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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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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) FINANCIAL REPORT FOR 2019**  
**(2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2019 AND ITS SUMMARY**  
**(3) 2019 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL**  
**(4) RE-APPOINTMENT OF AUDITORS FOR 2020 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2019**  
**(5) 2020 INVESTMENT PLAN**  
**(6) REPORT OF THE BOARD OF DIRECTORS FOR 2019**  
**(7) REPORT OF THE BOARD OF SUPERVISORS FOR 2019**  
**(8) PROPOSED GENERAL MANDATE TO ISSUE ADDITIONAL DOMESTIC SHARES AND/OR H SHARES**  
**(9) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**(10) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING**  
**(11) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING PLAN AND THE AUTHORISATION CONCERNING THE A SHARE OFFERING**  
**AND**  
**NOTICES OF THE 2019 ANNUAL GENERAL MEETING, THE FIRST DOMESTIC SHARES CLASS MEETING IN 2020 AND THE FIRST H SHARES CLASS MEETING IN 2020**

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The AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting of the Company are to be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 28 May 2020 in sequence. A letter from the Board is set out on pages 1 to 7 of this circular. Notices convening the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting are set out on pages 8 to 15 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 Friday, 8 May 2020.

8 May 2020

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## DEFINITIONS

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

“AGM”	the 2019 annual general meeting of the Company to be convened on Thursday, 28 May 2020
“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
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holder(s) of Domestic Shares

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## DEFINITIONS

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“Domestic Shares Class Meeting”	the class meeting of Domestic Shareholders to be convened and held
“Group”	the Company and its subsidiaries
“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 Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	8 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Rules of Procedure for the General Meeting”	the Rules of Procedure of the Shareholders’ General Meeting of Beijing Urban Construction Design & Development Group Co., Limited, as amended, modified or supplemented from time to time
“Share(s)”	H Share(s) and Domestic Share(s) of the Company
“Shareholder(s)”	holders of the Share(s) of the Company

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## DEFINITIONS

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“subsidiary(ies)” shall have the meaning ascribed to it under the Listing Rules

“Supervisor(s)” supervisor(s) of the Company

“Year” the year ended 31 December 2019

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## LETTER FROM THE BOARD

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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)**

**Members of the Board:**

*Executive Directors:*

Wang Hanjun  
Li Guoqing

*Non-executive Directors:*

Pei Hongwei (*Chairman*)  
Tang Shuchang  
Wu Donghui  
Guan Jifa  
Ren Yuhang  
Su Bin  
Yu Xiaojun  
Ren Chong

*Independent non-executive Directors:*

Wang Dexing  
Ma Xufei  
Sun Maozhu  
Liang Qinghuai  
Qin Guisheng

**Registered office:**

5 Fuchengmen North Street  
Xicheng District  
Beijing  
PRC

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

40th Floor, Sunlight Tower  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

8 May 2020

*To the Shareholders:*

- (1) FINANCIAL REPORT FOR 2019
  - (2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2019 AND ITS SUMMARY
  - (3) 2019 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL
  - (4) RE-APPOINTMENT OF AUDITORS FOR 2020 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2019
  - (5) 2020 INVESTMENT PLAN
  - (6) REPORT OF THE BOARD OF DIRECTORS FOR 2019
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  - (8) PROPOSED GENERAL MANDATE TO ISSUE ADDITIONAL DOMESTIC SHARES AND/OR H SHARES
  - (9) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
  - (10) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING
  - (11) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING PLAN AND THE AUTHORISATION CONCERNING THE A SHARE OFFERING
- AND  
NOTICES OF THE 2019 ANNUAL GENERAL MEETING,  
THE FIRST DOMESTIC SHARES CLASS MEETING IN 2020 AND THE FIRST  
H SHARES CLASS MEETING IN 2020

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM and Class Meetings to be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 28 May 2020.

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

### II. BUSINESS TO BE TRANSACTED AT THE AGM AND CLASS MEETINGS

The business to be transacted at the AGM and Class Meetings is specified in the notices of the AGM and Class Meetings respectively, and the notices are set out on pages 8 to 15 of this circular.

The resolutions to be proposed by way of ordinary resolutions at the AGM include: resolutions on (1) financial report for 2019; (2) audited consolidated financial statements for the year of 2019 and its summary; (3) 2019 profit distribution plan and dividend declaration proposal; (4) re-appointment of auditors for 2020 and payment of the auditing service fee for 2019; (5) 2020 investment plan; (6) report of the Board of Directors for 2019; and (7) report of the Board of Supervisors for 2019.

The resolutions to be proposed by way of special resolutions at the AGM include: (8) proposal on granting the Board a general mandate to issue additional Domestic Shares and/or H Shares; (9) proposed amendments to the Articles of Association; (10) proposed amendments to the Rules of Procedure for the General Meeting; (11) proposed extension of the validity period of issuance plan of application for the initial public offering of A Shares and listing; and (12) proposed extension of the validity period of the authorisation to the Board to handle the relevant matters of the application for the initial public offering of A Shares and listing at its absolute discretion.

The resolutions to be proposed by way of special resolutions at the Class Meetings include: (1) proposed amendments to the Articles of Association; (2) proposed extension of the validity period of issuance plan of application for the initial public offering of A Shares and listing; and (3) proposed extension of the validity period of the authorisation to the Board to handle the relevant matters of the application for the initial public offering of A Shares and listing at its absolute discretion.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and Class Meetings 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 and Class Meetings in Appendix I to this circular to the Shareholders.

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## LETTER FROM THE BOARD

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### III. OTHER INFORMATION

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

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.

### IV. AGM AND CLASS MEETINGS

The AGM and the Class Meetings will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 28 May 2020 in sequence, to consider and approve the matters set out in the notice of the AGM and the notices of the Class Meetings dated 9 April 2020. Notices convening the AGM, Domestic Shares Class Meeting and H Shares Class Meeting are set out on pages 8 to 15 in this circular.

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 Friday, 8 May 2020.

### V. 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 Tuesday, 28 April 2020 to Thursday, 28 May 2020, 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 and the Class Meetings, 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 Monday, 27 April 2020. Shareholders whose names appear on the register of members of the Company on Tuesday, 28 April 2020 will be entitled to attend and vote at the AGM and the Class Meetings.

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## LETTER FROM THE BOARD

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### VI. VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Listing Rules and the Articles of Association, the resolutions set out in the notices 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](http://www.bjucd.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) upon the conclusion of the AGM and the Class Meetings.

### VII. RECOMMENDATIONS

The Directors (including independent non-executive Directors) are of the view that all resolutions to be proposed for consideration at the AGM and Class Meetings 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 notices 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**

**Pei Hongwei**

*Chairman*

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## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

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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)**

### NOTICE OF THE 2019 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2019 Annual General Meeting (the “AGM”) of Beijing Urban Construction Design & Development Group Co., Limited (the “Company”) will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 28 May 2020, to consider and, if thought fit, approve the following resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the Financial Report for 2019;
2. To consider and approve the Audited Consolidated Financial Statements for the Year of 2019 and its Summary;
3. To consider and approve the 2019 Profit Distribution Plan and Dividend Declaration Proposal;
4. To consider and approve the Re-appointment of Auditors for 2020 and Payment of the Auditing Service Fee for 2019;
5. To consider and approve the 2020 Investment Plan;
6. To consider and approve the Report of the Board of Directors for 2019;
7. To consider and approve the Report of the Board of Supervisors for 2019;

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## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

8. To consider and approve the Resolution on Authorising the Board a General Mandate to Issue Additional Domestic Shares and/or 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 Domestic Shares and/or H Shares in the Company’s share capital 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 each of Domestic Shares and/or 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 20% of each of Domestic Shares and H Shares of the Company in issue on the date of passing the relevant resolution by the shareholders’ general meeting; 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 of the People’s Republic of China and the 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.

- (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.

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## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

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- (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 and/or 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.
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 of the Shareholders' General Meeting of Beijing Urban Construction Design & Development Group Co., Limited;
11. To consider and approve the Extension of the Validity Period of the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing; and

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## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

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12. To consider and approve the Extension of the Validity Period of the Authorisation to the Board to Handle the Relevant Matters of the Application for the Initial Public Offering of A Shares and Listing at Its Absolute Discretion.

By order of the Board

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

**Pei Hongwei**

*Chairman*

Beijing, 9 April 2020

*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 Pei Hongwei, Tang Shuchang, Wu Donghui, Guan Jifa, Ren Yuhang, Su Bin, Yu Xiaojun and Ren Chong; and the independent non-executive directors of the Company are Wang Dexing, Ma Xufei, Sun Maozhu, Liang Qinghuai and Qin Guisheng.*

*Notes:*

1. The register of members of the Company will be closed from Tuesday, 28 April 2020 to Thursday, 28 May 2020, 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 Tuesday, 28 April 2020 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 Monday, 27 April 2020 for registration.
2. 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.
3. 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.
4. 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.
5. 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 Friday, 8 May 2020 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 Friday, 8 May 2020 in hand, by post or by fax.
6. 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 2020



**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 2020

**NOTICE IS HEREBY GIVEN** that the First Domestic Shares Class Meeting in 2020 (the “**Domestic Shares Class Meeting**”) of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC immediately after the 2019 Annual General Meeting on Thursday, 28 May 2020, to consider and, if thought fit, approve the following resolutions:

### SPECIAL RESOLUTIONS

1. To consider and approve the amendments to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited;
2. To consider and approve the Extension of the Validity Period of the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing; and
3. To consider and approve the Extension of the Validity Period of the Authorisation to the Board to Handle the Relevant Matters of the Application for the Initial Public Offering of A Shares and Listing at its Absolute Discretion.

By order of the Board

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

**Pei Hongwei**

*Chairman*

Beijing, 9 April 2020

*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 Pei Hongwei, Tang Shuchang, Wu Donghui, Guan Jifa, Ren Yuhang, Su Bin, Yu Xiaojun and Ren Chong; and the independent non-executive directors of the Company are Wang Dexing, Ma Xufei, Sun Maozhu, Liang Qinghuai and Qin Guisheng.*

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## NOTICE OF THE FIRST DOMESTIC SHARES CLASS MEETING IN 2020

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*Notes:*

1. Holders of Domestic Shares whose names appeared on the register of members of the Company on Tuesday, 28 April 2020 shall be entitled to attend and vote at the Domestic Shares Class Meeting.
2. 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.
3. 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.
4. 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.
5. 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 Friday, 8 May 2020 in hand, by post or by fax.
6. 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).

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## NOTICE OF THE FIRST H SHARES CLASS MEETING IN 2020

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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)**

### NOTICE OF THE FIRST H SHARES CLASS MEETING IN 2020

**NOTICE IS HEREBY GIVEN** that the First H Shares Class Meeting in 2020 (the “**H Shares Class Meeting**”) of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC immediately after the 2019 Annual General Meeting and the First Domestic Shares Class Meeting in 2020 on Thursday, 28 May 2020, to consider and, if thought fit, approve the following resolutions:

#### **SPECIAL RESOLUTIONS**

1. To consider and approve the amendments to the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited;
2. To consider and approve the Extension of the Validity Period of the Issuance Plan of Application for the Initial Public Offering of A Shares and Listing; and
3. To consider and approve the Extension of the Validity Period of the Authorisation to the Board to Handle the Relevant Matters of the Application for the Initial Public Offering of A Shares and Listing at its Absolute Discretion.

By order of the Board

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

**Pei Hongwei**

*Chairman*

Beijing, 9 April 2020

*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 Pei Hongwei, Tang Shuchang, Wu Donghui, Guan Jifa, Ren Yuhang, Su Bin, Yu Xiaojun and Ren Chong; and the independent non-executive directors of the Company are Wang Dexing, Ma Xufei, Sun Maozhu, Liang Qinghuai and Qin Guisheng.*

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## NOTICE OF THE FIRST H SHARES CLASS MEETING IN 2020

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*Notes:*

1. The register of members of the Company will be closed from Tuesday, 28 April 2020 to Thursday, 28 May 2020, 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 Tuesday, 28 April 2020 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 Monday, 27 April 2020 for registration.
2. 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.
3. 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.
4. 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.
5. 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 Friday, 8 May 2020 in hand, by post or by fax.
6. 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).

**(1) FINANCIAL REPORT FOR 2019**

On 25 March 2020, the Financial Report for 2019 of the Company (see Appendix III 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.

**(2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF  
2019 AND ITS SUMMARY**

The audited consolidated financial statements and its summary for the year ended 31 December 2019 of the Company are set out in the 2019 Annual Report of the Company. On 25 March 2020, the resolution relating to the audited consolidated financial statements and its summary for the year ended 31 December 2019 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.

**(3) 2019 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION  
PROPOSAL**

According to Rule 18 of the Measures on the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》) of CSRC and the relevant regulatory questions and answers, the Company has issued securities in China, and where there is any profit distribution plan or plan on the conversion of public accumulation funds into share capital that has not been submitted to the general meeting of shareholders for voting, or that has been voted and adopted by the general meeting of shareholders but has yet to be implemented, the Company shall issue securities after such plan is implemented. In view of prior disclosure updates of the prospectus of A shares of the Company on the website of CSRC, in order to ensure that the Company's application for the initial public offering of A Shares and the related work of listing are steadily advancing, it did not recommend the payment of any final dividend of the year 2019.

On 25 March 2020, 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.

**(4) RE-APPOINTMENT OF AUDITORS FOR 2020 AND PAYMENT OF THE  
AUDITING SERVICE FEE FOR 2019**

The aggregating expenses relating to the auditing services and other related services conducted and provided by Ernst & Young engaged by the Company in 2019 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 2019 and reviewing the interim financial statements of 2019.

The Board has proposed to re-appoint Ernst & Young as the external auditors of the Company for 2020 to audit the annual financial statements of 2020 prepared by the Company in accordance with International Accounting Standards, and to review the interim financial statements of the Company for the six months ending 30 June 2020 in compliance with the International Accounting Standards.

On 25 March 2020, 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.

**(5) 2020 INVESTMENT PLAN**

The Company plans to complete investment of RMB3.855 billion for the year 2020 and has prepared the 2020 Investment Plan (see Appendix IV to this circular for details). On 25 March 2020, 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.

**(6) REPORT OF THE BOARD OF DIRECTORS FOR 2019**

The Board has prepared the Report of the Board of Directors for 2019 (see Appendix V to this circular for details) as required by the Company Law and the Articles of Association. On 25 March 2020, 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.

**(7) REPORT OF THE BOARD OF SUPERVISORS FOR 2019**

The Board of Supervisors has prepared the Report of the Board of Supervisors for 2019 (see Appendix VI to this circular for details) as required by the Company Law and the Articles of Association. On 25 March 2020, 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.

**(8) PROPOSAL ON GRANTING THE BOARD A GENERAL MANDATE TO ISSUE  
ADDITIONAL DOMESTIC SHARES AND/OR 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 and/or 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 the additional Domestic Shares and/or H Shares in the Company's share capital 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 each of Domestic Shares and/or 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 20% of each of Domestic Shares and H Shares of the Company in issue on the date of passing the relevant resolution at the general meeting; and
  - (iii) The Board (or Director(s) authorised by the Board) shall exercise the power under the above mandate only under the circumstances where it is in compliance with the Company Law of the People's Republic of China and the Listing Rules (both as amended from time to time) and obtains the approval from the CSRC and/or other related Chinese government authorities.
- (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 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 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 and/or H Shares in issue and to make relevant amendments as it thinks fit to the Articles of Association to reflect corresponding changes in the Company's registered capital, total share capital and shareholding structure.

**(9) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to the announcement dated 25 March 2020 in relation to proposed amendments to the Articles of Association.

In view of the actual needs of the Company, and in accordance with the relevant provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》) and the Reply of the State Council on the Adjustment of the Provisions of the Notice Period of Convening General Meetings and Other Matters Applicable to Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), the Company proposes to amend the prevailing articles of association (the “**Prevailing Articles of Association**”) (the “**Amendments**”).

In view of the Amendments and the actual needs for proposed application for initial public offering and listing of A shares by the Company, the Company proposes to amend the Applicable Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited (draft) upon the application for initial public offering and listing of A shares of the Company (the “**Articles of Association (Draft)**”) accordingly.

Details of the Amendments to the Prevailing Articles of Association and the Articles of Association (Draft) of the Company are as follows:

**AMENDMENTS TO THE PREVAILING ARTICLES OF ASSOCIATION**

Existing Articles	Amended Articles
<p><b>Article 44.</b> No transfer may be entered in the register of members within thirty days prior to the date of a shareholders' general meeting or within five days before the benchmark date set by the Company for the purpose of distribution of dividends.</p>	<p><b>Article 44.</b> <del>No transfer may be entered in the register of members within thirty days prior to the date of a shareholders' general meeting or within five days before the benchmark date set by the Company for the purpose of distribution of dividends.</del>  <b><u>Provided that the PRC laws, regulations and the listing rules of the stock exchange where the Company has its shares listed have any provisions in respect of the period of closure of the register of members prior to a shareholders' general meeting or the benchmark date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</u></b></p>

Existing Articles	Amended Articles
<p><b>Article 59.</b> 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. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the date the relevant general meeting is intended to be held.</p> <p>When calculating the number of days for the issuance of notices, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included.</p> <p>In relation to the publication of the notice under this Article, the date of publication 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><b>Article 59.</b> 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 <u><b>an annual</b></u> general meeting, a written notice of the meeting shall be given <del>45</del><b>20</b> days before the date of the meeting <u><b>and when the Company convenes an extraordinary</b></u> <u><b>general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting</b></u> 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. <del>Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the date the relevant general meeting is intended to be held.</del></p> <p>When calculating the number of days for the issuance of notices, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included.</p> <p>In relation to the publication of the notice under this Article, the date of publication 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>

Existing Articles	Amended Articles
<p><b>Article 61.</b> The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one-half of the Company's total voting shares, the Company may convene the general meeting, otherwise, the Company shall within five days notify the shareholders again by announcement regarding the matters intended to be considered, the place and the date of the meeting. The Company then may convene the meeting after publication of such notice.</p> <p>An extraordinary general meeting shall not resolve on matters not stated in the notice of meeting.</p>	<p><del><b>Article 61.</b> The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one-half of the Company's total voting shares, the Company may convene the general meeting, otherwise, the Company shall within five days notify the shareholders again by announcement regarding the matters intended to be considered, the place and the date of the meeting. The Company then may convene the meeting after publication of such notice.</del></p> <p>An extraordinary general meeting shall not resolve on matters not stated in the notice of meeting.</p>
<p><b>Article 63.</b> 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, materials and written statements of shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote at 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 shareholders' 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 securities regulatory 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><del><b>Article 63.</b> 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, materials and written statements of shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote at 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 shareholders' general meeting may be served by way of announcement.</del></p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council <del>within the period between 45 days and 50 days prior to the date of the meeting;</del> 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>

Existing Articles	Amended Articles
<p><b>Article 89.</b> Except as otherwise provided 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 class meeting, a written notice of the meeting shall be given 45 days before the date of the meeting to notify the shareholders whose names appear in the register of members under the class in question of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the relevant class general meeting shall reply in writing to the Company 20 days prior to the date of convening such class general meeting.</p> <p>The Company may convene a class shareholders' meeting if the number of shares with voting rights at the meeting represented by the shareholders intending to attend the meeting are more than one-half of the total number of shares with voting rights of the said class at the meeting; otherwise, the Company shall, within 5 days notify the shareholders of the matters to be considered, date and venue of the class shareholders' meeting in the form of public announcement. The Company then may convene the meeting after publication of such notice.</p>	<p><b>Article 89.</b> Except as otherwise provided 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 class meeting, <del>a written notice of the meeting shall be given 45 days before the date of the meeting</del> <b><u>a written notice of the meeting shall be given during the same period as that for giving a written notice of the non-class meeting to be convened together</u></b> to notify the shareholders whose names appear in the register of members under the class in question of the matters to be considered at and the date and place of the meeting. <del>Shareholders who intend to attend the relevant class general meeting shall reply in writing to the Company 20 days prior to the date of convening such class general meeting.</del></p> <p><del>The Company may convene a class shareholders' meeting if the number of shares with voting rights at the meeting represented by the shareholders intending to attend the meeting are more than one-half of the total number of shares with voting rights of the said class at the meeting; otherwise, the Company shall, within 5 days notify the shareholders of the matters to be considered, date and venue of the class shareholders' meeting in the form of public announcement. The Company then may convene the meeting after publication of such notice.</del></p>

AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)

Existing Articles	Amended Articles
<p><b>Article 44.</b> No transfer may be entered in the register of members within thirty days prior to the date of a shareholders' general meeting or within five days before the benchmark date set by the Company for the purpose of distribution of dividends.</p>	<p><b>Article 44.</b> <del>No transfer may be entered in the register of members within thirty days prior to the date of a shareholders' general meeting or within five days before the benchmark date set by the Company for the purpose of distribution of dividends.</del>  <b><u>Provided that the PRC laws, administrative regulations and the listing rules of the stock exchange where the Company has its shares listed have any provisions in respect of the period of closure of the register of members prior to a shareholders' general meeting or the benchmark date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</u></b></p>
<p><b>Article 66.</b> 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. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the date the relevant general meeting is intended to be held.</p> <p>When calculating the number of days for the issuance of notices, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included.</p>	<p><b>Article 66.</b> 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 <b><u>an annual</u></b> general meeting, a written notice of the meeting shall be given <del>45</del><b>20</b> days before the date of the meeting <b><u>and when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting</u></b> 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. <del>Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the date the relevant general meeting is intended to be held.</del></p> <p>When calculating the number of days for the issuance of notices, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included.</p>

Existing Articles	Amended Articles
<p>In relation to the publication of the notice under this Article, the date of publication 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>In relation to the publication of the notice under this Article, the date of publication 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><b>Article 68.</b> The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one-half of the Company's total voting shares, the Company may convene the general meeting, otherwise, the Company shall within five days notify the shareholders again by announcement regarding the matters intended to be considered, the place and the date of the meeting. The Company then may convene the meeting after publication of such notice.</p> <p>An extraordinary general meeting shall not resolve on matters not stated in the notice of meeting.</p>	<p><b>Article 68.</b> <del>The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one-half of the Company's total voting shares, the Company may convene the general meeting, otherwise, the Company shall within five days notify the shareholders again by announcement regarding the matters intended to be considered, the place and the date of the meeting. The Company then may convene the meeting after publication of such notice.</del></p> <p>An extraordinary general meeting shall not resolve on matters not stated in the notice of meeting.</p>

Existing Articles	Amended Articles
<p><b>Article 71.</b> 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, materials and written statements of shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote at 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 shareholders' general meeting may be served by way of announcement.</p> <p>The announcement in relation to the dispatch of notice of the general meeting to holders of domestic-listed shares referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory 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-listed shares shall be deemed to have received the notice of the relevant shareholders' meeting.</p>	<p><b>Article 71.</b> 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, materials and written statements of shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote at 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 shareholders' general meeting may be served by way of announcement.</p> <p>The announcement in relation to the dispatch of notice of the general meeting to holders of domestic-listed shares referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council <del>within the period between 45 days and 50 days prior to the date of the meeting;</del> upon the publication of the announcement, the holders of domestic-listed shares shall be deemed to have received the notice of the relevant general meeting.</p>

Existing Articles	Amended Articles
<p><b>Article 127.</b> Except as otherwise provided 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 class meeting, a written notice of the meeting shall be given 45 days before the date of the meeting to notify the shareholders whose names appear in the register of members under the class in question of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the relevant class general meeting shall reply in writing to the Company 20 days prior to the date of convening such class general meeting.</p> <p>The Company may convene a class shareholders' meeting if the number of shares with voting rights at the meeting represented by the shareholders intending to attend the meeting are more than one-half of the total number of shares with voting rights of the said class at the meeting; otherwise, the Company shall, within 5 days notify the shareholders of the matters to be considered, date and venue of the class shareholders' meeting in the form of public announcement. The Company then may convene the meeting after publication of such notice.</p>	<p><b>Article 127.</b> Except as otherwise provided 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 class meeting, <del>a written notice of the meeting shall be given 45 days before the date of the meeting</del> <b><u>a written notice of the meeting shall be given during the same period as that for giving a written notice of the non-class meeting to be convened together</u></b> to notify the shareholders whose names appear in the register of members under the class in question of the matters to be considered at and the date and place of the meeting. <del>Shareholders who intend to attend the relevant class general meeting shall reply in writing to the Company 20 days prior to the date of convening such class general meeting.</del></p> <p><del>The Company may convene a class shareholders' meeting if the number of shares with voting rights at the meeting represented by the shareholders intending to attend the meeting are more than one-half of the total number of shares with voting rights of the said class at the meeting; otherwise, the Company shall, within 5 days notify the shareholders of the matters to be considered, date and venue of the class shareholders' meeting in the form of public announcement. The Company then may convene the meeting after publication of such notice.</del></p>

The amendments to the Prevailing Articles of Association shall become effective on the date of passing the relevant resolutions at the AGM and Class Meetings. The amended Articles of Association (Draft) will be effective and implemented from the date of the initial public offering and listing of A shares of the Company on the Shanghai Stock Exchange after passing the relevant resolutions at the AGM and Class Meetings. Prior to the passing of the relevant resolutions at the AGM and Class Meetings, the Prevailing Articles of Association shall remain valid.

**(10) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE  
GENERAL MEETING**

Integrating the actual needs of the Company, the Company proposes to amend the prevailing Rules of Procedure for the General Meeting (the “**Prevailing Rules of Procedure for the General Meeting**”) in accordance with relevant requirements of the Company Law of the People’s Republic of China and Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Overseas Listed Companies.

At the same time, in view of the amendments to the Prevailing Rules of Procedure for the General Meeting and the actual needs of the Company for the proposed application of initial public offering and listing of A Shares, the Company proposes to amend the applicable Rules of Procedure for the General Meeting upon the initial public offering and listing of A Shares of the Company (the “**Rules of Procedure for the General Meeting (A Shares + H Shares)**”) accordingly.

Details of the amendments to the Prevailing Rules of Procedure for the General Meeting and Rules of Procedure for the General Meeting (A Shares + H Shares) are as follows:

**AMENDMENTS TO THE PREVAILING RULES OF  
PROCEDURE FOR THE GENERAL MEETING**

Original Articles	Amended Articles
<p><b>Article 10</b> Except as otherwise required by relevant laws, regulations and 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>The number of days calculated for the issuance of notices shall not include the day of the meeting.</p>	<p><b>Article 10</b> Except as otherwise required by relevant laws, regulations and the listing rules of the stock exchange where the Company has its shares listed and the Articles of Association, when the Company convenes <u>an annual</u> general meeting, a written notice of the meeting shall be given <u>4520</u> days before the date of the meeting <u>and when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting</u> 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>The number of days calculated for the issuance of notices shall not include the day of the meeting.</p>

Original Articles	Amended Articles
<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 Company shall hold general meetings at its domicile or other location as notified in the notice of the general meeting. A meeting venue will be established for general meetings and meetings shall be held on site. The Company will also enable shareholders to have access to the general meeting by online voting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. After issuance of the notice of the shareholders' general meeting, the venue of shareholders' general meeting shall not be changed without proper reasons. Where such change is necessary, the convener shall make an announcement giving reasons at least 2 working days prior to the date on which the meeting was scheduled.</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 Company shall hold general meetings at its domicile or other location as notified in the notice of the general meeting. A meeting venue will be established for general meetings and meetings shall be held on site. The Company will also enable shareholders to have access to the general meeting by online voting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. After issuance of the notice of the shareholders' general meeting, the venue of shareholders' general meeting shall not be changed without proper reasons. Where such change is necessary, the convener shall make an announcement giving reasons at least 2 working days prior to the date on which the meeting was scheduled.</p>
<p><b>Article 11</b> The notice of general meeting shall at least include the following contents and comply with Article 60 of the Articles of Association:</p> <ol style="list-style-type: none"> <li>(1) the time, place and duration of the meeting;</li> <li>(2) the matters to be considered at the meeting;</li> <li>(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;</li> </ol>	<p><b>Article 11</b> The notice of general meeting shall at least include the following contents and comply with Article 60 of the Articles of Association:</p> <ol style="list-style-type: none"> <li>(1) the time, place and duration of the meeting;</li> <li>(2) the matters to be considered at the meeting;</li> <li>(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;</li> </ol>

Original Articles	Amended Articles
<p>(4) the time and place of serving a power of attorney of the voting proxy;</p> <p>(5) The names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>	<p>(4) the time and place of serving a power of attorney of the voting proxy;</p> <p>(5) The names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>
<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>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 <del>within the period between 45 days and 50 days prior to the date of the meeting;</del> 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>

Original Articles	Amended Articles
<p><b>Article 12</b> Shareholders may attend a shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.</p> <p>Shareholders shall appoint proxies in writing, and the proxy forms shall be lodged at the Company by the proxies. Where the principal is a legal person, the proxy form shall bear its official seal or be signed by a duly authorised person.</p> <p>The appointment of proxies by shareholders shall comply with Articles 63 to Article 66.</p>	<p><b>Article 12</b> Shareholders may attend a shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf. <del>Shareholders who intend to attend the meeting shall serve the written reply slip to the Company 20 days prior to the date of the meeting.</del></p> <p>Shareholders shall appoint proxies in writing, and the proxy forms shall be lodged at the Company by the proxies. Where the principal is a legal person, the proxy form shall bear its official seal or be signed by a duly authorised person.</p> <p>The appointment of proxies by shareholders shall comply with Articles 63 to Article 66.</p>
<p><b>Article 16</b> The Company shall, based on the written replies received twenty days before the date of the general meeting of shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to more than half of the Company's total voting shares, the Company may hold a general meeting; if not, the Company shall within five days notify the shareholders by way of public announcement of matters to be considered at and the place and date of the meeting. The Company may then hold the meeting after publication of such announcement.</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><b>Article 16</b> <del>The Company shall, based on the written replies received twenty days before the date of the general meeting of shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to more than half of the Company's total voting shares, the Company may hold a general meeting; if not, the Company shall within five days notify the shareholders by way of public announcement of matters to be considered at and the place and date of the meeting. The Company may then hold the meeting after publication of such announcement.</del></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>

**AMENDMENTS TO RULES OF PROCEDURE FOR  
THE GENERAL MEETING (A SHARES + H SHARES)**

Original Articles	Amended Articles
<p><b>Article 20</b> 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. 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.</p> <p>The number of days calculated for the issuance of notices shall not include the day of the meeting and the date on which the notice is issued.</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><b>Article 20</b> 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 <b>an annual</b> general meeting, a written notice of the meeting shall be given <del>45</del><b>20</b> days before the date of the meeting <b><u>and when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting</u></b> 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. <del>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.</del></p> <p>The number of days calculated for the issuance of notices shall not include the day of the meeting and the date on which the notice is issued.</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><b>Article 21</b> The notice of general meeting shall comply with the following requirements:</p> <p>(1) to present in the form of writing, except as otherwise provided in the relevant laws, regulations, the listing rules of the of stock exchange where the shares of the Company are listed and the Articles of Association;</p>	<p><b>Article 21</b> The notice of general meeting shall comply with the following requirements:</p> <p>(1) to present in the form of writing, except as otherwise provided in the relevant laws, regulations, the listing rules of the of stock exchange where the shares of the Company are listed and the Articles of Association;</p>

Original Articles	Amended Articles
(2) to designate address, date, time and duration of the meeting;	(2) to designate address, date, time and duration of the meeting;
(3) to specify the matters and proposals to be considered at the meeting;	(3) to specify the matters and proposals to be considered at the meeting;
(4) 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;	(4) 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;
(5) 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;	(5) 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;
(6) to set forth the full text of any special resolution to be proposed at the meeting for approval;	(6) to set forth the full text of any special resolution to be proposed at the meeting for approval;
(7) to give explanation in clear text that all ordinary shareholders have the right to attend the general meeting, and may appoint a proxy in writing to attend the meeting and to vote thereat, while he proxy needs not be a shareholder of the Company;	(7) to give explanation in clear text that all ordinary shareholders have the right to attend the general meeting, and may appoint a proxy in writing to attend the meeting and to vote thereat, while he proxy needs not be a shareholder of the Company;

Original Articles	Amended Articles
<p>(8) to specify the record date for shareholders who are entitled to attend the general meeting;</p> <p>(9) to specify the time and place of serving a power of attorney of the voting proxy; and</p> <p>(10) to specify the names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>	<p>(8) to specify the record date for shareholders who are entitled to attend the general meeting;</p> <p>(9) to specify the time and place of serving a power of attorney of the voting proxy; and</p> <p>(10) to specify the names and telephone numbers of permanent contact persons for the affairs of the meeting.</p>
<p>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.</p>	<p>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.</p>
<p>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 onsite 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.</p>	<p>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 onsite 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.</p>

Original Articles	Amended Articles
<p>Except as otherwise provided in the relevant laws, regulations, the listing rules of stock exchange where the shares of the Company are 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-listed shares, notice of general meeting may be served by way of announcement.</p> <p>The announcement in relation to the dispatch of notice of the general meeting to shareholders of domestic-listed shares 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-listed shares shall be deemed to have received the notice of the relevant general meeting.</p>	<p>Except as otherwise provided in the relevant laws, regulations, the listing rules of stock exchange where the shares of the Company are 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-listed shares, notice of general meeting may be served by way of announcement.</p> <p>The announcement in relation to the dispatch of notice of the general meeting to shareholders of domestic-listed shares referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council <del>within the period between 45 days and 50 days prior to the date of the meeting</del>; upon the publication of the announcement, the holders of domestic-listed shares shall be deemed to have received the notice of the relevant general meeting.</p>

Original Articles	Amended Articles
<p><b>Article 29</b> The Company shall, based on the written replies received twenty days before the date of the general meeting of shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to more than half of the Company's total voting shares, the Company may hold a general meeting; if not, the Company shall within five days notify the shareholders by way of public announcement of matters to be considered at and the place and date of the meeting. The Company may then hold the meeting after publication of such announcement.</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><b>Article 29</b> <del>The Company shall, based on the written replies received twenty days before the date of the general meeting of shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to more than half of the Company's total voting shares, the Company may hold a general meeting; if not, the Company shall within five days notify the shareholders by way of public announcement of matters to be considered at and the place and date of the meeting. The Company may then hold the meeting after publication of such announcement.</del></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>

**(11) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF ISSUANCE PLAN OF APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING**

References are made to the announcement dated 29 March 2018, the circular dated 13 April 2018, and the announcement of poll results of the general meeting dated 29 May 2018 of the Company in relation to, among others, the issuance plan of application for the initial public offering of A shares and listing (the “**A Share Offering Plan**”); and the announcement of the Company dated 29 March 2019, the circular dated 10 May 2019 and the announcement of poll results of the general meeting dated 29 May 2019 in relation to, among others, proposed extension of the validity period of the A Share Offering Plan.

As of the Latest Practicable Date, the Company has submitted application materials in respect of the A Share Offering, including the A Share prospectus, to the CSRC, and has received a letter of acceptance issued by the CSRC on 1 July 2019 with respect to the Company’s application for the A share offering. As the validity period of the A Share Offering Plan will expire on 28 May 2020 and the relevant work for the initial public offering of A Shares and listing is still in progress, in order to ensure the smooth process of the relevant work, the Company proposed to extend the validity period of the A Share Offering Plan for 12 months with effect from the date of approval at the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting of the Company.

None of the issuance targets will be connected persons of the Company for the issuance of A Shares.

***Effect of the A Share Offering 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 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<sup>(6)</sup></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%
<b>A Shares (at maximum)<sup>(1)</sup></b>	<b>0</b>	<b>0.00%</b>	<b>1,110,593,000</b>	<b>74.11%</b>
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 <sup>(2)</sup>	0	0.00%	960,733,000	64.11%
– Including the number of A Shares held by connected persons <sup>(3)</sup>	0	0.00%	677,152,060	45.19%
<b>H Shares</b>	<b>387,937,000</b>	<b>28.76%</b>	<b>387,937,000</b>	<b>25.89%</b>
Number of H Shares held by the public <sup>(4)</sup>	319,619,000	23.70%	319,619,000	21.33%
Number of H Shares held by connected persons <sup>(5)</sup>	68,318,000	5.07%	68,318,000	4.56%
<b>Total</b>	<b><u>1,348,670,000</u></b>	<b><u>100.00%</u></b>	<b><u>1,498,530,000</u></b>	<b><u>100.00%</u></b>

(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 Beijing Urban Construction Group Co., Ltd., 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.
- (4) Save for the 68,222,000 H Shares held by Beijing Infrastructure Investment (Hong Kong) Limited, the substantial shareholder of the Company, 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 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 restore public float.
- (6) The sum of the shareholding percentage may not be equal to the total percentage due to rounding.

As mentioned in the announcement dated 29 March 2018 and the circular dated 13 April 2018 of the Company, 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, and the Company will restore its public float.

The other contents of the A Share Offering Plan remain unchanged.

Please refer to Appendix II to this circular for details of the A Share Offering Plan.

The resolution was considered and approved at the Board meeting on 25 March 2020. It is hereby proposed to the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting for consideration and approval by way of special resolution.

**(12) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE  
AUTHORISATION TO THE BOARD TO HANDLE THE RELEVANT MATTERS  
OF APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND  
LISTING AT ITS ABSOLUTE DISCRETION**

References are made to the announcement dated 29 March 2018, the circular dated 13 April 2018, and the announcement of poll results of the general meeting dated 29 May 2018 of the Company, in relation to, among others, the authorisation to the Board to handle the relevant matters of the application for the initial public offering of A shares and listing at its absolute discretion (the “**Authorisation concerning the A Share Offering**”) granted by the general meeting; and the announcement of the Company dated 29 March 2019, the circular dated 10 May 2019 and the announcement of poll results of the general meeting dated 29 May 2019, in relation to, among others, proposed extension of the validity period of the Authorisation concerning the A Share Offering.

As the validity period of the Authorisation concerning the A Share Offering will expire on 28 May 2020 and the relevant work for the initial public offering of A shares and listing is still in progress, in order to ensure the smooth process of the relevant work, the Company proposed to extend the validity period of the Authorisation concerning the A Share Offering for 12 months with effect from the date of approval at the AGM, the Domestic Shares Class Meeting and the H Shares Class Meeting of the Company.

The other contents of the Authorisation concerning the A Share Offering remain unchanged.

Please refer to Appendix II to this circular for details of the Authorisation concerning the A Share Offering.

The resolution was considered and approved at the Board meeting on 25 March 2020. It is hereby proposed to the AGM, Domestic Shares Class Meeting and H Shares Class Meeting for consideration and approval by way of special resolution.

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## **APPENDIX II APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING AND AUTHORISATION TO THE BOARD TO HANDLE THE RELEVANT MATTERS AT ITS ABSOLUTE DISCRETION**

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### **(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 of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), 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 authorised 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.
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.

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**APPENDIX II APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES  
AND LISTING AND AUTHORISATION TO THE BOARD TO HANDLE  
THE RELEVANT MATTERS AT ITS ABSOLUTE DISCRETION**

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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 2019 annual financial report of the Company, as of 31 December 2019, net assets per Share of the Company was RMB3.78. To sum up, the issue price of A Shares of the Company shall not be lower than RMB3.78/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.

6. Issuance method: adopting the method of combining placement of shares to targets through offline price inquiry and an 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.

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**APPENDIX II    APPLICATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES  
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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會); 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 prohibited subscribers according to national laws, administrative regulations, departmental rules, normative documents and other regulatory requirements 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.
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 and 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.

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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.

**(2) AUTHORISATION 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 of the People's Republic of China, the Securities Law of the People's Republic of China 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 authorise the Board, which authorises 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 authorisation 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 authorisation 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

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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;
4. If relevant laws, administrative regulations, departmental rules, listing rules, normative documents and relevant regulatory departments implement new requirements and policies on the issuance and listing of the Company, the Board is authorised 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 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;

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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;
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 authorisation is 12 months upon consideration and approval of the resolution at the AGM, Domestic Shares Class Meeting and H Shares Class Meeting.

**BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED**  
**FINANCIAL REPORT FOR 2019**

For the year ended 31 December 2019, the Group's total assets amounted to RMB20,459 million, representing an increase of RMB4,057 million or 24.73% as compared to the total assets of RMB16,402 million for the corresponding period of last year. The Group's net assets amounted to RMB5,097 million, representing an increase of RMB514 million or 11.22% as compared to the net assets of RMB4,583 million for the corresponding period of last year

For the year ended 31 December 2019, the Group's revenue amounted to RMB8,414 million, representing an increase of RMB1,228 million or 17.09% as compared to the revenue of RMB7,186 million for the corresponding period of last year. The Group's net profit amounted to RMB666 million, representing an increase of RMB112 million or 20.22% as compared to the net profit of RMB554 million for the corresponding period of last year.

For the year ended 31 December 2019, the Group's net cash inflows from operating activities amounted to RMB1,421 million. The Group's net cash flow used in investing activities amounted to RMB1,259 million. The Group's net cash flow used in financing activities amounted to RMB175 million.

## BALANCE SHEET

*Unit: RMB'000*

	31 December 2019	31 December 2018
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	642,892	498,519
Prepaid land lease payments	–	221,170
Right-of-use assets	476,073	–
Intangible assets	102,215	7,074
Investments in joint ventures	1,066,393	103,130
Investments in associates	75,642	98,679
Investments in equity instruments at fair value through profit or loss	134,640	–
Investments in equity instruments at fair value through other comprehensive income	17,452	8,650
Deferred tax assets	181,725	128,537
Financial receivables	2,692,290	2,897,230
Contract assets	2,159,424	1,478,469
Prepayments, deposits and other receivables	237,172	354,051
<b>Total non-current assets</b>	<b>7,785,918</b>	<b>5,795,509</b>
<b>CURRENT ASSETS</b>		
Prepaid land lease payments	–	5,152
Inventories	116,223	99,947
Trade and bills receivables	4,768,740	3,254,521
Prepayments, deposits and other receivables	1,010,712	712,563
Contract assets	2,370,703	2,311,571
Financial receivables	498,737	309,235
Pledged deposits	22,879	21,214
Cash and bank balances	3,884,935	3,892,576
<b>Total current assets</b>	<b>12,672,929</b>	<b>10,606,779</b>
<b>Total assets</b>	<b>20,458,847</b>	<b>16,402,288</b>

*Unit: RMB'000*

	31 December 2019	31 December 2018
<b>CURRENT LIABILITIES</b>		
Trade payables	3,988,972	2,849,156
Other payables, advances from customers and accruals	5,734,357	3,892,892
Interest-bearing bank loans and other borrowings due within one year	576,354	508,400
Provisions for supplementary retirement benefits	3,750	3,690
Tax payables	22,884	38,646
Estimated liabilities	4,812	27,121
<b>Total current liabilities</b>	<b>10,331,129</b>	<b>7,319,905</b>
<b>NET CURRENT ASSETS</b>	<b>2,341,800</b>	<b>3,286,874</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>10,127,718</b>	<b>9,082,383</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred income tax liabilities	12,294	4,038
Interest-bearing bank loans	4,578,869	4,098,225
Provisions for supplementary retirement benefits	67,055	65,836
Other payables and accruals	320,746	292,131
Estimated liabilities	51,869	39,048
<b>Total non-current liabilities</b>	<b>5,030,833</b>	<b>4,499,278</b>
<b>Net assets</b>	<b>5,096,885</b>	<b>4,583,105</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	1,348,670	1,348,670
Reserves	3,483,614	2,969,181
Non-controlling interests	264,601	265,254
<b>Total equity</b>	<b>5,096,885</b>	<b>4,583,105</b>

## INCOME STATEMENT

*Unit: RMB'000*

	<b>For the year 2019</b>	<b>For the year 2018</b>
<b>Revenue</b>	8,414,039	7,186,146
Cost of sales	(6,734,842)	(5,762,345)
<b>Gross profit</b>	1,679,197	1,423,801
Other income and gains	382,919	348,188
Selling and distribution expenses	(73,149)	(90,395)
Administrative expenses	(827,541)	(710,714)
Impairment losses on financial and contract assets, net	(175,636)	(85,123)
Other expenses	(1,744)	(103)
Finance costs	(232,058)	(189,931)
Share of profits and losses of:		
Joint ventures	14,700	(13,594)
Associates	3,232	4,803
<b>PROFIT BEFORE TAX</b>	769,920	686,932
Income tax expense	(104,344)	(133,126)
<b>PROFIT FOR THE YEAR</b>	665,576	553,806
Profit attributable to:		
Owners of the parent	658,085	562,382
Non-controlling interests	7,491	(8,576)
<b>Other comprehensive income</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of foreign statements	(147)	(222)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Changes in fair value of investments in equity instruments at fair value through other comprehensive income	5,738	—
Re-measurement loss on defined benefit plans, net of tax	(620)	(7,190)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	5,118	(7,190)
<b>Other comprehensive income for the year, net of tax</b>	4,971	(7,412)
<b>Total comprehensive income for the year</b>	670,547	546,394
Total comprehensive income attributable to:		
Owners of the parent	663,056	554,970
Non-controlling interests	7,491	(8,576)

## CONSOLIDATED STATEMENT OF CASH FLOWS

*Unit: RMB'000*

	For the year 2019	For the year 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	769,920	686,932
Adjustments for:		
Finance costs	232,058	189,931
Foreign exchange gains or losses	(7,773)	(9,671)
Interest income	(343,134)	(327,798)
Share of profits of associates and joint ventures	(17,932)	8,791
Gains on disposal of financial assets at fair value through profit or loss	(2,198)	(4,933)
Depreciation of right-of-use assets	97,127	–
Depreciation of items of property, plant and equipment	74,394	82,292
Amortisation of intangible assets	2,715	2,906
Amortisation of prepaid land lease payments	–	5,151
Impairment of trade and bills receivables, net	126,053	106,305
(Reversal of impairment)/impairment of financial receivables, net	(18)	570
Impairment of other receivables, net	6,103	1,459
Impairment/(reversal of impairment) of contract assets, net	43,498	(23,211)
(Reversal of provision)/provision for foreseeable losses on contracts, net	(3,492)	13,225
Loss on disposal of items of property, plant and equipment, net	2	103
	<u>977,323</u>	<u>732,052</u>
Increase in inventories	(16,276)	(20,331)
Increase contract assets	(783,585)	(3,779,145)
Changes in amounts due from/to contract customers	–	410,318
Increase in trade and bills receivables	(1,640,272)	(950,704)
(Increase)/decrease in prepayments, deposits and other assets	(3,213)	472,625
Decrease in financial receivables	171,283	640,947
Increase in trade and bills payables	955,577	167,830
Increase in other payables and accruals	1,898,346	1,645,185
(Decrease)/increase in provision	(5,996)	44,319
Increase in provisions for supplementary retirement benefits	<u>599</u>	<u>156</u>

*Unit: RMB'000*

	<b>For the year 2019</b>	<b>For the year 2018</b>
<b>Cash flows from/(used in) operations</b>	<u>1,553,786</u>	<u>(636,748)</u>
Interest received	33,736	95,578
Income tax paid	<u>(166,952)</u>	<u>(169,444)</u>
<b>Net cash flows from/(used in) operating activities</b>	<u><u>1,420,570</u></u>	<u><u>(710,614)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(168,052)	(119,154)
Purchases of intangible assets	(103,904)	(3,795)
Purchases of financial assets at fair value through profit or loss	(249,640)	(445,000)
Addition of investments in associates and joint ventures	(953,214)	(78,280)
Addition of equity investments designated at fair value through other comprehensive income	(1,151)	–
Proceeds from disposal of items of property, plant and equipment	1,126	921
Proceeds from disposal of financial assets at fair value through profit or loss	117,198	461,186
Dividends received from associates and joint ventures	1,109	637
Withdrawal of borrowings to a joint venture and an associate	99,907	409,954
Acquisition of subsidiaries, net of cash acquired	–	1,297
Increase in non-pledged time deposits with original maturity of more than three months	(1,000)	–
Increase in pledged deposits	<u>(1,666)</u>	<u>(37)</u>
<b>Net cash flows (used in)/from investing activities</b>	<u><u>(1,259,287)</u></u>	<u><u>227,729</u></u>

*Unit: RMB'000*

	<b>For the year 2019</b>	<b>For the year 2018</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(233,157)	(186,206)
Dividends paid to shareholders	(145,719)	(134,058)
Dividends paid to non-controlling shareholders	(9,445)	(9,804)
Principal portion of lease payments	(91,884)	–
Capital contribution from non-controlling interests	–	15,000
New bank and other borrowings	673,958	1,459,193
Repayment of bank and other borrowings	<u>(368,400)</u>	<u>(160,000)</u>
<b>Net cash flows (used in)/from financing activities</b>	<u><u>(174,647)</u></u>	<u><u>984,125</u></u>
Net (decrease)/increase in cash and cash equivalents	(13,364)	501,240
Cash and cash equivalents at beginning of year	3,892,376	3,381,687
Effect of exchange rate changes on cash and cash equivalents	<u>4,723</u>	<u>9,449</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>3,883,735</u></u>	<u><u>3,892,376</u></u>

## REPORT ON 2020 INVESTMENT PLAN

## I. GENERAL DESCRIPTION OF 2020 INVESTMENT PLAN

In 2020, affected by the novel coronavirus epidemic, construction enterprises are faced with a common situation where project durations are interrupted, where project costs are increased, and where annual investment plans are scaled down. Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as the “Company”) continue to suspend a number of investment projects under construction. The bidding time for investment projects under proposition is further postponed and pending. And the Company’s investment and financing business are hindered. In order to further cope with economic downward pressure and challenges brought about by the epidemic and to guarantee the Company’s investment income, in 2020, the Company will continue to tap deeper into the rail transit market, accelerate the innovation of business models, continuously open up new markets, strictly control risks, seize opportunities and accelerate transformation, so as to properly carry out its annual investments.

In 2020, the Company plans to complete an investment of RMB3,855 million, among which, RMB214 million is proposed to be invested in fixed assets; RMB1,041 million is proposed to be invested in equity; RMB2,600 million is proposed to be invested in construction projects such as PPP and BOT in, among others, Chongqing, Huangshan and Kunming. The details are as follows:

## List of investment plans in 2020

*Unit: RMB100 million*

No.	Details on investment completion	Proposed investment amount in 2020	Percentage of the total investment structure
1	Fixed assets	2.14	5.55%
2	Investment in equity	10.41	27.00%
3	Investment in financial related area	Nil	Nil
4	Project investment	26.00	67.45%
<b>Total</b>		<b>38.55</b>	<b>100%</b>

**(I) Investment in Fixed Assets (proposed investment in 2020: RMB214 million)**

RMB214 million is proposed to be invested in fixed assets in 2020. The details are as follows:

**List of fixed assets investment plans in 2020**

*Unit: RMB100 million*

No.	Project name	Proposed investment amount in 2020	Remarks
1	Reconstruction of office building	1.56	
2	Purchase of houses	0.26	
3	Purchase of transportation equipment	0.02	
4	Purchase of office equipment	0.30	
<b>Total</b>		<u>2.14</u>	

**(II) Investment in Equity (proposed investment in 2020: RMB1,041 million)**

The total investment of the equity investment plan of the Company is proposed to be RMB1,041 million in 2020, among which, RMB1,041 million is proposed to be invested in 3 equity investment projects at hand, and there are no equity investment projects under proposition. The details are as follows:

**List of equity investment plans in 2020 (new)**

*Unit: RMB100 million*

No.	Name of equity investment project	Proposed investment amount in 2020	Remarks
1	Project of Huangshan Urban Tourism Railway T1 Line (黃山市市域旅遊鐵路T1線項目) (at hand)	2.28	Total investment in the Project of Huangshan Urban Tourism Railway T1 Line which is implemented under ABO (Authorise-Build-Operate) model amounts to approximately RMB12 billion. The entity in charge of implementation is Huangshan City Urban Travel Railway Investment Development Co., Ltd. (黃山市市域旅遊鐵路投資發展有限公司) authorised by Huangshan Municipal Government, of which Beijing Urban Construction Design holds 24% equity through a capital contribution of RMB240 million. Total capital contribution in 2019 is RMB12 million. A further capital contribution of RMB228 million is proposed to be made in 2020.

*Unit: RMB100 million*

No.	Name of equity investment project	Proposed investment amount in 2020	Remarks
2	PPP Project of Shaoxing Rail Transit Line 1 (紹興軌道交通1號線PPP項目) (at hand)	1.36	Total investment in PPP Project of Shaoxing Rail Transit Line 1 is RMB19,778 million, and project capital accounts for 40% of the total investment, being RMB7,881 million. Beijing Urban Infrastructure Construction Investment Management Co., Ltd. (北京城建基礎設施投資管理有限公司), a wholly-owned subsidiary of Design & Development Group, holds 7.65% equity in the project company through a capital contribution of RMB603 million. Total capital contribution in 2019 is RMB135 million. A capital contribution of RMB136 million is proposed to be made in 2020.
3	PPP Project of Kunming Rail Transit Line 4 Part B (昆明市軌道交通4號線B部分PPP項目) (at hand)	6.77	Total investment within the scope of PPP Project of Kunming Rail Transit Line 4 is estimated to be RMB6,326 million. Project capital accounts for 40%, i.e., RMB2,530 million. Design & Development Group holds 78.28% equity through a capital contribution of RMB1,981 million. As of 2019, a total capital contribution of RMB1,018 million was made by Design & Development Group. A capital contribution of RMB677 million is proposed to be made in 2020.
<b>Subtotal</b>		<u>10.41</u>	

**(III) Investment in Financial Related Area**

The Company does not propose for investment in financial related area in 2020.

**(IV) Project Investment (proposed investment in 2020: RMB2,600 million)**

In 2020, the Company will continue to take a market-oriented approach, seek for growth driven by capital, effectively utilize its advantages in rail transit market, adjust business directions and specific operation models in due time in light of industry policies, and fully exploit, explore and demonstrate new business models, such as ABO and PPP+. In addition, the Company will penetrate capital market, innovate financing models, promote sound capital operation of the Company, and achieve improvement in both scale and quality. In 2020, the Company proposes to invest RMB2,600 million in projects, among which, RMB1,100 million is proposed to be invested in 1 project at hand, and RMB1,500 million is proposed to be invested in 3 projects under proposition. The details are as follows:

**List of proposed project investment in 2020**

*Unit: RMB100 million*

No.	Project category	Investment projects	Proposed investment amount in 2020	Remarks
1	Project at hand	PPP Project of Infrastructure Construction of Donghuangshan International Town (continuing construction) (東黃山國際小鎮基礎設施PPP項目(續建))	11	
Subtotal			11	

Unit: RMB100 million

No.	Project category	Investment projects	Proposed investment amount in 2020	Remarks
2	Project under proposition	PPP Project in Chongqing (重慶市PPP項目)	10	
3		PPP Project in Qingdao (青島PPP項目)	3	
4		Project of Shangrao Rail Transit (上饒市軌道交通工程)	2	
Subtotal			15	
Total			26	

## II. INVESTMENT AND FINANCING MANAGEMENT STRATEGY

- Focusing on the main business, innovating new models, making key breakthroughs and planning for new development.** Focusing on the main business of rail transit, the Company will seek for breakthroughs in the construction of urban railway investment and financing, actively explore a variety of new models such as ABO, PPP + TOD, PPP + RC and composite PPP, and innovate project operation, with a view to plan for new business development of the Company.
- Deepening researches on financing tools and optimizing project financing plans.** The Company will continue to deepen the researches on various financing tools such as special government bonds, perpetual bonds, asset-backed securitisation (ABS), real estate investment trusts (REITs) and USD bonds, explore feasible financing methods from multiple perspectives, channels and levels, and promote the optimization of project financing scheme while meeting project capital requirements.
- Utilizing information technologies to strengthen the management and control of investment projects.** The Company will actively introduce information technologies, develop and utilize the whole life cycle management cloud platform of PPP projects, and conduct real-time monitoring and on-going tracking of the project operation process, so as to strengthen the Company's management and control of investment projects.

### III. IMPROVEMENT OF INVESTMENT AND FINANCING MANAGEMENT SYSTEM

In 2019, investment process and management system of the Company were properly executed as a whole. In order to further optimize the investment management system of the Company, the following tasks are proposed to be implemented in 2020:

1. **Strengthening the implementation of investment management.** The Company will comprehensively implement the relevant requirements of investment and financing management system, implement the specific work of investment management, promote the efficiency in carrying out all sorts of works, and ensure scientific, reasonable and feasible investment decision-making.
2. **Improving the fund management system for investment projects.** The Company will regulate the life cycle fund management of PPP projects from investment and financing to construction and operation, and ensure that the project funds are utilized for specified purposes safely and efficiently.
3. **Accelerating the improvement of project investment and construction management system.** The Company will improve the investment and construction management system, carry out project operation as a whole and optimize project management chain. It will also strengthen cost control, improve construction efficiency and ensure project quality, so as to maximize project investment income.
4. **Establishing cooperation mechanism for business segments.** The Company will establish and improve the cooperation mechanism for all business segments and set up the cooperation mode of all parties to promote the cooperation among all business segments of the Company, facilitate the virtuous development cycle of “industry promotes finance and finance promotes industry”, and in turn maximize the investment income of the Company.

**BEIJING URBAN CONSTRUCTION DESIGN &  
DEVELOPMENT GROUP CO., LIMITED  
REPORT OF THE BOARD OF DIRECTORS FOR 2019**

2019 marks the 70th anniversary of the founding of the People's Republic of China. Under the correct leadership of the Group, Urban Construction Design concentrated on the main task of development and adhered to the concept of hard-working to overcome resistance and gather impetus. As the effect of design-driven and industrial coordination started to show and development potential was continuously released, the Company strove to promote its sustainable and high-quality development.

In the face of a complex external environment and increasing economic downward pressure, the Board of the Company insisted on being responsible for the investors, faithfully safeguarding owners' rights and interests, complying with laws and regulations, seeking truth and being pragmatic. All Directors worked hard and diligently to perform their duties. As a result, the level of corporate governance was further improved. The work completed by the Board of the Company in 2019 was reported as follows:

**I. Construction and Operation of the Board**

**(I) Organizational Construction**

**1. *Composition of the Board:***

- (1) The Board is composed of 15 Directors, including 10 Directors appointed by shareholders and 5 independent Directors.

**2. *Composition of special committees of the Board:***

The Board has set up four special committees, including: Nomination Committee, Audit Committee, Remuneration Committee and Overseas Risk Control Committee.

**3. *Changes in the composition of Board members are as follows:***

On 19 July 2019, Yim Fung tendered to the Company his resignation from his position as an independent non-executive Director and a member of the Remuneration Committee of the Board due to change in work arrangement, with effect from the date when the appointment of a new independent non-executive Director was approved at the Company's general meeting.

On 5 December 2019, Shi Yubin tendered to the Company his resignation from his position as a non-executive Director, chairman, chairman of the Nomination Committee and chairman of the Overseas Risk Control Committee of the Board due to change in work arrangement, with effect from the date when the appointment of a new non-executive Director was approved at the Company's general meeting.

At the 2019 second extraordinary general meeting held on 30 December 2019, Pei Hongwei and Ma Xufei were appointed as non-executive Director and independent non-executive Director respectively, and the resignation of Shi Yubin and Yim Fung took effect. At the Board meeting held on 30 December 2019, the Board elected Pei Hongwei as the chairman of the second session of the Board, chairman of the Nomination Committee and chairman of the Overseas Risk Control Committee, and Ma Xufei as a member of the Remuneration Committee.

## **(II) System Construction**

The Company strictly complies with various applicable regulatory laws, regulations and the Articles of Association to standardize its operation. During the reporting period, under the guidance of the regulatory documents such as the Articles of Association, the Rules of Procedure of the Shareholders' General Meeting, the Rules of Procedure for the Board, the Rules of Procedure for the Board of Supervisors, the Terms of Reference of the Audit Committee under the Board, the Terms of Reference of the Remuneration Committee under the Board, the Terms of Reference of the Nomination Committee under the Board, the Terms of Reference of the Overseas Risk Control Committee, the Administrative Measures on Information Disclosure, and the Administrative Measures on Connected Transactions, the Company continuously strengthened its internal control capability and supervision capability and enhanced its corporate governance standard through the coordination of general meetings, the Board and the specialized committees under the Board, the Board of Supervisors and the management.

Whereas, in accordance with the Listing Rules of the Hong Kong Stock Exchange, the Company Law, the Guidelines for the Articles of Association of Listed Companies and other relevant provisions and based on the actual needs of the Company, the Company has made amendments to the Articles of Association, the Rules of Procedure of the Shareholders' General Meeting and the Rules of Procedure for the Board accordingly as approved by the Board and the general meeting of the Company.

## **(III) Operation of the Board**

The Board held a total of 9 meetings in 2019, one of which was held by non-executive Directors. 51 proposals were finalized as resolutions after consideration and discussion. The special committees held a total of 6 meetings in 2019, 1 by the Nomination Committee, 3 by the Audit Committee, 1 by the Remuneration Committee and 1 by the Overseas Risk Control Committee. The special committees play an effective role in conducting basic research and providing professional advice, and all work has been carried out in a normal and standardized manner.

The Board of the Company attaches great importance to the opinions and suggestions from external Directors. While ensuring the operation of the Board and the special committees by holding relevant meetings, in order to make members of the Board fully understand the production and operation status of the Company and its subsidiaries, the Board organizes

external Directors' to carry out researches and comprehensively understand the key concerns of the Company by learning about the status of first-line production, which provides stronger references for Directors to make decisions. Over the past year, all Directors worked faithfully and diligently, attended Board meetings and meetings of special committees for which they serve on time, and actively participated in scientific and standardized corporate governance.

## **II. Corporate Reform and Development**

### **(I) Business Results in 2019**

For the year ended 31 December 2019, the Group recorded a revenue of RMB8,414 million and a gross profit of RMB1,679 million.

### **(II) Transformation, Upgrading and Innovation-Driven Development**

The Company's rail transit design continued to rank No.1 within the industry. The Company signed the contracts for 7 general contracting projects throughout the year, including north extension of Hangzhou Line 3, Branch Line for Beijing Winter Olympics, south extension of Shenzhen Line 16, phase one of Chengdu Line 27, Tram Project in Bishan District, Chongqing, ranking the first in the industry with a leading market share. Projects such as the reconstruction of Chongqing Line 2 and Beijing Line 13 opened up new markets for the expansion and reconstruction of existing lines; strong efforts has been made in the general contracting of underground space survey and design and the comprehensive design of TOD to drive the coordinated marketing of the design segment. Secured the general contracting of underground space survey and design of Changchun "Milky Way 1 Mile" and projects like Shaoxing North Station, Shijiazhuang CBD underground space and Jinan Railway Station. Consecutively obtained more than 50 various preliminary projects, laying a solid foundation for subsequent design projects. The scale of the survey business continuously enlarged. The marketing amount reached RMB1.4 billion, and the revenue from operations exceeded RMB1 billion. The market share continued to hold the number one position in the rail transit market, while the amount of newly signed contracts in markets outside Beijing has outpaced that in Beijing, and the performance of geotechnical business doubled in three years. Zero breakthrough was achieved in Tibet market. A large number of business orders on serving the Xiong'an New District, Daxing International Airport Economic Zone, Beijing Winter Olympics and other key national projects were obtained. We marched on the international market with our city-building brands, and obtained orders on survey business in Cambodia, Bangladesh and Ethiopia. The marketing performance of project "convergence of military and civil sectors" reached RMB20 million, and intelligent project has been well developed. The design of municipal and civil facilities went well. Car depot and parking lot were powered and we obtained Beijing Ciqu, Dongba, Resort Village, Wangcheng and other projects. The integrated project of Hefei to Anqing high-speed railway helped made a breakthrough in conversion of subway into high-speed railway. Urbanization project in Gao'an was further promoted, with an aggregate amount of exceeding RMB100 million. The amount of contracts on municipal design amounted to RMB150 million. The water environment treatment market maintained strong growth, and we obtained orders for water environment treatment in Xiong'an New District,

Beijing Longtan Lake, Huairou, Guangdong Zhongshan, etc. The EPC project of Zhenghe White Tea County was led by designers, which created a new way for operation. The impact within the industry has been continuously enhanced because design plans were shortlisted for China International Exhibition Center. Our innovative design covers four major fields: urban and rural planning, architectural interior design, new cultural and creative arts and operation consulting. We won the bid for the overall land plan of Hebei Shahe, which pioneered the land and space planning business. We focused on the urban renewal market, the reconstruction of headquarter of Beijing Publication and Distribution Group and laid a solid foundation for capturing the follow-up market. International design business model has been upgraded. Signed contracts about the integrated development of Miklin station of Moscow Subway. Combined the current conditions of international design business with goals for future development, we reorganized and established International Engineering Design Institute to further expand business in the international market, enhance our implementation ability and settle a new layout for the development of international design business.

General project contracting business is progressing steadily. The Company contracted 8 projects and won the contract segment 03 of Beijing Metro Line 11 for Winter Olympics project, which opened up a new market in terms of the operation and maintenance. The Company obtained maintenance project for Tramcar Line T2 in Wuhan Optics Valley, which pushed the general contracting business into a stable new stage.

The investment and financing business were promoted with high quality. The Tourism Railway project in the Huangshan Municipal Administrative Area was officially signed, and the ABO model was adopted, with a total investment amount of RMB12 billion. The coordinated development of the entire rail transit industry chain reached a new height. The implementation of the Shaoxing Line 1 PPP project marked the successful export of Beijing Model, Beijing Construction, Beijing Equipment and Beijing Operations. The industrialized business has been upgraded energetically. Rome was not built in one day. After five years of exploration, we formulated four major product systems: smart control system, rail system, rail product and smart utility tunnel. The amount of newly signed contract exceeded RMB500 million, covering 16 cities across the country. We successfully signed the Taiyuan Line 2 leveraging our “Jinlongyun” system, with the market share ranking first in the national market segment. The track series products entered the overseas market and obtained orders from the Bolivian market. The tramcar center was established and new orders for Foshan tram were obtained. A new phase of operation management started. Mechanical and electrical equipment installation project, vehicle procurement, personnel recruitment and training meet the requirement of the overall schedule, and the first train of Kunming Line 4 arrived in Kunming as scheduled, setting a record for the fastest Kunming subway. The detailed implementation of resource development, advertising planning, and cultural and creative plans laid the foundation for operations in 2020. Two PPP projects including Outer Ring North Road of Anqing City and Dianzhong Airport Avenue obtained the accumulated available service fees and operation and maintenance performance service fees while Zunyi Fengxin Express Line PPP project completed and marched into operation and maintenance period, actively driving the collection of receivables.

During the reporting period, the Company has made significant achievements in scientific research and innovation. Line 7 in Shenzhen won Zhantianyou Award in terms of designing; the key technology of rail transit automatic operation system and the research and application of shield construction control technology won the Beijing Science and Technology Progress Award; 40 scientific and technological innovation projects have been approved, 7 topics including the integration of urban rail transit network planning and master planning, and light rail transit design standards. We have obtained 35 patents and 42 software copyrights. The Company played a leading role and participated in formulating 16 standards. The Company also won 82 awards for excellence in survey and design. In addition, there are 5 projects awarded for construction quality, 11 projects awarded for quality management, and 2 projects aiming to promote the newly developed technology.

In accordance with its own “13th Five-Year Plan” strategic development plan, the Company will speed up the coordinated development of full rail transit industry chain, and focus on its objective of “Becoming a Ten Billion Enterprise” (“百億企業”), grasping the year of opportunities brought by the national efforts to deepen the supply side reform and accelerate infrastructure development, and adhering to the corporate vision of “becoming an integrated service provider of urban construction directed by design”. The Company will also keep on expanding design and consultancy, and strengthen construction general contracting, so as to achieve a leapfrog development.

### III. Working Ideas and Plans in 2020

2020 marks the end of China’s 13th Five-Year Plan. While striving to overcome the adverse impact of the novel coronavirus pneumonia epidemic and adhering to the main task of high-quality development, we will further expand our design and consultancy businesses, strengthen our construction contracting capability, and proactively explore new businesses to push the leapfrog development of Design & Development Group to a new level. The Board of the Company will maintain a high sense of responsibility and mission, deeply analyze difficulties and problems, and continuously strengthen and improve its work to promote the sustainable and healthy development of the Company. In 2020, the Board will further broaden its thinking, focus on transformation, upgrading and high-quality development, and expand new models of corporate development. In the future, improvements will be made in the following aspects:

- (I) We will vigorously push forward with the A-share IPO to create A + H dual financing channel. Taking this opportunity, we will comprehensively improve the level of market expansion, production and operation, and internal control management, and create a new pattern of high-quality development for the Company.

- (II) We will strengthen the guidance, enhance the coordination and develop the six major sectors with high quality. Design and consulting business will be expanded to solidify the foundation for development. Engineering general contracting will be strengthened to enhance scale support. Industrial chain coordination will be strengthened to promote enterprise upgrading.
  
- (III) We will conduct in-depth investigations into major subsidiaries to gain further understanding of the operation of their board as well as their operation, further improve the construction of the board of subsidiaries and provide guidance, so as to fully standardize the management of subsidiaries from system level.
  
- (IV) We will further improve our corporate governance structure. In the face of changes in industry policies and market environment, each special committee will play its role to fully reflect the decision-making function and strategic role of the Board in corporate governance.

**BEIJING URBAN CONSTRUCTION DESIGN &  
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REPORT OF THE BOARD OF SUPERVISORS FOR 2019**

During the year of 2019, all members of the Board of Supervisors were in strict compliance 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, strictly abided by the principle of good faith and performed their supervisory duties diligently through supervision over meetings and with focus on supervision over financial matters, internal control and compliance, thereby promoting the efficient operation of the Company's corporate governance and proactively protecting the interests of the shareholders, the Company and its employees.

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

During the Year, the Board of Supervisors convened three meetings in total, at which the proposals were considered and approved, including the Proposal on Review of the 2018 Report of the Board of Supervisors in March 2019, the Proposal for Change of Supervisor of the Company in July 2019 and the Proposal on the Election of the Chairman of the Second Session of the Board of Supervisors of the Company in December 2019, respectively.

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

The Supervisors attended the meetings of the Board and the general meetings of the Company held in 2019 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, supervised and reviewed the operation compliance, the major operating activities, the corporate governance structure and 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 constantly focused on financial matters, internal control and compliance, supervised and urged the Company to run its business according to laws and regulations, standardized and optimized corporate governance structure, attended to the changes in the Listing Rules and key issues existing in the Company's operations and management within its scope of responsibility, maintained the direction of the Company of sustainable and healthy development and gave advice and reasonable suggestions to the management with respect of compliance adjustment, risk prevention, as well as operation and management, etc. The employee representative Supervisors fully expressed employees' requests in the supervision process, and earnestly protected employees' legal rights and interests.

**III. CHANGE OF MEMBER OF THE BOARD OF SUPERVISORS**

Due to change in work arrangement, Ms. Zhao Hong, a Supervisor of the Company, has tendered to the Company her resignation from her position as a Supervisor of the Company on 19 July 2019, with immediate effect.

On 31 July 2019, the Board of Supervisors of the Company proposed to appoint Mr. Liang Wangnan as a Supervisor to fill the vacancy caused by Ms. Zhao Hong's resignation.

Due to retirement, Mr. Yuan Guoyue, a Supervisor of the Company, has tendered to the Company his resignation from his position as a Supervisor and chairman of the Board of Supervisors of the Company on 5 December 2019, with effect from the date when the newly appointed Supervisor was approved by the general meeting of the Company. At the 2019 second extraordinary general meeting held on 30 December 2019, Mr. Hu Shengjie and Mr. Liang Wangnan were appointed as Supervisors, respectively, and the resignation of Mr. Yuan Guoyue, a former Supervisor, took effect. At the Board of Supervisors meeting held on 30 December 2019, Mr. Hu Shengjie was elected as the chairman of the second session of the Board of Supervisors. For details, please refer to the announcement of the Company published on 30 December 2019.

**IV. INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS**

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

The Company's corporate governance and business were conducted in compliance with laws and regulations. The Directors and senior management of the Company had loyally performed their duties set forth in the Articles of Association, strictly abided by the principles of diligence and good faith, and thoroughly and effectively implemented all resolutions of the general meetings and 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 2019 and the audited annual financial statements for 2019 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 prioritised. The financial accounts were prepared regularly with clear records and complete information.

The Board of Supervisors remains optimistic towards the prospects of the Company. In 2020, the Board of Supervisors will continue with supervision and recommendations in accordance with the relevant provisions of the Company Law of the PRC and the Articles of Association and based on its work plan for the year, constantly facilitate lawful and compliant operation of the Company, improve the internal control system, target sound and rapid development of the Company, continuously improve its performance ability by the means of strengthening its supervision and innovating the thinking of work, diligently perform all its duties and earnestly safeguard the interests of shareholders, the Company and employees.

**Hu Shengjie**

*Chairman of the Board of Supervisors*

Beijing, 25 March 2020