supervisors and also collect opinions from the Company’s employees in at least two days. When collecting proposals and opinions, the office of the Board of Supervisors shall explain that the main duties of the Board of Supervisors are the supervision over the regulated operation of the Company and the behaviors of the duties of directors and senior management rather than the decision-making of the operating management of the Company.</u></p>

No.	Current articles	Articles after amendments
7	None	<p>Article 12 <u>If the convening of a temporary meeting of the Board of Supervisors is proposed by a supervisor, the supervisor shall submit a written proposal with his / her signature to the chairman of the Board of Supervisors directly or through the office of the Board of Supervisors. The written proposal shall clearly state the following items:</u></p> <p>(I) <u>The name of the supervisor who proposes the convening of the meeting;</u></p> <p>(II) <u>The reasons or objective reasons for the proposal;</u></p> <p>(III) <u>Proposed time or time limit, location and ways for the convening of the meeting;</u></p> <p>(IV) <u>Clear and specific proposal; and</u></p> <p>(V) <u>The contact way of the supervisor who proposes the convening of the meeting and proposed date, etc.</u></p> <p><u>In three days after the office of the Board of Supervisors or the chairman of the Board of Supervisors receives the supervisor's written proposal, the office of the Board of Supervisors shall release a notice of the convening of a temporary meeting of the Board of Supervisors. If the office of the Board of Supervisors is negligent in releasing the notice, the supervisor shall report to regulatory bodies in time.</u></p>

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No.	Current articles	Articles after amendments
8	Article 11 The Company’s directors, general managers and other senior management can be invited to attend the meeting of the Board of Supervisors.	Article 13 <u>The secretary of the Board of Directors and securities affairs representatives shall be present at the meeting of the Board of the Supervisors.</u> The Company’s directors, general managers and other senior management can be invited to attend the meeting of the Board of Supervisors.
9	Article 12 The notice of the convening of the meeting of the Board of Supervisors includes the following content: The date and place of the convening of the meeting, the duration of the meeting, the reasons for the meeting, topics and the date of the notice sent.	Article 14 The notice of the convening of the meeting of the Board of Supervisors includes the following content: <u>The time</u> and place of the convening of the meeting, the duration of the meeting, the reasons for the meeting, topics, <u>the convener and host of the meeting, the proposer of temporary meeting and his/her written proposal, meeting information necessary for the voting of supervisors, the requirement for the presence at the meeting in person of supervisors, contact person, contact ways</u> and the date of the notice sent. <u>The oral notice of the convening of the meeting shall at least include the time and place of the convening of the meeting, the content of affairs (meeting proposals) to be deliberated, and the explanation for the convening of a temporary meeting of the Board of Supervisors in case of emergency.</u>

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No.	Current articles	Articles after amendments
10	None	<p>Article 15 <u>The meeting of the Board of Supervisors shall be convened on-site.</u></p> <p><u>In case of emergency, communication way can be used for voting at the meeting of the Board of Supervisors, but the convener of the meeting (the host) shall explain the specific condition of the emergency to supervisors who attend the meeting. When communication voting happens, supervisors shall fax their written opinion and voting intentions on the deliberated affairs to the office of the Board of Supervisors after signature confirmation. Supervisors shall not only write their voting opinion, but also show their written opinion or reasons for the voting.</u></p>

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No.	Current articles	Articles after amendments
	Chapter IV Voting and Resolution of the meeting of the Board of Supervisors	Chapter IV Voting and Resolution of the meeting of the Board of Supervisors
11	<p>Article 13 The meeting of the Board of Supervisors can be only convened when over 2/3 of supervisors are present. The meeting conducts open vote way, and each supervisor has only one vote.</p>	<p>Article 16 The meeting of the Board of Supervisors can be only convened when over 2/3 of supervisors (<u>including entrusted supervisors according to the regulations stated in the Article 169 in the “Articles of Association”</u>) are present. The meeting conducts open vote way, and each supervisor has only one vote.</p> <p><u>If relevant supervisors refuse to attend the meeting or are negligent in attending the meeting, which causes the number of attendees fail to meet the requirement for the minimum number of attendees for the convening of the meeting, other supervisors shall report to regulatory bodies in time.</u></p>
12	<p>Article 14 The meeting of the Board of Supervisors, …….</p> <p>If supervisors, who are unable to attend the meeting in person, are considered as the failure in fulfilling their duties, the general meeting of shareholders, labor union or staff congress shall make replacement and dismissal.</p>	<p>Article 17 The meeting of the Board of Supervisors, …….</p> <p>If supervisors, who <u>fail to</u> attend the meeting in person and <u>fail to entrust other supervisors to attend the meeting</u>, are considered as the failure in fulfilling their duties, <u>the Board of Supervisors shall suggest that</u> the general meeting of shareholders or staff congress make replacement and dismissal.</p>

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No.	Current articles	Articles after amendments
13	None	<p>Article 19 <u>The host of the meeting shall call attention to supervisors who attend the meeting to release their clear opinion on each proposal.</u></p> <p><u>The host of the meeting shall require, at the request of the supervisors, directors, senior management, and other staff of the Company or business personnel of relevant intermediary agencies to come to the meeting for receiving inquiry.</u></p>
14	Article 16 Each supervisor has only one vote. For any supervisor’s proposal, the Board of Supervisors shall make deliberation.	<p>Article 20 <u>In the voting at the meeting of the Board of Supervisors,</u> each supervisor has only one vote <u>and shall vote by an open ballot, in writing or by other ways.</u> For any supervisor’s proposal, the Board of Supervisors shall make deliberation. <u>The voting inventions include for, against and abstain. Supervisors who attend the meeting shall choose one from the above three intentions. Supervisor fails to choose or choose above two intentions at the same time, the host of the meeting shall require the supervisor to choose once again. The supervisor who refuses to choose shall be deemed as abstain from voting; supervisor who leaves halfway at the meeting but fails to come back and fails to choose shall be deemed as abstain from voting.</u></p>

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No.	Current articles	Articles after amendments
15	None	Article 24 <u>The convening of the meeting of the Board of Supervisors conducts full-time recording if necessary.</u>
16	None	Article 25 <u>For the announcement on the resolutions of the Board of Supervisors, the secretary of the Board of Directors shall handle the relevant matters according to relevant regulations in the stock listing.</u>
17	None	Article 26 <u>The Board of Supervisors conducts the recording system for resolution execution of the Board of Supervisors. Any resolution of the Board of Supervisors shall designate supervisors to execute or supervise the execution. Designated supervisors shall record the execution of resolution and report the execution result to the Board of Supervisors. Supervisors shall supervise and urge relevant personnel to put the resolution of the Board of Supervisors into practice. The chairman of the Board of Supervisors shall notify the execution of established resolutions in the following meetings of the Board of Supervisors.</u>

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No.	Current articles	Articles after amendments
	Chapter V Record of the Meeting of the Board of Supervisors	Chapter V Record of the Meeting of the Board of Supervisors
18	<p>Article 20 The meeting of the Board of Supervisors shall make meeting record, which shall be done by personnel designated by the host of the meeting. Supervisors who attend the meeting shall sign on the meeting record.</p> <p>The content of the meeting record mainly includes:</p> <p>(I) The time, place and convener of the convening of the meeting;</p> <p>(III) Meeting agenda;</p> <p>.....</p>	<p>Article 27 The meeting of the Board of Supervisors shall make meeting record, which shall be done by personnel designated by the host of the meeting. Supervisors who attend the meeting and recorder shall sign on the meeting record. <u>Supervisor who has different opinion on the meeting record can make a written explanation when signing. If necessary, the supervisor shall report to regulatory bodies in time and also can make public statement.</u></p> <p><u>Supervisor who does not make confirmation signature according to the above requirements and does not make written explanation on his/her different opinions or does not report to regulatory bodies and does not make public statement shall be deemed to be completely agreed with the content of the meeting record.</u></p> <p>The content of the meeting record mainly includes:</p> <p>(I) <u>The session,</u> time and place of the convening of the meeting, convener <u>and host</u> of the meeting;</p> <p>(II) <u>The issuance condition of the notice of the meeting;</u></p> <p>.....</p>

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No.	Current articles	Articles after amendments
	(IV) Supervisors, key points of the statement of attendees;	(IV) Meeting agenda <u>and the proposal reviewed and considered at the meeting;</u>
	(V) The voting formula and results of matters on the meeting agenda;	(V) Supervisors, key points of the statement of attendees <u>and main opinion;</u>
	(VI) <u>Supervisors' voting intentions on proposals;</u>
		(VII) The voting formula and results of matters on the meeting agenda (<u>stating the specific votes of for, against and abstain;</u>)
	
		(IX) <u>Other items supervisors who attend the meeting deem to be recorded.</u>
		<u>For the meeting of the Board of Supervisors convened in communication ways, the office of the Board of Supervisors shall sort out the meeting record according to the above regulations.</u>
	

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No.	Current articles	Articles after amendments
19	Article 21 The records and resolutions of the meetings of the Board of Supervisors as the Company’s files are preserved by the secretary of the Board of Directors, with the preservation period of 10 years.	Article 28 <u>The meeting files of</u> the Board of Supervisors <u>include notices, materials, attendance books, recording materials, votes and the</u> records, resolution <u>announcements and others confirmed and signed by supervisors who attend the meetings. They are preserved by the personnel designated by the chairman of the Board of Supervisors,</u> with the preservation period of <u>at least 10</u> years.
20	Article 22 The office of the Board of Supervisors shall well preserve the relevant files and materials of the Board of Supervisors and shall compile them into books for reference.	Article 29 The office of the Board of Supervisors shall well preserve the relevant files and materials of the Board of Supervisors and shall compile them into books for reference.
	Chapter VI The Office of the Board of Supervisors	Chapter VI <u>Daily Affairs Management of the Board of Supervisors</u>
21		Article 30 <u>The office of the Board of Supervisors is set up by the Board of Supervisors and in charge of the daily affairs of the Board of Supervisors. The chairman of the Board of Supervisors is also the per-in-charge of the office of the Board of Supervisors and preserves the seal of the Board of Supervisors. The chairman of the Board of Supervisors shall require the securities affairs representatives and other staff of the Company to assist him/her to handle the daily affairs of the Board of Supervisors.</u>
22	Article 23 The office of the Board of Supervisors is set up by the Board of Supervisors, and its functions are stated as follows: 	Article 30 The office of the Board of Supervisors <u>is in charge of the management of the daily affairs of the Board of Supervisors:</u>

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No.	Current articles	Articles after amendments
	Chapter VII Expenses of the Board of Supervisors	Chapter VII Expenses of the Board of Supervisors
23	Article 24 The expenses of the Board of Supervisors include the expenses in supervisors' performing their functions and powers and the expenses of the offices of the Board of Supervisors. The Company covers all expenses.	Article 32 The expenses of the Board of Supervisors include the expenses in supervisors' performing their functions and powers and that of <u>the management of the daily affairs by the office of the Board of Supervisors.</u> The Company covers all expenses.
	Chapter VIII Supplementary Provisions	Chapter VIII Supplementary Provisions
24	None	Article 34 <u>The statement of "above" and "at least" in the Rules includes the figure itself.</u>
25	Article 26 Others that are not included in the Rules are applicable to the "Articles of Association" and are carried out according to the "Company Law" and the "Listing Rules". The Rules, which are not in line with the "Articles of Association", the "Company Law", the "Listing Rules" and other laws and regulations, are subject to the latters.	Article 35 <u>Matters uncovered</u> in the Rules <u>or others, which are not in line with the laws, regulations, departmental regulations, and regulated documents in the place where the Company is listed, or</u> the "Articles of Association" are subject to the <u>laws, regulations, departmental regulations, and regulated documents in the place where the Company is listed or the "Articles of Association".</u>
26	Article 28 The Rules shall take into effect after the approval of the general meeting of shareholders from the day when the Company is listed.	Article 37 The Rules shall be <u>considered and approved at</u> the general meeting of shareholders of <u>the Company</u> , and shall take into effect <u>and implement</u> from the day when the Company <u>issues the initial public offering of domestic ordinary shares denominated in RMB and</u> is listed <u>on the Shanghai Securities Exchange.</u>

Note: As part of the articles were added or deleted in the Amendment, the numbering of the original articles of Rules of Procedures was adjusted accordingly and cross-reference articles was adjusted too. We will not explain it any more.

**The Dividend Distribution Plan for the Three Years after Initial Public Offering of A
Shares and Listing by Beijing Urban Construction Design & Development Group Co.,
Limited**

According to the “Notice regarding Further Implementation of the Relevant Matters of Cash Dividend Distribution of Listed Companies” (《關於進一步落實上市公司現金分紅有關事項的通知》), the Guidelines No. 3 on the Supervision of Listed Companies – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號– 上市公司現金分紅》), the applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (Draft) (《北京城建設計發展集團股份有限公司章程(草案)》) upon listing of the Company in relation to the dividend distribution policy and other relevant requirements, and in order to strengthen the transparency and operability of decision making of dividend distribution for convenient supervision of production and operation as well as profit distribution of the Company by shareholders, the Company hereby establishes the Dividend Distribution Plan for the Three Years after Initial Public Offering of A Shares and Listing by Beijing Urban Construction Design & Development Group Co., Limited.

I. FACTORS OF CONSIDERATION FOR ESTABLISHING THE DIVIDEND DISTRIBUTION PLAN

The Company focuses on the long-term sustainable development of the Company. On the basis of integrated analysis on the actual condition of the Company’s operating development, shareholders’ demand and will, social capital cost, external financial environment and other factors, the Company asks for and listens to the demand and will of shareholders, especially minority shareholders, adequately takes into consideration of the Company’s current and future profit size, conditions of cash flow, development stage, capital needs of project investment, the financing, bank credits, debt financing environment and other factors, establishes the Dividend Distribution Plan of the shareholders on the basis of balancing the shareholders’ short-term and long-term interests, develops the return plan and mechanism for investors in sustainable, stable and scientific manner, makes systematic arrangement for dividend distribution, and as such maintains the continuity and stability of the Company’s profit distribution policy.

II. PRINCIPLES OF ESTABLISHING THE SHAREHOLDERS’ DIVIDEND DISTRIBUTION PLAN

The Company shall attach importance to reasonable investment return of investors, but the profit distribution of the Company shall not exceed the scope of accumulated distributable profits, and shall not damage the continuous operating capability of the Company. The profit distribution policies of the Company shall maintain continuity and stability, and, at the same time, take into account the long-term interests of the Company, overall interests of all shareholders and sustainable development of the Company.

**III. SPECIFIC PROCESS OF ESTABLISHMENT AND AMENDMENT OF THE
SHAREHOLDERS' DIVIDEND DISTRIBUTION PLAN**

- (I) When establishing specific plan for cash dividend distribution, the Company shall listen to opinions from various parties. The Board shall earnestly study and prove the reasonableness of the profit distribution plan, form and submit the resolutions to the shareholders' general meeting for consideration. Independent (non-executive) directors shall express explicit opinions. Independent (non-executive) directors may collect opinions from minority shareholders, propose dividend distribution proposal, and directly submit to the Board meeting for consideration. Prior to consideration of the specific plan of cash dividend distribution by the shareholders' general meeting, the Company shall proactively communicate and interact with shareholders, especially minority shareholders through various channels (including public collection of opinions or convening of demonstration seminar and other methods), adequately listen to the opinions and appeal of minority shareholders, and respond to questions of which minority shareholders are concerned about in a timely manner.
- (II) The Company may adjust the profit distribution policy as stipulated above in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in material impact on the production and operation of the Company, or where there are changes or adjustment of relevant laws, regulations or regulatory requirements, or where the Board considers it necessary. The Board shall prove in details the reasons of adjustment to the profit distribution policy by the Company, form and submit the resolutions to the shareholders' general meeting for consideration by special resolutions. Independent (non-executive) directors shall express explicit opinions. The method of convening the shareholders' general meeting shall be in compliance with the regulatory requirements in the place where the shares of the Company are listed. The Board shall adequately listen to the opinions of independent (non-executive) directors when proposing the adjustment plan of profit distribution policy, and proactively communicate and interact with minority shareholders through various channels (including public collection of opinions or convening of demonstration seminar and other methods), and earnestly respond to questions of which minority shareholders are concerned about. When convening the shareholders' general meeting to consider the adjustment plan of profit distribution policy, the Company shall provide holders of A Shares with internet voting methods apart from on-site meeting.

**IV. THE SPECIFIC DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER
INITIAL PUBLIC OFFERING OF AND LISTING BY THE COMPANY**

- (I) The Company may perform profit distribution by adopting cash, shares, combination of cash and shares or other methods as permitted by laws, administrative regulations, departmental rules and regulatory rules in the place where the shares are listed. Compared with stock dividends, the Company prioritized the adoption of profit distribution method for cash dividend distribution.
- (II) When there are no material investment plans or material cash expenses and other matters, on the basis of not affecting normal operation and sustainable development of the Company, and that the prevailing net profit achieved by the Company is positive, the accumulated undistributed profit of the Company as at the end of the prevailing year is positive as well as the capital reserve is positive, the Company shall perform cash dividend distribution.
- (III) If the Company adopts stock dividends to perform profit distribution, the Company shall provide shareholders with reasonable return of cash dividend distribution and maintain appropriate share capital scale as a precondition, and comprehensively consider the growth, dilution of net assets per share and other factors.
- (IV) Under the precondition of compliance with the principles of dividend distributions, guarantee of normal operation of the Company and long-term development, the Company performs profit distribution (including the way of cash dividend distribution) once a year upon convening the annual general meeting in principle. The Board of the Company may, in accordance with the conditions of profit and capital needs, recommend the Company to perform interim profit distribution (including the way of cash dividend distribution).
- (V) The profit of accumulative distribution by way of cash by the Company annually (including annual distribution and interim distribution) shall not be less than 10% of the distributable profit achieved in the prevailing year, and the profit accumulative distribution by way of cash shall not be less than 30% of the distributable profit achieved in the recent 3 years. The Board of the Company shall comprehensively consider the feature of the industry, development stage, self-operating mode, profitability level, whether there is material capital expenditure arrangement and other factors, and propose differentiated cash dividend distribution policy in accordance with the procedures as stipulated by the applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (Draft) upon listing of the Company:

1. If the development stage of the Company is regarded as mature period and there is no material capital expenditure arrangement, when performing profit distribution, the minimum proportion accounted for by the cash dividend distribution in the profit distribution shall reach 80%;
2. If the development stage of the Company is regarded as mature period and there is material capital expenditure arrangement, when performing profit distribution, the minimum proportion accounted for by the cash dividend distribution in the profit distribution shall reach 40%;
3. If the development stage of the Company is regarded as growing period and there is material capital expenditure arrangement, when performing profit distribution, the minimum proportion accounted for by the cash dividend distribution in the profit distribution shall reach 20%;

If it is difficult to distinguish the Company's stage of development and the Company has significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

The conditions which the applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (Draft) upon listing of the Company as otherwise required are excluded.

- (VI) If the Company does not perform cash dividend distribution or the cash dividend distribution is lower than the proportion as required because of special conditions, the Company shall perform relevant decision making procedures and disclosure obligations as stipulated by the applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (Draft) upon listing of the Company.

- (VII) The dividend and other funds payable by the Company to the domestic shareholders are denominated in RMB for declaration, and are paid in RMB. The dividend and other funds payable by the Company to the foreign shareholders are denominated in RMB for declaration, and are paid in foreign currencies. The exchange rate shall be the average closing price of relevant foreign currencies exchanging RMB as announced by the People's Bank of China 5 working days prior to the date of declaration of dividend or other distributions. The Company shall handle the foreign currencies payable to the foreign shareholders in accordance with the requirements in relation to the State foreign currency management. The distribution of the Company's dividend shall be implemented the Board as granted at the shareholders' general meeting by ordinary resolution.
- (VIII) Upon resolving the profit distribution plan by the shareholders' general meeting of the Company, the Board of the Company shall complete the matters of dividend (or share) distribution within 2 months upon convening of the shareholders' general meeting.

Beijing Urban Construction Design & Development Group Co., Limited

29 March 2018

Authentication Report on Use of Proceeds from Previous Issue of H Shares

Ernst & Young Hua Ming (2018) Zhuan Zi No.61005004_A01

To the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited:

We have been engaged to conduct authentication on the attached Report on Use of Proceeds from Previous Issue of H Shares by Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “**Company**”) as of 31 December 2017. The Report on Use of Proceeds from Previous Issue of H Shares has been prepared in accordance with the *Provisions regarding the Report on Use of Previously Raised Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500)* promulgated by the China Securities Regulatory Commission, and it is the responsibility of the Board of the Company to ensure the truthfulness, accuracy and completeness of the contents of report without false representation, misleading statement or material omission. Our responsibility is to express authentication opinion on the Report on Use of Proceeds from Previous Issue of H Shares on the basis of performing our authentication work.

We have conducted the authentication according to the requirements of *Standards on Other Assurance Engagements of PRC Certified Public Accountants No. 3101 – Assurance Engagements Other than Audit or Review of Historical Financial Information*. The Standards require us to plan and perform the authentication work so as to obtain reasonable assurance of whether there is no material misstatement in the above-mentioned Report on Use of Proceeds from Previous Issue of H Shares. During authentication, understanding, sampling, verification and other procedures that we deem necessary have been adopted. We believe that the authentication work has laid a reasonable foundation for the expression of our opinion.

In our opinion, the above-mentioned Report on Use of Proceeds from Previous Issue of H Shares from the Company has been prepared in accordance with the *Provisions regarding the Report on Use of Previously Raised Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500)* promulgated by the China Securities Regulatory Commission, and has reflected the Company’s use of proceeds from previous issue of H Shares in all material aspects as of 31 December 2017.

This authentication report is solely for the current application made by the Company to the China Securities Regulatory Commission for initial public offering of A Shares; it shall not be used for any other purpose without our prior written consent.

Ernst & Young Hua Ming LLP

PRC Certified Public Accountant: Wang Ning

Beijing, the PRC

PRC Certified Public Accountant: Wu Yuhong

29 March 2018

Beijing Urban Construction Design & Development Group Co., Limited
Report on Use of Proceeds from Previous Issue of H Shares

I. STATUS OF PREVIOUSLY RAISED PROCEEDS

Pursuant to the approval by China Securities Regulatory Commission (Zheng Jian Xu Ke [2014] No. 551), Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “**Company**”) made its initial public offering of H Shares outside China and applied for listing on the Hong Kong Stock Exchange after completion of the issue. The Company issued 352,670,000 H Shares (including over-allotment) through Hong Kong Stock Exchange during the period from 28 June 2014 to 8 July 2014 and on the day of 21 July 2014, at a par value of RMB1 per share and an issue price of HK\$2.75 per share. The subscription amount received from the issuance totalled HK\$969,842,500.00, equivalent to RMB771,021,415.45; after deducting brokers’ underwriting commission and other issue expenses, the actual net proceeds of H Shares amounted to HK\$931,670,106.37, equivalent to RMB738,348,559.30.

According to the capital verification report issued by Ernst & Young Hua Ming LLP, namely Ernst & Young Hua Ming Yan Zi (2014) No. 61005004_A01, the Company’s actual proceeds raised from issue of H Shares after deducting brokers’ underwriting commission amounted to HK\$935,064,555.12 (including other outstanding issue expenses of HK\$3,394,448.75) and were remitted on 8 July 2014 and 21 July 2014 to a designated deposit account numbered 012–875–1–241265–7 opened by the Company with the Bank of China (Hong Kong) Limited.

As of 31 December 2017, the remaining balance of the designated account for proceeds from issue of H Shares was RMB41,745,972.62 (of which the remaining balance of overseas designated account amounted to RMB387,586.83 and that of domestic designated account amounted to RMB41,358,385.79).

II. ACTUAL INVESTMENT PROJECTS AND CHANGE IN TOTAL INVESTMENT OF PREVIOUSLY RAISED PROCEEDS

As of 31 December, 2017, the Company’s proceeds was invested for a total of RMB721,857,838.16, of which RMB380,344,072.64 was used for replenishment of invested fund on design, surveying and consulting projects and EPC projects relating to the urban rail transit business; RMB182,790,205.00 was used for upgrade of its capabilities in design and technology research and development relating to in the urban rail transit business through self-development, cooperation or acquisition, and promotion for the commercialization of science and technology; RMB66,062,450.00 was used for improvement of its construction capacity relating to the urban rail transit business; RMB22,091,290.90 was used for establishment of the information system; and RMB70,569,819.62 was used for replenishment of working capital. Unutilized proceeds amounted to RMB41,745,972.62 (including interest income and exchange gains of RMB25,255,251.48), which have been deposited into the designated account for such proceeds.

On the 19th meeting of the first session of the Board of Directors of the Company in 2016, it was approved and agreed the authorization “to authorize any one of the executive directors of the Company to make appropriate adjustments to the ratio of use within the scope of use of proceeds according to the actual needs thereof. The adjusted ratio of use shall be an upward or downward adjustment of no more than 5% of the original ratio of use (if the original ratio of use is X%, the adjusted ratio of use should be no more than (X+5)% and no less than (X-5)%). The adjustments only apply to the ratio of use instead of the scope of use of proceeds. The ratio of use for replenishment of working capital should remain unchanged, being no more than 10% of the total net amount”. In 2017, executive directors of the Company were determined to make adjustments by increasing the proceeds for replenishment of invested fund on design, surveying and consulting projects and EPC projects relating to its urban rail transit business by 2% to RMB383,941,250.84, and decreasing the proceeds for establishment of the information system by 2% to RMB22,150,456.78. The amount of proceeds used in other investment projects remained unchanged.

III. ACTUAL USE OF PREVIOUSLY RAISED PROCEEDS

According to the utilization plan for the proceeds from issue of H Shares as disclosed in the Company’s IPO prospectus for H Shares, after deducting issue expenses, 50% of the total net proceeds from issue of H Shares is used for replenishment of capital requirement on design, surveying and consulting projects and EPC projects relating to the urban rail transit business; 25% is used for upgrade of its capabilities in design and technology research and development relating to the urban rail transit business through self-development, cooperation or acquisition and promotion of the commercialization of science and technology; 10% is used for improvement of its construction capacity relating to the urban rail transit business, such as procurement of shield tunneling machines and other equipment; 5% is used for establishment of the information system and 10% is used for replenishment of working capital for general corporate purposes.

According to the utilization plan for the proceeds from issue of H Shares, for which the Board of Directors of the Company authorized any executive director to make adjustment, after deducting issue expenses, 52% of the total net proceeds from issue of H Shares is used for replenishment of capital requirement on design, surveying and consulting projects and EPC projects relating to the urban rail transit business; 25% is used for upgrade of its capabilities in design and technology research and development relating to the urban rail transit business through self-development, cooperation or acquisition, and promotion of the commercialization of science and technology; 10% is used for improvement of its construction capacity relating to the urban rail transit business, such as procurement of shield tunneling machines and other equipment; 3% is used for establishment of the information system and 10% is used for replenishment of working capital for general corporate purposes.

For the actual use of previously raised proceeds as of 31 December 2017, please refer to the following “Comparison Table for Use of Previously Raised Proceeds” and “Comparison Table for Realization of Efficiency for Projects Invested by Previously Raised Proceeds”.

Comparison Table for Use of Previously Raised Proceeds

Unit: RMB

Net proceeds (after deducting brokers' underwriting commission and other issue expenses): RMB738,348,559.30	Total accumulated use of proceeds: RMB721,857,838.16	Interest income and exchange gains: RMB25,255,251.48
Total amount of proceeds with changes of use: Not applicable	Total use of proceeds for each year:	
Proportions of amount of proceeds with changes of use: Not applicable	2014: RMB75,206,865.46	
	2015: RMB531,670,292.34	
	2016: RMB80,164,036.46	
	2017: RMB34,816,643.90	

No.	Investment projects		Total accumulated amount of investment from proceeds as of 31 December 2017					The difference between actual investment amount and committed investment amount after fund raising	Scheduled date when projects achieve the intended use	
	Committed investment projects	Actual investment projects	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount	Committed investment amount before fund raising	Committed investment amount after fund raising			
1	Replenishment of project fund	Replenishment of project fund	369,174,279.65	383,941,250.84	380,344,072.64	369,174,279.65	383,941,250.84	380,344,072.64	3,597,178.20	Not applicable
2	Improvement of research and development strength	Improvement of research and development strength	184,587,139.82	184,587,139.82	182,790,205.00	184,587,139.82	184,587,139.82	182,790,205.00	1,796,934.82	Not applicable
3	Procurement of equipment	Procurement of equipment	73,834,855.93	73,834,855.93	66,062,450.00	73,834,855.93	73,834,855.93	66,062,450.00	7,772,405.93	Not applicable
4	Information system	Information system	36,917,427.97	22,150,456.78	22,091,290.90	36,917,427.97	22,150,456.78	22,091,290.90	59,165.88	Not applicable
5	Replenishment of working capital	Replenishment of working capital	73,834,855.93	73,834,855.93	70,569,819.62	73,834,855.93	73,834,855.93	70,569,819.62	3,265,036.31	Not applicable
Total			738,348,559.30	738,348,559.30	721,857,838.16	738,348,559.30	738,348,559.30	721,857,838.16	16,490,721.14	Not applicable

**Comparison Table for Realization of Efficiency for Projects Invested by
Previously Raised Proceeds**

No.	Name of project	Accumulated utilization rate of production capacity of investment projects as of 31 December 2017			Committed benefits			Actual efficiency during 2014-2017			Accumulated efficiency generated as of 31 December 2017	Whether the estimated efficiency was achieved
		(Note 1)	(Note 2)	(Note 2)	2014	2015	2016	2017	(Note 3)			
1	Replenishment of project fund	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
2	Improvement of research and development strength	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
3	Procurement of equipment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
4	Information system	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
5	Replenishment of working capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	

Note 1: The Company's projects invested by proceeds are not applicable to the index of utilization rate of production capacity.

Note 2: No commitment was made by the Company in respect of the economic benefits to be generated from the projects invested by proceeds.

Note 3: Fund raising projects have positive effects on the financial condition and operating performance of the Company.

IV. COMPARISON BETWEEN THE ACTUAL USE OF PREVIOUSLY RAISED PROCEEDS
AND RELEVANT DISCLOSURE IN THE COMPANY'S PERIODIC REPORTS

The aforementioned actual use of previously raised proceeds and that disclosed in the Company's annual reports for 2014, 2015, 2016 and 2017 are compared as follows:

Unit: RMB million

No.	Actual investment projects	Actual use of proceeds as of the end of reporting period				Investment amount of proceeds disclosed in the Company's annual report				Difference			
		2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
		1	Replenishment of project fund	8.60	320.06	380.34	380.34	8.60	320.06	380.34	380.34	-	-
2	Improvement of research and development strength	-	182.79	182.79	182.79	-	182.79	182.79	182.79	-	-	-	-
3	Procurment of equipment	-	30.65	46.65	66.07	-	30.65	46.65	66.07	-	-	-	-
4	Information system	-	2.80	6.68	22.09	-	2.80	6.68	22.09	-	-	-	-
5	Replenishment of working capital	66.60	70.57	70.57	70.57	66.60	70.57	70.57	70.57	-	-	-	-
Total		75.20	606.87	687.03	721.86	75.20	606.87	687.03	721.86	-	-	-	-

There is no difference between the Company's actual use of previously raised proceeds and the relevant disclosure in the Company's annual reports for 2014, 2015, 2016 and 2017.

V. CONCLUSION

In the opinion of the Board of Directors, the Company has utilized the previously raised proceeds based on the utilization plan for the proceeds from issue of H Shares as disclosed in the previous prospectus for H Shares. The Company has duly fulfilled its disclosure obligation on the investment direction and progress of the previously raised proceeds in accordance with the *Provisions regarding the Report on Use of Previously Raised Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500)* promulgated by the China Securities Regulatory Commission.

All directors of the Company undertake that there is no false representation, misleading statement or material omission in this report, and assume individual and joint liability for its truthfulness, accuracy and completeness.

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

29 March 2018

In 2017, directed by customer and the fighting will, the Group adhered to the layout in the entire urban rail transit industry chain, and proactively promoted business development by gathering its strength and strived for accomplishments, achieving the design-led, capital-driven and business-oriented expansion, innovation and upgrading. Directed by customer and the fighting will, the Group guaranteed its sustainable, healthy and rapid development by successfully completing its major tasks throughout the year.

As at 31 December 2017, the Group's total asset amounted to RMB14,342 million, representing an increase of RMB3,339 million or 30.35% as compared to the total asset of RMB11,003 million for the corresponding period of last year. The Group's net asset amounted to RMB4,183 million, representing an increase of RMB666 million or 18.94% as compared to the net asset of RMB3,517 million for the corresponding period of last year.

For the year ended 31 December 2017, the Group' revenue amounted to RMB6,973 million, representing an increase of RMB1,883 million or 36.99% as compared to the revenue of RMB5,090 million for the corresponding period of last year. The Group's net profit amounted to RMB512 million, representing an increase of RMB33 million or 6.89% as compared to the net profit of RMB479 million for the corresponding period of last year.

For the year ended 31 December 2017, the Group's net cash flow from operating activities amounted to RMB234 million. The Group's net cash flow used in investing activities amounted to RMB855 million. The Group's net cash flow from financing activities amounted to RMB1,450 million.

BALANCE SHEET

Unit: RMB'000

	2017	2016	% of change
NON-CURRENT ASSETS			
Property, plant and equipment	435,912	356,005	22
Prepaid land lease payments	226,310	31,936	609
Intangible assets	6,185	8,158	(24)
Investments in joint ventures	38,445	40,105	(4)
Investments in associates	103,192	15,037	586
Financial receivables	3,641,891	2,223,132	64
Available-for-sale investments	19,902	18,650	7
Deferred tax assets	105,541	81,320	30
Trade receivables	33,421	14,405	132
Prepayments, deposits and other receivables	371,702	505,308	(26)
Total non-current assets	4,982,501	3,294,056	51
CURRENT ASSETS			
Prepaid land lease payments	5,163	710	627
Inventories	79,616	67,075	19
Financial receivables	208,730	9,985	1990
Trade and bills receivables	2,357,225	1,850,625	27
Prepayments, deposits and other receivables	1,363,596	767,326	78
Amounts due from contract customers	1,941,949	2,392,085	(19)
Pledged deposits	21,177	55,404	(62)
Cash and bank balances	3,381,887	2,565,852	32
Total current assets	9,359,343	7,709,062	21
Total assets	14,341,844	11,003,118	30

	2017	2016	% of change
CURRENT LIABILITIES			
Trade payables	2,677,859	2,004,916	34
Amount due to contract customers	1,531,631	1,651,245	(7)
Other payables, advances from customers and accruals	2,221,156	1,813,869	22
Interest-bearing bank and other borrowings	230,000	80,000	188
Provisions for Supplementary retirement benefits	3,650	3,160	16
Tax payables	57,616	60,816	(5)
Total current liabilities	6,721,912	5,614,006	20
NET CURRENT ASSETS	2,637,431	2,095,056	26
TOTAL ASSETS LESS CURRENT LIABILITIES			
	7,619,932	5,389,112	41
Total non-current liabilities	3,436,614	1,871,640	84
Total net assets	4,183,318	3,517,472	19
Equity attributable to owners of the parent			
Share capital	1,348,670	1,272,670	6
Reserves	2,571,906	2,021,498	27
Non-controlling interests	262,742	223,304	18
Total equity	4,183,318	3,517,472	19

INCOME STATEMENT

Unit: RMB'000

	2017	2016	% of change
Revenue	6,972,545	5,090,073	37
Cost of sales	<u>(5,629,327)</u>	<u>(3,987,039)</u>	<u>41</u>
Gross profit	<u>1,343,218</u>	<u>1,103,034</u>	<u>22</u>
Other income and gains	271,064	171,694	58
Selling and distribution expenses	(96,636)	(73,633)	31
Administrative expenses	(610,998)	(529,830)	15
Other expenses	(158,732)	(47,061)	237
Financial cost	(141,244)	(59,033)	139
Share of profits and losses of:			
Joint ventures	(1,659)	(976)	70
Associates	<u>3,742</u>	<u>2,771</u>	<u>35</u>
PROFIT BEFORE TAX	<u>608,755</u>	<u>566,966</u>	<u>7</u>
Income tax expense	<u>(96,746)</u>	<u>(88,284)</u>	<u>10</u>
PROFIT FOR THE YEAR	<u>512,009</u>	<u>478,682</u>	<u>7</u>
Profit attributable to:			
Owners of the parent	495,919	471,950	5
Non-controlling interests	16,090	6,732	139
Other comprehensive income	<u>(3,433)</u>	<u>3,316</u>	<u>(204)</u>
Total comprehensive income for the year, net of tax	<u>508,576</u>	<u>481,998</u>	<u>6</u>
Total comprehensive income attributable to:			
Owners of the parent	492,486	475,266	4
Non-controlling interests	<u>16,090</u>	<u>6,732</u>	<u>139</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

Unit: RMB'000

	2017	2016	% of change
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	608,755	566,966	7
Adjustments for:			
Finance costs	141,244	59,033	139
Foreign exchange gains and losses	12,818	(15,183)	(184)
Interest income	(265,935)	(143,571)	85
Share of profits of associates and joint ventures	(2,083)	(1,795)	16
Gain on disposal of available-for-sale investments	(1,975)	(6,961)	(72)
Depreciation of items of property, plant and equipment	37,264	44,984	(17)
Amortisation of intangible assets	3,134	2,578	22
Amortisation of prepaid land lease payments	4,053	710	471
Impairment of trade receivables	78,457	40,725	93
Impairment of deposits and other receivables	4,695	2,307	104
Impairment of amounts due from contract customers	23,572	–	100
Provision for foreseeable losses on contracts	39,098	3,823	923
Loss on disposal of items of property, plant and equipment, net	92	205	(55)
Increase in inventories	(12,541)	(17,976)	(30)
Change in amounts due from/(to) contract customers	267,852	(48,909)	(648)
Increase in trade and bills receivables	(581,444)	(320,027)	82
Decrease/(increase) in prepayments, deposits and other receivables	193,517	(445,080)	(143)
Increase in financial receivables	(1,617,504)	(1,647,551)	(2)
Increase in trade payables	669,331	443,597	51
Increase in other payables, advances from customers and accruals	695,601	410,469	69
Increase in provisions for supplementary retirement benefits	3,680	2,140	72
Cash flows from/(used in) operations	301,681	(1,069,516)	(128)
Interest received	54,279	18,798	189
Income tax paid	(122,170)	(93,141)	31
Net cash flows from/(used in) operating activities	233,790	(1,143,859)	(120)

	2017	2016	% of change
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of items of property, plant and equipment	(120,754)	(36,668)	229
Payments for acquisition of intangible assets	(1,161)	(2,627)	(56)
Payments of prepaid land lease payments	(202,880)	–	100
Purchase of available-for-sale investments	(577,000)	(2,350,000)	(75)
Addition of investment in associates	(85,000)	–	100
Addition of an investment in a joint venture	–	(40,000)	(100)
Net proceeds from disposal of items of property, plant and equipment	934	921	1
Proceeds from disposal of available-for-sale investments	578,976	2,456,961	(76)
Dividends received from associates and joint ventures	588	505	16
Borrowings granted to a joint venture and associates	(483,000)	–	100
Decrease in non-pledged time deposits with original maturity of more than three months	–	84,778	(100)
Increase in pledged deposits	34,227	(5,071)	(775)
Net cash flows (used in)/from investing activities	(855,070)	108,799	(886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the employee stock ownership scheme	260,680	–	100
Interest paid	(136,364)	(47,693)	186
Dividends paid to shareholders	(126,758)	(106,522)	19
Dividends paid to non-controlling shareholders	(573)	(440)	30
Capital contribution from non-controlling shareholders	28,421	128,698	(78)
Capital withdrawal from non-controlling shareholders	(4,500)	–	100
New loans from interest-bearing banks and others	1,509,032	1,468,400	3
Repayment of interest-bearing bank and other loans	(80,000)	–	100
Net cash flows from financing activities	1,449,938	1,442,443	1
Net increase in cash and cash equivalents	828,658	407,383	103
Cash and cash equivalents at beginning of year	2,565,652	2,143,141	20
Effect of exchange rate changes on cash and cash equivalents	(12,623)	15,128	(183)
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,381,687	2,565,652	32

1. GENERAL DESCRIPTION OF 2018 INVESTMENT

In 2018, the Company will actively adapt the new normal of economy and accelerate the transformation and development. At the investment level, the Company will adhere to capital drive and promote steady development of new businesses. According to the deployment of the Company's overall strategic plan, by taking rail transit design as leading business, the Company will gradually develop the general construction contracting and diversified investment construction business such as EPC, PPP, TOD, etc. By actively exploring new profit models based on the Company's core strengths and by integrating techniques in which it has an advantageous edge, the Company will commence industrialisation operations with a view to 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 promote operation and maintenance capabilities.

In 2018, the Company plans to complete an investment of RMB6,535 million, among which, RMB128 million is proposed to be invested in operational fixed assets; RMB6,819 million is proposed to be invested in equity; RMB4,588 million is proposed to be invested in construction projects such as PPP, EPC and TOD in, among others, Beijing, Huangshan, Kunming, the central region of Yunnan, Zunyi and Nanjing. The details are as follows:

(I) Investment in Operational Fixed Assets (RMB132 million)

1. Investment of RMB32 million is proposed for purchasing of the Company's machinery and equipment (for the purchase of equipment's such as shield tunnelling machine).
2. Investment of RMB10 million is proposed, of which RMB8 million is for housing expenditures and RMB2 million is for the purchase of transportation equipment.
3. Investment of RMB18 million is proposed for purchasing of office equipment of the Company.
4. Investment of RMB68 million is proposed for the reconstruction of office building of the Company and improvement of working condition.

Investment in operational fixed assets	Expected investment in 2018 (RMB100 million)
Machinery and equipment	0.32
Housing expenditures and transportation equipment	0.1
Office equipment	0.18
Reconstruction of office building	0.68
Total	1.28

(II) Investment in Equity(RMB1,819 million)

In 2018, the total investment of the Company's equity investment plan is RMB1,819 million. The specific investment details are as follows:

List of equity investment plans in 2018

No.	Details on equity investment completion	Proposed investment amount in 2018 (RMB100 million)	Remarks
1	Beijing Urban Construction Jifa Investment and Management Center (Limited Partnership)(北京城建基發投資管理中心(有限合夥))	3.50	The first contribution of RMB350 million for Beijing Urban Construction Jifa Investment and Management Center (Limited Partnership)(北京城建基發投資管理中心(有限合夥)) is proposed to be completed in 2018.
2	Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (北京京建順城建設投資有限公司)	1.54	The total registered capital of Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (北京京建順城建設投資有限公司) is RMB700 million, in which the Company holds 70%, with an accumulated investment of RMB66.32 million. A further investment of RMB154 million is proposed to be made in 2018.

No.	Details on equity investment completion	Proposed investment amount in 2018 (RMB100 million)	Remarks
3	Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. (雲南京建軌道交通投資建設有限公司)	7.12	An investment of RMB712 million is proposed to be made in 2018.
4	PPP Project of Construction of Nanjing Pukou Linxi Road (南京市浦口林西路建設工程PPP項目)	1.56	An investment of RMB156 million is proposed to be made in 2018.
5	PPP project of the Auxiliary part of East Huangshan International Town (東黃山國際小鎮基礎設施配套工程PPP項目)	1.6	An investment of RMB160 million is proposed to be made in 2018.
6	PPP Project of part of the Electromechanical Equipment Systems and Subway Operation for Nanchang Rail Transit Line 3 (南昌市軌道交通3號綫部分機電安裝及運營PPP項目)	1.8	An investment of RMB180 million is proposed to be made in 2018.
7	PPP Project of Fengtai District Hexi Modern Trolley Bus (豐台區河西現代有軌電車PPP項目)	1.07	An investment of RMB107 million is proposed to be made in 2018.
Total		18.19	

(III) Investment in Financial Related Area

The Company does not propose for investment in financial related area in 2018.

(IV) Project Investment(RMB4,588 billion)

In 2018, the Company proposes to invest RMB4,588 billion in projects. The Company is market-oriented and adheres to capital drive. First of all, the Company will make full use of its advantages in the rail transit market by proactively expanding the investment and construction methods of PPP+EPC integrated model. Secondly, the Company will adopt financing methods including structural funds in order to satisfy capital needs and to achieve both scale and quality improvements. The details are as follows:

Investment in projects at hand and under proposition

Project No.	Project category	Investment projects	Project mode	Total investment (RMB100 million)	Actual	Proposed
					accumulated investment as of the end of 2017 (RMB100 million)	investment of 2018 (RMB100 million)
1	Projects under proposition	PPP project of the Infrastructure of East Huangshan International Town (東黃山國際小鎮基礎設施PPP項目)	PPP	19.00	0.00	6.40
2		PPP Project of part of the Electromechanical Equipment Systems and Subway Operation for Nanchang Rail Transit Line 3(南昌市軌道交通3號線部分機電設備系統及地鐵運營PPP項目)	PPP	68.00	0.00	4.20
3		Fengtai District Hexi Modern Trolley Bus Project (豐台區河西現代有軌電車項目)	PPP+EPC	35.00	0.00	3.21
Sub-total					0.00	13.81

Project No.	Project category	Investment projects	Project mode	Total investment (RMB100 million)	Actual	Proposed
					accumulated investment as of the end of 2017 (RMB100 million)	investment of 2018 (RMB100 million)
4	Projects at hand	PPP Project of Zunyi-Fengxin Expressway (continuing construction) (遵義市鳳新快線工程PPP項目(續建))	PPP	18.00	9.18	8.82
5		PPP Project of Airport Avenue Mid-section in New District of Central Region of Yunnan (Wenling Road to North Airport Highway) (continuing construction) (滇中新區空港大道中段(文林路至機場北高速)工程PPP項目(續建))	PPP	17.26	16.6	0.66
6		PPP project of Line T2 of modern tramcar in Shunyi (continuing construction) (順義現代有軌電車T2綫工程PPP項目(續建))	PPP+EPC	31.40	0.13	14.78
7		Engineering Construction Project in Linxi Road, Pukou District, Nanjing (new construction) (南京市浦口區林西路建設工程項目(新建))	PPP	15.01	0.00	7.81
Sub-total					25.91	32.07
Total					25.91	45.88

II. Investment Management Strategy

In 2018, the investment and financing business of the Company will take Beijing as its standpoint and focus on the whole nation as its principle, with Beijing, Tianjin and Hebei regions as extensions, focusing on cities with better financial conditions. In the meantime, the Company will continue to uphold the advantages in the field of investment by taking rail transit as the focal point, incorporating traditional municipal infrastructure projects and taking the opportunity to expand related peripheral industries. By focusing on the three major areas of subways, tramcars and urban integrated tunnel, the Company will develop areas such as water environment treatment, sponge city and specialty towns in a timely manner. The Company will deeply cultivate key regional market, continue to closely follow the speciality projects and actively tap potential areas and potential projects.

The Company will comprehensively and objectively interpret financial related policies in a timely manner. By combining the financing market environment and exploring feasible financing methods through multiple ideas and channels, the Company will promote and ensure smooth implementation of new investment projects. With taking the funding needs of the Company's business expansion strategy as the starting point, and taking into account the liquidity of the liquidated remnant assets with the objective of improving the investment yield rate, the Company will try to explore the securitization of PPP assets, promote PPP debt replacement and increase the return on equity investment.

The Company will improve the risk control and management of investment projects and strengthen the entire process of management and control system for investment and financing. Combined with current management experience accumulated by the Company's PPP projects, the Company will establish a post-investment fund supervision mechanism for applicable PPP projects, conduct follow-up management for the entire process, strictly control the flow of funds and promote steady development of the projects.

The Company will give full use to the platform effect of the Beijing Urban Construction PPP Research Center (北京城建PPP研究中心) and aggregate experts from various fields with the aid of the platform to conduct in-depth discussions on difficult issues encountered during the PPP project investment and financing projects in order to refine the essence of wisdom and help enhance the Company's relevant business capabilities and technical expertise.

By deepening the talent pool, the Company will make full use of the existing platform of investment and financing business and sum up the experiences and lessons learned. While consolidating and strengthening the investment and financing knowledge system and technical capabilities, the Company will also cultivate operational management capabilities, with an aim to cultivate a comprehensive talent pool of investment, financing, construction and operation.

III. Development and implementation of the Group's Investment and Management System.

In 2017, the implementation of the Company's investment process specification and management system was relatively good. The Company will continue to perform the following in 2018: firstly, it will continue to improve the Company's investment and financing management system of PPP projects, establish a sound investment decision making system and process, and establish a post-investment fund supervision mechanism; secondly, it will actively sum up actual hands-on experience, strengthen learning through exchanges, promote mutual development of all parties, and lay a foundation of talent pool for the Company development.

In 2017, the Board of Directors of the Company strictly observed the laws and regulations such as the Company Law, the Securities Law, and the relevant provisions of the Articles of Association, implemented the Rules of Procedure for the Board of Directors to diligently perform its duties delegated by the general meeting, and actively promoted various business development of the Company by operating in compliance with regulations and by scientific decision making. Facing the changing policy environment and the complicated market condition, the Company leveraged the edges in the rail transit sector, led its business market and seized opportunities to expand into new business under an innovative model, and achieved outstanding results through synergy development of the whole industry chain and linkage of all segments. Based on the “13th Five-Year” development plan of the Company, the Company orderly implemented its various work with an overall favourable development trend. The report on the work of the Board of Directors for 2017 is hereby given.

I. OPERATION OVERVIEW OF THE COMPANY DURING THE REPORTING PERIOD

During the reporting period, with favorable condition for rapid development of urban rail transit in China, the Company continued to expand the design, survey and consultancy businesses, and took up new projects under innovative models, resulting in a rapid increase in business revenue. The Company’s bidding amount in 2017 was approximately RMB31.2 billion and the contract amount of contracts newly entered into exceeded RMB20 billion; the revenue of the Company amounted to approximately RMB7 billion. All major operational indicators repeatedly reached new heights and the rail transit industry chain took effect, with rapid enhancement of its comprehensive strength. The Company entered a new stage of development.

Firstly, the rail transit design and consultancy business, the Company’s long existing and core business, continuously expanded in high speed, in which, the rail transit design business continued to top the industry, and achieved significant breakthroughs in various fields. The Design & Development Group, as the first design enterprise for metros in China, won a total of 28 general contracting projects of design, continuously ranking the first position in the market with its absolute predominance, nine more general contracting projects ahead of the second position. The Group continued to lead the development of the domestic rail transit industry. In 2017, the Company won all 8 general contracting projects of survey in Changchun, with the total contract amount over RMB2.2 billion, breaking the domestic industry records both in one-time bid-winning lines and contractual amount in a single market, and successfully creating a new mode for the development of the urban rail transit projects in China. During the year, the Company also won the feasibility study, pre-feasibility study and construction planning of 20 metro lines in the market of Chongqing, laying a solid foundation for sustainable development. Newly developed cities: Daqing, Anyang, Changsha, Nantong, Luoyang, Zhangzhou, Lu’an, Zaozhuang, etc. Beijing Urban Construction Xinjie Rail Transit Engineering Consulting Co., Ltd., a member enterprise of the Company, is the first censorship institution for the construction drawings of urban rail transit in China and has the largest market shares in the industry.

Secondly, the sales from the survey business hit RMB1 billion for two consecutive years and maintained the first position in the rail transit survey industry. The Company has built a smart engineering institute, establishing three product systems including smart metros, smart construction sites and smart enterprises. The smart construction sites have been actually applied to three-dimensional integration of rail transit surveying data in Beijing new airport, the operation and maintenance platform located in outer ring north road, Anqing, and in cities such as Shijiazhuang, Yantai, Xi'an, Jinan and Qingdao. As to smart metros, the Company won the bid for the BIM application and security risk management consultancy project of rail transit in Binhai New District, with the sales of RMB47 million. As to smart enterprise, the Company won the bid for BUCG's information platform development integration project, with the bidding amount of RMB25 million.

Thirdly, the Company made new achievements in the PPP business segment in three fields including subways, tramcars and municipal roads. The Company won the project of Line T2 of tramcar in Shunyi District, Beijing, which is the first tramcar PPP project that adopts DBFOT model in China. With the total investment of around RMB3.3 billion, the project marked that the Company had unveiled a new page in the PPP field. The Company newly won the bid for a PPP project for the construction of Linxi Road in Pukou District, Nanjing, with the total investment of around RMB1.5 billion. Adopting a BOT model, the project included the construction of municipal roads, utility tunnel and landscape plating engineering. The acquisition of the project not only has enriched the Company's performance in PPP projects in municipal road and utility tunnel, but also marked the entry of Company's PPP business in Jiangsu market, laying a basis for the follow-up market expansion. The Company signed the first PPP project in the metro field—Kunming rail transit Line 4 project, with the expected total investment of RMB8.8 billion.

Fourthly, the Company's civil construction and municipal engineering business made a breakthrough in super high-rise buildings, and set up a market-conforming underground and air tunnel center. For civil construction segment, the Company consecutively won the bids for two super high-rise building projects including the constructions of Guobo Line & Network Control Center of Wuhan metro Line 16 and Wuhan Line & Network Center Plaza, achieving a landmark new leap in the civil construction field. The Company won the bid for a general contracting EPC design project in Gaoan, which was the first implemented project under the Ganzhou-Beijing Economic Cooperation Framework Agreement (贛京經濟合作框架協議), covering design in full fields including urban planning, new city reconstruction, infrastructure, landscape and underground tunnel, and 65 sub-projects, with a total contract amount of RMB200 million. The Company won the bid for the design project of Guyangshu venue group in Zhangjiakou division of 2022 Winter Olympics, ranking among the authorized design enterprises in Beijing for 2008 Olympic Games and 2022 Winter Olympic Games. The Company built the underground and air tunnel center, with the bidding amount of over RMB100 million. As for the real estate development segment, the Company created a "Huangshan new model", officially launched the municipal infrastructure construction of East Huangshan International Town. The Company continued to push ahead Pingguoyuan transportation hub project.

Fifthly, the Company's construction general contracting segment increased significantly in the market size and welcomed a new leap. Relying on the strengths of investment and financing platform and leading design capacity, the Company signed 11 projects, including Delingha new energy tramcar demonstration line project, the 01, 02, 06 and 09 section of Beijing, north terminal and interval mechanical and electrical equipment installation project, rails installation project, the 02 section of Beijing Subway Yanfang Line, the 03 section of the Phase I of Urumchi Line 4, and the 03 section of Yizhuang Modern Tramcar T1 line. The Company built a new tramcar center to coordinate resources and make unified efforts to plan for the accelerated development and layout of engineering construction.

Sixthly, the Company established three product systems through industrialization of scientific technology, and its tramcar intelligent control system ranked the first in contractual amount in China. The Company established three product systems including track products, intelligent control and trolleybuses through industrialization of scientific technology, in which, tramcar intelligent control system ranked the first in product sales nationwide and entered the markets in Yunnan, Qinghai, Shandong, Zhejiang, etc. The Company gave key focus on the research and development of the cloud-platform-based integrated automatic monitoring system of rail transit, which is a technical revolution for urban rail transit control system, and represents the direction of the technological development of rail transit control industry.

In addition, under the guidance of the Beijing SASAC and the BUCG, the Company became the only H-share listed company among the six enterprises adopted an employee stock ownership scheme in Beijing. A total of 190 employees participated in the key employee stock ownership scheme. The Company completed the additional issuance of 76 million domestic shares, representing 5% of the total issued shares.

The Company also won a number of special awards in the capital market in 2017, including the "Best Performance Award for Sustainable Development" (最佳可持續發展表現獎) and "Best ARC Award" (最佳年報設計獎) of 2017 China Financial Market Listed Companies Awards (2017年中國上市融資大獎), and the "BIVA Award for the 13th Five-year Plan Period" (十三五最具投資價值上市公司大獎) on the 7th China Securities "Golden Bauhinia Awards" (第7屆中國證券"金紫荊獎"). The Company's 2016 annual report won the bronze award of the "International ARC Awards" (國際ARC年報大獎). In 2017, the Company honorably won the "2017 Outstanding Listed Company Award" (2017年度傑出上市公司獎) sponsored by Hong Kong Economic Journal (《信報》). Honors won by the Company within the period of a year spoke volume for the capital market's affirmation of the Company's development across the board.

II. DAILY WORK OF THE BOARD

In 2017, the Board of Beijing Urban Construction Design & Development Group Co., Limited held eight Board meetings in total, including one Board meeting held by non-executive Directors, at which 32 proposals were considered and corresponding resolutions were passed. Details are as follows:

1. On 17 January 2017, the Company held the twenty fifth meeting of the first session of the Board, at which the Proposal in Relation to the Change of Directors of the Company was considered and passed.
2. On 24 February 2017, the Company held the twenty sixth meeting of the first session of the Board, at which the Proposal in Relation to the Holding of Shares in Beijing Urban Construction Investment Fund Management Co., Ltd., and the Proposal in Relation to the Establishment of Kunming Rail Transit Line 4 PPP Project Company and Project Department were considered and passed.
3. On 24 June 2016, the Company held the twenty seventh meeting of the first session of the Board, at which 15 proposals were considered and passed, including the Proposal on “13th Five-Year” Development Plan, the Proposal on Consideration of the 2016 Annual Financial Report, the Proposal on Consideration of the 2016 Profit Distribution Plan and Dividend Declaration Proposal, the Proposal on Consideration of the 2017 Annual Financial Budget, the Proposal on Consideration of the 2017 Annual Operation Plan, the Proposal on Consideration of the 2016 Performance of Completion of Investments and 2017 Investment Plan, the Proposal on Consideration of the 2016 Work Report of the Board, the Proposal on Granting the Board a General Mandate for Additional Issuance of H Shares and the Proposal on the Operation of Credit Extension Business and the Arrangement of a Letter of Guarantee for Subsidiaries by the Company.
4. On 22 June 2017, the Company held the twenty eighth meeting of the first session of the Board, at which the Proposal in Relation to the 2016 Environmental, Social and Governance Report of the Company was considered and approved.
5. On 25 July 2017, the Company held the twenty ninth extraordinary meeting of the first session of the Board, at which eight proposals were considered and passed, including the Proposal in Relation to the Establishment of Beijing Shunyi Trolley Bus Line T2 Project Company and Project Department, the Proposal in Relation to Capital Contribution to Huangshan Donghai Tourism Development Co., Ltd., the Proposal in Relation to Key Employee Stock Ownership Scheme (Draft) of Beijing Urban Construction Design & Development Group Co., Limited, and the Proposal in Relation to the Non-Public Issuance of Domestic Shares of the Company.

6. On 30 August 2017, the Company held the thirtieth meeting of the first session of the Board, at which the Proposal on Approval of the 2016 Interim Results Announcement and Interim Report of the Company was considered and passed.
7. On 15 December 2017, the Company held the thirty first meeting of the first session of the Board, at which proposals including the Proposal in Relation to Nomination of the Directors of the Second Session of the Board of the Company, the Proposal in Relation to the Amendment to the Articles of Association of the Company, and the Proposal in Relation to the Acquisition of the Office Building in Cailianwan, Kunming were considered and passed. Meanwhile, non-executive Directors were arranged to consider the performance of operation of the Company in 2017.

In 2017, 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 2017, the Company convened three general meetings in total. At the 2017 First Extraordinary General Meeting, proposals including the Proposal in Relation to the Renewal of the Continuing Connected Transactions, the Proposal in Relation to the Appointment of Supervisors, and the Proposal in Relation to the Appointment of Non-executive Director were considered and passed. At the 2016 Annual General Meeting of the Company, eight proposals were considered and passed, including the Proposal in Relation to the Consideration of 2016 Annual Financial Report, the Proposal in Relation to the Consideration of the 2016 Work Report of the Board of Directors, the Proposal in Relation to the 2017 Investment Plan of the Company, the Proposal in Relation to the Consideration of the 2016 Profit Distribution Plan and Dividend Declaration Proposal, and the Proposal in Relation to Granting the Board a General Mandate for Additional Issuance of H Shares etc.. At the 2017 Second Extraordinary General Meeting and the H Share Class Meeting, proposals including the Proposal in Relation to the Implementation of the Key Employee Stock Ownership Scheme, the Proposal in Relation to Non-Public Issuance of Domestic Shares, the Proposal in Relation to the Connected Subscriptions, and the Proposal in Relation to the Special Mandate were considered and passed.

The Board supervised the implementation of investment resolutions and continued to focus on investment progress in accordance with the requirements in the Listing Rules.

The Company, Beijing Urban Construction Investment Development Co., Limited (北京城建投資發展股份有限公司) and Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司) established Beijing Urban Construction Investment Fund Management Co., Ltd. (北京城建投資基金管理有限公司) on 22 March 2017, which was held by the Company, Beijing Urban Construction Investment Development Co., Limited and Beijing Urban Construction Group Co., Ltd. as to 30%, 30% and 40%, respectively. Such company is a joint venture of the Company with a registered capital of RMB100 million.

The Company, Beijing City Metro Company Limited (北京京城地鐵有限公司), Beijing Shunyi New Town Construction Development Limited Company (北京順義新城發展有限公司) and Beijing Mass Transit Railway Operation Co., Ltd. (北京市地鐵運營有限公司) established Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (北京京建順城建設投資有限公司) on 8 August 2017, which was held by the Company, Beijing City Metro Company Limited, Beijing Shunyi New Town Construction Development Limited Company and Beijing Mass Transit Railway Operation Co., Ltd. as to 70%, 23%, 5% and 2%, respectively. Such company is a non-wholly owned subsidiary of the Company with a registered capital of RMB700 million.

The Company made capital contribution to Huangshan Eastern Development Investment Company Limited (黃山東部開發投資有限公司) on 16 August 2017, which was held by the Company, Huangshan Tourism Group Co., Ltd. (黃山旅遊集團有限公司) and Huangshan District State-owned Assets Operation Co., Ltd. (黃山市黃山區國有資產運營有限公司) as to 20%, 27.5% and 52.5%, respectively. Such company is a joint venture of the Company with a registered capital of RMB200 million.

The Company, China Academy of Railway Sciences (中國鐵道科學研究院), Guangzhou Metro Group Co., Ltd. (廣州地鐵集團有限公司), CRRC Industrial Institute Co., Ltd. (中車工業研究院有限公司), Traffic Control Technology Co., Ltd. (交控科技股份有限公司), China Railway Design Corporation (中國鐵路設計集團有限公司), China Railway Information Engineering Group Co., Ltd. (中鐵資訊工程集團有限公司) and Shenzhen Metro Group Co., Ltd. (深圳市地鐵集團有限公司) established Urban Rail Transit Innovative Network Center Co., Ltd. (城軌創新網路中心有限公司) on 11 September 2017, which was held by the Company, China Academy of Railway Sciences, Guangzhou Metro Group Co., Ltd., CRRC Industrial Institute Co., Ltd., Traffic Control Technology Co., Ltd., China Railway Design Corporation, China Railway Information Engineering Group Co., Ltd. and Shenzhen Metro Group Co., Ltd. as to 16%, 25%, 12%, 12%, 12%, 7%, 6.1% and 6.1%, respectively. Such company is a non-wholly owned subsidiary of the Company with a registered capital of RMB81 million.

The Company, China CREC railway Electrification Bureau (Group) Co., Ltd. (中鐵電氣化局集團有限公司) and Kunming Rail Transit Line 4 Investment Management Co., Ltd. (昆明軌道交通四號線投資管理有限公司) established Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. (雲南京建軌道交通投資建設有限公司) on 7 December 2017, which was held by the Company, China CREC railway Electrification Bureau (Group) Co., Ltd. and Kunming Rail Transit Line 4 Investment Management Co., Ltd. as to 78.28%, 7.52% and 14.2%, respectively. Such company is a non-wholly owned subsidiary of the Company with a registered capital of RMB100 million.

Over the past year, the wholehearted devotion of the operating management and all staff of the Company and the due diligence performed and the precise decisions made by the members of the Board and the Board of Supervisors for the sake of the development of the Company had made contribution to the Company in pursuing better achievements. I hereby express my sincere gratitude to all directors, supervisors, the operating management and all staff of the Company and show my deepest appreciation to the support from all intermediaries throughout this year.

III. ISSUES

In 2017, the overall performance of the Group was in good position. Although the result was positive, we should be also aware of the existing problems and shortcomings: Firstly, the Company should study on the situation and capitalize on the control policies and industrial policies issued by the government over the capital markets while strengthening the management level of market value and enhancing risk management level of the Company. Secondly, the Company should resolve the conflicts arising from the unmatched pace between the rapid growth in PPP, TOD and other new businesses of the Company and the financing means and financing needs of the Company. Thirdly, collaborations of the whole industrial chain and information construction and other aspects are the main drivers to the scale development of the Company, which has shown positive signs and further enhancement is expected whereas no breakthroughs were made in mergers and acquisitions and the reporting process of A-share IPOs still needs to be expedited. Fourthly, corporate governance structure of the Company needs to be further improved, and the roles of the specialized committees under the Board need to be more fully exerted.

IV. THE KEY WORKS OF THE BOARD IN 2018

2018 is a critical year for the Company to implement a strategic layout under the “13th Five-year Plan” to pursue stable development by learning the experience from the past year and carrying on the successful measures in the forthcoming year. The Company will make reference to the overall planned objectives under the “13th Five-year Plan” of the Company, determine its development directions by fully developing its own characteristics and making full use of its competitive advantages in the entire design and consultation domain. Meanwhile, the Company will capitalize on the growth in and tap into sub-segment markets so as to give full play to the establishment of supplementary businesses and the exploration and innovation of businesses. The Company should continue to increase the profitability of its EPC business and strengthen the integration between intersegments. In terms of management level, the Company should keep on enhancing its service efficiency, establish an “extroverted” management model that directly serves its customers, streamline entities that perform control and evaluation functions and reinforce internal collaborations with an aim to form new core competitiveness. The Company will continue to focus on the whole industrial chain of urban rail transit by placing importance to industrial collaborations, playing its role as a capital hub and continuously upgrading the capability of its headquarters through the implementation of its operating strategies to expand the design and consultation domain, strengthen the EPC business and proactively explore new businesses. The key works of the Board in 2018 are as follows:

1. With the guidance of the “13th Five-year (2016–2020)” development plan of the Company, the Company will pursue dynamic management and take advantages of capital market platform to expedite the process of A-share IPOs and continue to finance by innovative means so as to meet the demands for funds of rapid development of the Company.
2. Against the backdrop of optional tightening of financial policies by the government and the decreased investment in urban infrastructure, we will develop our comprehensive edges in whole industrial chain and segmental collaboration to maintain and enhance our business performance. Firstly, the Company will make use of its influence given to the leading position of its urban rail transit business, attach great importance to marketing, performance of guarantee and the dynamic allocation mechanism of the staff. It will also further improve its technical skills, quality and customer services as well as the level of average performance appraisals and compensation cost control. Secondly, the Company will explore and innovate for its civil municipal construction and design segment and, by strengthening its relevant product lines of other segments and identifying appropriate opportunities, such as rural construction, utility tunnel, smart city, sponge city and green buildings, etc. in the market, produce featured and advantageous products. Thirdly, the Company will strengthen the performance of projects at hand for its construction contracting segment and create a brand image for urban rail transit construction through the enhancement of management level and profitability of projects.

3. The Company will steadily push forward quality PPP and TOD businesses, speed up the pace of industrialization of science and technology, exert the advantages of science and technology innovation platforms, and accelerate the progress on technology industrialization. In 2018, the Company will improve the quality of the PPP businesses on hand while dedicating to finalize the execution of agreements for one rail transit PPP project and one or two TOD projects. The Company will develop new capabilities in mature operational management by virtue of the investment and financing business platform, as well as the practice of the project of rail transit Line 4 in Kunming and modern tram in Delingha. The Company will also speed up the development of the national engineering laboratory of rail transit, track structure research center, energy-saving center as well as implementing innovative research projects, pushing forward the R&D and marketing on new technologies and new products, and building a scale development platform for science and technology research and development.

Meanwhile, by leveraging of the advantages as a listed company, the Company will conduct research of multiple financing channels such as equity and bonds, and seek for corporate mergers and acquisitions and other external expansions subject to the market condition and according to the development strategies of the Company. The Company will explore and establish the market value management system and capital operation system so as to enhance the value of the Company.

4. The Company will further improve the corporate governance structure, exert the functions of the specialized committees, and effectively reflect decision-making functions and strategic role of the Board in corporate governance while attaching importance to the study on the Listing Rules by Directors, Supervisors and senior management with a view to enhance our management level as a listed company.

During the year of 2017, 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 of Beijing Urban Construction Design & Development Group Co., Limited in a stringent manner, strictly abided by the principle of good faith and through supervision over meetings and focusing on supervision over financial matters, internal control and compliance, effectively facilitated the efficient operation of the Company's corporate governance and proactively protected the interests of the shareholders, the Company and its employees.

MEETINGS OF THE BOARD OF SUPERVISORS

During the Year, the Board of Supervisors convened four meetings in total, at which the Proposal for Election of the Chairman of the Board of Supervisors of the Company and the Work Report of the Board of Supervisors of the Company for the Year 2016, were considered and approved in March 2017, and Proposal in Relation to Review on Key Employees Stock Ownership Scheme (Draft) of Beijing Urban Construction Design & Development Group Co., Limited was considered and approved in July 2017, and the Proposal for Nomination of Supervisors of the Board of Supervisors of the Company was considered and approved in December 2017.

WORK OF THE BOARD OF SUPERVISORS

The Supervisors attended the meetings of the Board and the general meetings of the Company held in 2017 to monitor the validity and compliance of convening of and proposals and resolutions made during the meetings of the Board and general meetings of the Company, and supervised and reviewed the operation compliance, the major operating activities and the corporate governance structure, financial audit as well as the performance of Directors and senior management of the Company, and provided suggestions to the Board.

The Board of Supervisors continued to focus on financial matters, internal control and compliance, supervised and urged the Company to run its business according to laws and regulations, regulated the corporate governance structure, attended to the critical issues that occurred in the changes of the Hong Kong Listing Rules or the Company's operations and management within its scope of responsibility, and gave advice and reasonable suggestions to the management, the scope of which involves compliance adjustment, risk prevention, operation and management and other aspects from the perspective of adhering sustainable and healthy development of the Company. The employee representative Supervisors also fully expressed employees' requests in the supervision process, and earnestly protected employees' legal rights and interests.

CHANGE OF MEMBER OF THE BOARD OF SUPERVISORS

Mr. Yuan Guoyue was appointed as a shareholders representative Supervisor on 9 March 2017 at the 2017 first extraordinary general meeting to fill the vacancy resulting from the resignation of Mr. Yao Guanghong with a term starting from 9 March 2017 to the expiry date of the terms of office of the members of the current session of the Board of Supervisors. Ms. Zhao Hong was appointed as a shareholders representative Supervisor to fill the vacancy resulting from the resignation of Mr. Fu Yanbing with a term starting from 9 March 2017 to the expiry date of the terms of office of the members of the current session of the Board of Supervisors. Mr. Yuan Guoyue was elected as the chairman of the Board of Supervisors at the meeting convened by the Board of Supervisors on 9 March 2017. For details, please refer to the announcement of the Company issued on 9 March 2017.

According to the requirements of the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises (《關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》), Mr. Zhang Junming resigned from his position as an independent supervisor of the Company on 1 August 2017, with immediate effect. For details, please refer to the announcement of the Company issued on 1 August 2017.

Ms. Yang Huiju, Mr. Liu Hao and Mr. Ban Jianbo were elected as the new employee representative supervisors of the Company at the second meeting of the first session workers congress of the Company. Ms. Mi Jianzhou, Mr. Zhang Wei and Mr. Wang Wenjiang have retired as the employee representative supervisors of the Company. For details, please refer to the announcement issued by the Company on 18 August 2017.

Mr. Wang Jingang has resigned as an employee representative supervisor of the Company due to other business arrangements, with effect from 9 October 2017. For details, please refer to the announcement issued by the Company on 9 October 2017.

The terms of office of the members of the first session of the Board of Supervisors of the Company expired on 27 October 2016. The members of the first session of the Board of Supervisors shall continue to perform their duties in accordance with the Company Law prior to the second session of the Board of Supervisors taking office after election.

INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS

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

The Company compliantly and legally carries out corporate governance and business expansion. The Directors and senior management of the Company had loyally performed their duties set forth in the Articles of Association, stringently abided by diligence and good faith, and effectively strived for implementation of 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 reports during the financial results period are authentic and complete. The reviewed financial statements for the interim period of 2017 and the audited annual financial statements for 2017 of the Company and its subsidiaries were prepared strictly in accordance with the relevant accounting standards. These financial statements have given a true and fair view of the financial conditions and operating results of the Company and its subsidiaries. Accounting treatments have been applied consistently, and fulfilment of the latest accounting standards shall be prioritized. The financial accounts are prepared regularly with clear records and complete information.

The Board of Supervisors is fully confident in more robust development of the Company. In 2018, the Board of Supervisors will continue to adhere to supervision and recommendations, and continuously enhance the Company's compliance with laws and regulations in respect of the Company's improvement of internal control systems in accordance with the relevant provisions of the Company Law and the Articles of Association and based on its work plan for the year. The Board of Supervisors regards sound and rapid development of the Company as its targets, and will strengthen its supervision, innovate the thinking of work, constantly improve its performance capabilities, diligently perform all its duties and earnestly safeguard the interests of the Company, its shareholders and employees.