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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)

CONNECTED TRANSACTION: PURCHASE AGREEMENT

The Board is pleased to announce that on 28 August 2020, the Company entered into the Purchase Agreement with BII-ERG, pursuant to which BII-ERG, as the subcontractor, shall provide the Company with the goods and services for the automatic fare collection system under the weak current system integration project of Kunming Rail Transit Line 4 and the Company shall pay a total consideration of RMB49,754,842.10 to BII-ERG for such goods and services.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the domestic shares and H shares of the Company held by Beijing Investment Company in aggregate accounted for 11.57% of the total issued Shares of the Company. Beijing Investment Company is one of the Substantial Shareholders of the Company and therefore constitutes a connected person under Chapter 14A of the Listing Rules. BII-ERG is an indirectly wholly-owned subsidiary of Beijing Investment Company and therefore constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The transactions between Beijing Investment Company and/or its subsidiaries and the Company constitute connected transactions under Chapter 14A of the Listing Rules. Accordingly, the aforesaid agreement and the transactions contemplated thereunder constitute connected transactions of the Company.

As the highest applicable percentage ratio of the connected transactions contemplated under the Purchase Agreement is more than 0.1% but less than 5%, the aforesaid transactions shall be subject to the reporting, announcement and annual review requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 28 August 2020, the Company entered into the Purchase Agreement with BII-ERG, the principal terms of which are summarised as follows:

1. Parties to the Agreement

Vendor: BII-ERG

Purchaser: the Company

2. Subject of the Agreement

BII-ERG shall provide the Company with the equipment and technical documents, spare parts, test instruments and special tools, software and test equipment of the automatic fare collection system under the weak current system integration project of Kunming Rail Transit Line 4, as well as the services relating to the aforesaid goods, including but not limited to, loading and unloading, transportation, warehousing, commissioning and acceptance, delivery, insurance and other technical services.

3. Execution Progress of the Agreement

The Company and BII-ERG have agreed that by the end of 2020, the delivery of contracted goods and system installation shall be completed, and the system shall be fully commissioned for trial operation.

4. Consideration and Its Payment Method

The total consideration for goods and services provided by BII-ERG to the Company shall be RMB49,754,842.10, of which the consideration for goods shall be RMB48,006,394.10 and that for services shall be RMB1,748,448.00. The Company shall pay BII-ERG in cash by installment according to the progress of the Purchase Agreement through the designated bank.

This transaction has been reached through market tendering and bidding procedures, and the agreed amount has been determined through fair tendering and bidding procedures.

5. Guarantee

BII-ERG shall provide the Company with an irrevocable letter of guarantee for unconditional payment as a performance guarantee within 30 days from the date of entering into of the Purchase Agreement. The amount of the letter of guarantee shall be 3% of the total consideration of the Purchase Agreement, which is approximately RMB1,492,645.26. The validity period of the performance guarantee shall be 45 days after the completion and acceptance specified in the Purchase Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE PURCHASE AGREEMENT

The Purchase Agreement has been entered into by the Company based on the PPP engineering equipment system requirements of Kunming Rail Transit Line 4. The Company has determined the supplier through tendering and entered into the Purchase Agreement in order to meet the requirements arising from the normal progress of such project.

The Directors of the Company (including the independent non-executive Directors) are of the view that the Purchase Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, which are in the interests of the Company and its Shareholders as a whole, and the terms of which are fair and reasonable so far as the independent Shareholders are concerned and are on normal commercial term or better.

INFORMATION ON THE PARTIES

The Company is mainly engaged in design, survey and consultancy business for urban rail transit engineering, industrial and civil construction and municipal engineering as well as project contracting business for urban rail transit engineering.

BII-ERG is a foreign-invested company with limited liability, the main business of which includes research and development of transportation system software and transportation network technology, system integration, technology transfer, technical consulting, technical services, computer technology training, sales of self-developed products, etc. BII-ERG is an indirectly wholly-owned subsidiary of Beijing Investment Company, a wholly state-owned company with limited liability under the Beijing Municipal People's Government.

IMPLICATIONS UNDER THE LISTING RULES

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As the highest applicable percentage ratio of the connected transactions contemplated under the Purchase Agreement is more than 0.1% but less than 5%, the aforesaid transactions shall be subject to the reporting, announcement and annual review requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Guan Jifa, a Director, serves the deputy general manager of Beijing Investment Company and Mr. Ren Yuhang, a Director, serves as the secretary of the board of directors (ranked as assistant to general manager) and general manager of the investment development headquarters of Beijing Investment Company, they are deemed to be materially interested in the Purchase Agreement, and therefore, they have abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has material interests in the aforesaid agreement and thus is required to abstain from voting on the relevant resolution at the Board meeting.

DEFINITIONS

“Beijing Investment Company”	Beijing Infrastructure Investment Co., Ltd., a wholly state-owned company with limited liability under the Beijing Municipal People’s Government and a Substantial Shareholder of the Company
“BII-ERG”	Beijing BII-ERG Transportation Technology Co., Ltd. (北京京投億雅捷交通科技有限公司)
“Board”	the board of directors of the Company
“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)
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan

“Purchase Agreement”	the Agreement Regarding Purchase of Automatic Fare Collection System for the Weak Current System Integration Project of Kunming Rail Transit Line 4 (《昆明市軌道交通4號線工程弱電系統集成項目自動售檢票系統採購協議》) entered into between the Company and BII-ERG on 28 August 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the Shares of the Company
“Share(s)”	H share(s) and domestic share(s) of the Company
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules

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

Beijing, 28 August 2020

As at the date of this announcement, the executive directors of the Company are Wang Hanjun and Li Guoqing; the non-executive directors of the Company are 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.