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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)**

**ANNOUNCEMENT**  
**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to the Independent Board  
Committee and the Independent Shareholders**



References are made to the announcement and circular of the Company dated 16 December 2022 and 13 February 2023, respectively, in relation to, among others, the conclusion of the Existing Integrated Services Framework Agreement and the Existing Property and Land Leasing Framework Agreement between the Company and BUCG.

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

As the Existing Integrated Services Framework Agreement and the Existing Property and Land Leasing Framework Agreement as well as the annual caps for the continuing connected transactions thereunder are due to expire on 31 December 2025, the Company has, on 24 October 2025, renewed the Integrated Services Framework Agreement and the Property and Land Leasing Framework Agreement with BUCG for a further term of three years commencing from 1 January 2026 and ending on 31 December 2028, and set the annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028.

**HONG KONG LISTING RULES IMPLICATIONS**

BUCG directly and indirectly holds an aggregate of 42.34% interest in the Company and is the controlling shareholder of the Company, therefore constituting a connected person under Chapter 14A of the Hong Kong Listing Rules as at the date of this announcement. Accordingly, the transactions contemplated under the Integrated Services Framework Agreement and the Property and Land Leasing Framework Agreement to be renewed between the Group and BUCG constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the integrated services to be provided by the Group to BUCG, its subsidiaries and/or associates under the Integrated Services Framework Agreement is higher than 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the integrated services to be provided by BUCG, its subsidiaries and/or associates to the Group under the Integrated Services Framework Agreement is higher than 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the continuing connected transactions contemplated under the Property and Land Leasing Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements, but are exempt from Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **EXTRAORDINARY GENERAL MEETING**

The Company will convene an extraordinary general meeting for the purposes of, among other things, obtaining the Independent Shareholders' approval for the continuing connected transactions contemplated under the Integrated Services Framework Agreement and the proposed annual caps. BUCG, its subsidiaries and/or associates will abstain from voting on the resolution in this regard at the extraordinary general meeting.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028. Merdeka Corporate Finance Limited has also been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

A circular containing, among other things, (i) further details of the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with the notice of the extraordinary general meeting of the Company, will be despatched to the Shareholders in due course. As it takes time to finalize certain information to be incorporated into the circular, the Company may despatch the circular 15 business days after the publication of this announcement.

## I. INTRODUCTION

References are made to the announcement and circular of the Company dated 16 December 2022 and 13 February 2023, respectively, in relation to, among others, the conclusion of the Existing Integrated Services Framework Agreement and the Existing Property and Land Leasing Framework Agreement between the Company and BUCG.

## II. RENEWAL OF INTEGRATED SERVICES FRAMEWORK AGREEMENT

### 1. The Proposed Renewal of the Integrated Services Framework Agreement

As the Existing Integrated Services Framework Agreement as well as the annual caps for the continuing connected transactions thereunder are due to expire on 31 December 2025, the Company has, on 24 October 2025, renewed the Integrated Services Framework Agreement with BUCG for a further term of three years commencing from 1 January 2026 and ending on 31 December 2028 on the same terms and conditions, the principal terms of which are summarised as follows:

<b>Parties</b>	The Company  BUCG
<b>Term of the Agreement</b>	For a term of three years from 1 January 2026 to 31 December 2028
<b>Principal Terms and Conditions</b>	Pursuant to the Integrated Services Framework Agreement proposed to be renewed:  (a) The integrated services to be provided by BUCG, its subsidiaries and/or associates include but are not limited to engineering construction related services, including but not limited to provision of labor performing basic physical work in engineering projects, supply of raw materials used in engineering construction, construction machinery equipment leasing, training services related to the aforementioned, and other services required by the Group to carry out its business, as well as “Research and Development, Production, Sales and Integration Services Businesses of Products Related to the Rail Transit” provided by BUCG, its subsidiaries and/or associates to the Group pursuant to Supplemental Agreement III to the Non-competition Agreement.

- (b) The integrated services to be provided by the Group to BUCG, its subsidiaries and/or associates include but are not limited to: (i) services relating to construction survey, design and consultancy, including but not limited to measurement, test, inspection of construction drawings, as well as training services and other services required by BUCG, its subsidiaries and/or associates to carry out their businesses; and (ii) project sub-contracting and/or specialised services, including but not limited to project management and equipment leasing services, etc., pursuant to Situations (2) and (3) of the Supplemental Agreement II to the Non-competition Agreement. Pursuant to Article 3.9 of the Supplemental Agreement III to the Non-competition Agreement, when the Company is engaged in rail transit related businesses, if the inseparable part of the businesses involves “Research and Development, Production, Sales and Integration Services Businesses of Products Related to the Rail Transit”, subject to not violating the relevant requirements of the construction unit and relevant laws and regulations such as bidding, the Company or its subsidiaries will give priority to subcontracting these businesses to Beijing Urban Construction Intelligent Control Co., Ltd. (北京城建智控科技股份有限公司), a company owned by BUCG under the same conditions.
- (c) The parties agree that the transaction shall be consummated in line with the applicable general market practice (if any) and on normal commercial terms.
- (d) The parties are entitled to choose the counterparty of the transaction, i.e. to provide services to, or obtain services from, any third parties (other than in the circumstances specified in paragraph (e) below). Meanwhile, BUCG, its subsidiaries and/or associates shall provide services to the Group on terms and conditions no less favourable than those offered to independent third parties under similar circumstances and shall not request the Group to provide services on terms and conditions more favourable than those offered to the independent third parties by the Group.

- (e) Notwithstanding any other provisions of the agreement, in respect of the awarded projects cooperated with and/or bid by BUCG under the Situations (2) and (3) as set out in the Supplemental Agreement II to the Non-competition Agreement, BUCG shall, in accordance with the terms of the bidding documents and in compliance with the relevant laws and regulations, sub-contract part or parts of the awarded projects bid by BUCG for the Company to the Group and/or enter into such other ways of cooperation, including but not limited to project management services and/or equipment leasing services, etc., as permitted by the project owner on a no profit basis to BUCG.

### **Pricing Policy**

Pursuant to the Integrated Services Framework Agreement proposed to be renewed, the prices of the integrated services (including but not limited to engineering construction related services) to be provided by BUCG, its subsidiaries and/or associates to the Group shall be determined with reference to government guidance prices and market factors, but shall not be less favourable than the terms and prices provided by independent third parties to the Group in respect of the same or similar services in any event:

- (a) The government guidance prices represent the pricing range or level for certain categories of services as stipulated by the central government, provincial governments, local governments, industrial associations or other competent authorities, and the prices shall be determined by the parties through negotiation with reference to such pricing range or level. The Company will continue to keep itself updated with the latest developments of government guidance prices. If there is any document issued by the government to regulate the services in which the Company is involved and set out specific price range or level, the prices will be determined within the range of government guidance prices stipulated in such document.

- (b) In addition to government guidance prices, the Company will refer to market prices based on specific project differences such as project scale, technical difficulty, construction period, and labour costs. (“Market Price” refers to the prices collected by the Company through public channels such as the China government procurement services information platform of China government procurement website (<http://www.ccgp.gov.cn>), the China Tender and Procurement website ([www.zbytb.com](http://www.zbytb.com)), and the China Procurement and Tender website (<http://www.chinabidding.com.cn/>) for (1) the prevailing bid price of an independent third party that provides similar services under normal commercial terms in the ordinary and usual course of business at or near the area where such services are provided, with reference to the prices offered by at least two independent third parties for the same or similar services under the same conditions; or (2) if (1) is not applicable, the then prevailing bid price of an independent third party providing similar services under normal commercial terms in the ordinary and usual course of business in the PRC, with reference to the prices offered by at least two independent third parties for the same or similar services under the same conditions.)

Pursuant to the Integrated Services Framework Agreement proposed to be renewed, the price of integrated services (including but not limited to construction survey, design and consultancy related services) to be provided by the Group to BUCG, its subsidiaries and/or associates shall be the prices determined through a tender process or the agreed prices:

- (a) If the Company intends to bid for a particular project, the marketing department will firstly assess the cost and price of the project and then develop a plan, which will be submitted to the relevant responsible department heads for approval. If such approval is granted, the Company will prepare the bid document required by the project owner. According to the relevant PRC rules and regulations in relation to the bidding procedures for the specific services, the project owner shall engage professionals to evaluate the bidders and the corresponding bid documents. Finally, the project owner shall determine the successful bidder taking into account certain factors (including but not limited to the qualifications of the bidders and the terms and total quotation offered by the bidders) and with reference to the professional opinions.

- (b) The “agreed price” shall be calculated based on “reasonable cost + reasonable profit” and determined with reference to the “market price”, provided that in no event shall it be more favourable than the conditions and prices offered to independent third parties for the same or similar services.

“Reasonable costs” means costs (including sales tax and surcharge) agreed by both parties through negotiation and permitted by the national financial accounting system; “Reasonable profits” means profits calculated based on market practices and reasonable costs. (The Company will estimate the costs and prices of projects with reference to the calculation methods set out in the relevant charging guidelines issued by the government or industrial associations. For project consultancy services, the Company will make reference to the Guidelines on Charging for Preliminary Consulting Services for Urban Rail Transit (《城市軌道交通前期諮詢工作收費指導意見》) issued by China Association of Metros (中國城市軌道交通協會). For project contracting related services, the Company will make reference to the Information on Project Costs (《工程造價信息》) regularly issued by local commission of housing and urban-rural development, which sets out recommended prices of construction materials of specific categories.)

To ensure that the price is fair and reasonable, and in no event more favourable than the terms and prices offered to independent third parties for the same or similar services, the Company will refer to market prices based on specific project differences such as project scale, technical difficulty, construction period, and labour costs. (“Market Price” refers to the prices collected by the Company through public channels such as the China government procurement services information platform of China government procurement website (<http://www.ccgp.gov.cn>), the China Tender and Procurement website ([www.zbytb.com](http://www.zbytb.com)), and the China Procurement and Tender website (<http://www.chinabidding.com.cn/>) for (1) the prevailing bid price of an independent third party that provides similar services under normal commercial terms in the ordinary and usual course of business at or near the area where such services are provided, with reference to the prices offered by at least two independent third parties for the same or similar services under the same conditions; or (2) if (1) is not applicable, the then prevailing bid price of an independent third party providing similar services under normal commercial terms in the ordinary and usual course of business in the PRC, with reference to the prices offered by at least two independent third parties for the same or similar services under the same conditions.)



- (c) The price of the relevant project subcontracting arrangements and/or specialised services, if required, to be provided by the Group to BUCG, pursuant to Situations (2) and (3) set out in the Supplemental Agreement II to the Non-competition Agreement, shall be determined as follows:
  - (i) The price of the sub-contracting arrangements shall be the contractual price attributable to part or parts of the awarded contract sub-contracted to the Group on a no profit basis to BUCG under the contract awarded to BUCG in Situations (2) and (3) as set out in the Supplemental Agreement II to the Non-competition Agreement; and/or
  - (ii) The price of the specialised services shall be the contractual price of the contract awarded to BUCG or, if applicable, the contractual price attributable to the remaining part of the awarded contract, after deducting the price of the part subcontracted to third parties and the above-mentioned price of the sub-contracting arrangements (on a no profit basis to BUCG).

**Payment  
Arrangements**

The parties shall pay the service fees to each other upon completion of the relevant services in accordance with the provisions of the individual service agreement to be entered into by the parties under the Integrated Services Framework Agreement proposed to be renewed.

**Implementation  
Agreements**

During the term of the Integrated Services Framework Agreement proposed to be renewed, members of the Group and BUCG, its subsidiaries or associates will enter into, from time to time and as necessary, individual service contract for each of the specific transactions contemplated under such framework agreement (including such individual service contract entered into during the term of the Existing Integrated Services Framework Agreement which has an expiring date within the term of the Integrated Services Framework Agreement proposed to be renewed), provided that any such individual service contract shall be within the ambit of, and shall not contravene the principles or any provisions as agreed by the parties in, the Integrated Services Framework Agreement proposed to be renewed.



## 2. Proposed Annual Caps for the Three Years Ending 31 December 2028

### 2.1 Historical transaction amounts

Set out below is the historical transaction amounts in respect of the mutual provision of integrated services between the Group and BUCG, its subsidiaries and/or associates under the Integrated Services Framework Agreement for the preceding two years ended 31 December 2024 and the six months ended 30 June 2025:

	Approximate historical transaction amounts for the financial year/ six-month period ended		
	31 December 2023	31 December 2024	30 June 2025
	(RMB million)	(RMB million)	(RMB million)
Revenue generated by the Group from providing integrated services to BUCG, its subsidiaries and/or associates	288	207	78
Expenditure incurred by the Group for provision of integrated services by BUCG, its subsidiaries and/or associates	76	419	29

### 2.2 Proposed annual caps for the three years ending 31 December 2028

The Company estimates the proposed annual caps for the continuing connected transactions contemplated between the Group and BUCG, its subsidiaries and/or associates under the Integrated Services Framework Agreement proposed to be renewed for the three years ending 31 December 2028 as follows:

	Proposed annual caps for the year ending		
	31 December 2026	31 December 2027	31 December 2028
	(RMB million)	(RMB million)	(RMB million)
Revenue to be generated by the Group from providing integrated services to BUCG, its subsidiaries and/or associates	680	720	760
Expenditure to be incurred by the Group for provision of integrated services by BUCG, its subsidiaries and/or associates	590	620	660

## **2.3 Basis of determination of the proposed annual caps**

### **2.3.1 Revenue**

When estimating the annual caps for the revenue to be generated by the Group from providing integrated services to BUCG, its subsidiaries and/or associates under the Integrated Services Framework Agreement proposed to be renewed for the next three years, the Company has made reference to the historical transaction figures as listed above and considered, among other things, the following key factors:

- (a) **Design, survey and consultancy services to be provided by the Group to BUCG, its subsidiaries and/or associates:** The design, survey and consultancy segment has been the traditional and core business of the Group. The Group expects to continue to work closely with BUCG in the areas of urban development and construction design consultation both domestically and internationally, in the circumstances specified in the Supplemental Agreement II to the Non-competition Agreement. For the three financial years ending 31 December 2028, revenue from the provision of such services to BUCG is expected to be approximately RMB190 million, RMB200 million and RMB210 million, respectively.
- (b) **Construction contracting services to be provided by the Group to BUCG, its subsidiaries and/or associates:** As the Group is committed to deeply cultivating the project market, based on existing ongoing projects and future tracked projects, for the three financial years ending 31 December 2028, revenue from the provision of such services to BUCG is expected to be approximately RMB490 million, RMB520 million and RMB550 million, respectively.

### **2.3.2 Expenditure**

When estimating the annual caps for the expenditure to be incurred by the Group for the provision of integrated services by BUCG, its subsidiaries and/or associates to the Group under the Integrated Services Framework Agreement proposed to be renewed for the next three years, the Company has made reference to the historical transaction figures as listed above. The key factor considered is **the expenditures to be incurred for potential projects which the Company may obtain in the next three years:** The Company has taken into account upcoming potential projects which are already publicly known and which the Company would bid for and may obtain in the near future. For these projects, BUCG, its subsidiaries and/or associates will continue to provide integrated services to the Group and annual expenditures would be incurred for the provisions of such services. For the three financial years ending 31 December 2028, the estimated expenditures for integrated services to be provided by BUCG, its subsidiaries and associates to the Group are expected to be approximately RMB590 million, RMB620 million and RMB660 million, respectively.

### **3. Reasons for and Benefits of the Renewal of the Integrated Services Framework Agreement**

In the ordinary and usual course of business, BUCG, its subsidiaries and/or associates require the integrated services including services relating to construction design, survey and consultancy, project sub-contracting and/or specialised services from the Group from time to time. On the other hand, the Group also requires the integrated services including engineering construction related services and training services from BUCG, its subsidiaries and/or associates from time to time. Due to the historical and future long-term cooperation relationship between the Group and BUCG, its subsidiaries and/or associates, the renewal of the Integrated Services Framework Agreement with BUCG will standardize the mutual provision of above services between the Group and BUCG, clarify the content and operating methods of business cooperation between both parties, set out the transaction principles and pricing principles in relation to the connected transactions, standardize the operating process and specify rights and obligations of both parties.

The integration of design, survey and consultancy business and construction contracting business enables the Group to provide comprehensive business solutions covering all major stages in the value chain of the urban rail transit engineering. In view of BUCG's rich resources and experience and relevant arrangement in the Non-competition Agreement, the renewal of the Integrated Services Framework Agreement may provide the Group with earlier access to market information regarding potential business opportunities, thereby enhancing its chances of winning bids, expand the sources of revenue and consolidate and enhance the market position of the Group in the urban rail transit industry. It is anticipated that such transactions will create synergy from combining the resources and expertise of BUCG, its subsidiaries and/or associates in the provision of relevant services, and enable the Group to enhance its competitiveness.

The Directors (excluding the independent non-executive Directors, whose view on the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions thereunder will be set out in the circular after considering the advice from the independent financial adviser) are of the view that the Integrated Services Framework Agreement proposed to be renewed and the continuing connected transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the proposed annual caps for the continuing connected transactions, for both revenue and expenditure, contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### III. RENEWAL OF PROPERTY AND LAND LEASING FRAMEWORK AGREEMENT

#### 1. Renewal of Property and Land Leasing Framework Agreement

As the Existing Property and Land Leasing Framework Agreement as well as the annual caps for the continuing connected transactions thereunder are due to expire on 31 December 2025, the Company has, on 24 October 2025, renewed the Property and Land Leasing Framework Agreement with BUCG for a further term of three years commencing from 1 January 2026 and ending on 31 December 2028 on the same terms and conditions, the principal terms of which are summarised as follows:

<b>Parties</b>	The Company  BUCG
<b>Term of the Agreement</b>	For a term of three years from 1 January 2026 to 31 December 2028
<b>Principal Terms and Conditions</b>	<p>Pursuant to the Property and Land Leasing Framework Agreement:</p> <ul style="list-style-type: none"><li>(a) BUCG, its subsidiaries and/or associates agreed to lease the Leased Properties to the Group exclusively for office and operation uses.</li><li>(b) As agreed by the parties, other than the Leased Properties listed above, during the term of the Property and Land Leasing Framework Agreement, the Group has the right to lease additional properties and land from BUCG, its subsidiaries and/or associates in accordance with the terms and conditions of the Property and Land Leasing Framework Agreement.</li><li>(c) BUCG shall ensure and/or procure the property management companies to maintain proper management of the Leased Properties, including but not limited to inspection and repair of the Leased Properties and relevant public facilities to keep them in good condition.</li><li>(d) BUCG has agreed to indemnify the Company against any loss or damage the Company may suffer or incur as a result of any issues relating to the title arising from use of the Leased Properties.</li><li>(e) The Group may, at any time during the term of the Property and Land Leasing Framework Agreement, by giving not less than six months' notice, terminate any lease made pursuant to and comprised under such agreement.</li></ul>

**Determination and  
Payment of  
Rentals and  
Other Charges**

Pursuant to the Property and Land Leasing Framework Agreement, the rentals and other charges shall be determined and paid as follows:

- (a) Both parties shall review and adjust the rentals of the Leased Properties in a timely manner during the term of the Property and Land Leasing Framework Agreement by reference to the prevailing market rate.
- (b) Any downward adjustment in rentals for the Leased Properties may be discussed between the parties at any time during the term of the Property and Land Leasing Framework Agreement notwithstanding the normal rental adjustment mechanism as described above.
- (c) The Group shall also be responsible for all utility charges, property management fee (if applicable) and other miscellaneous expenses (including water, electricity, air conditioning, etc., but excluding property tax) incurred in using the Leased Properties.
- (d) The rentals in respect of the Leased Properties shall be paid by the Group on a yearly or quarterly basis to BUCG, its subsidiaries and/or associates, details of which shall be specified in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.
- (e) Payment of the utility charges, property management fee and other miscellaneous expenses shall be specified in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.

**Implementation  
Agreements**

During the term of the Property and Land Leasing Framework Agreement, members of the Group and BUCG, its subsidiaries and/or associates will enter into, from time to time and as necessary, individual lease agreement for each of the specific transactions contemplated under such framework agreement, provided that any such individual lease agreement shall be within the ambit of, and shall not contravene the principles or any provisions as agreed by the parties in the Property and Land Leasing Framework Agreement.

## 2. Proposed Annual Caps for the Three Financial Years Ending 31 December 2028

### 2.1 Historical transaction amounts

Set out below is the historical transaction amounts (consisting of rentals and other charges such as property management fees) between the Group and BUCG, its subsidiaries and/or associates under the Existing Property and Land Leasing Framework Agreement for the preceding two years ended 31 December 2024 and the six months ended 30 June 2025:

	Approximate historical transaction amounts for the financial year/ six-month period ended		
	31 December 2023 (RMB million)	31 December 2024 (RMB million)	30 June 2025 (RMB million)
Expenditure incurred by the Group for leasing the property and land from BUCG, its subsidiaries and/or associates	22	13	3

### 2.2 Proposed annual caps for the three years ending 31 December 2028

The Company estimates the annual caps for the continuing connected transactions contemplated between the Group and BUCG, its subsidiaries and/or associates under the Property and Land Leasing Framework Agreement for the three years ending 31 December 2028 as follows:

	Proposed annual caps for the year ending		
	31 December 2026 (RMB million)	31 December 2027 (RMB million)	31 December 2028 (RMB million)
Expenditure to be incurred by the Group for leasing properties and land from BUCG, its subsidiaries and/or associates	23	23	23

### 2.3 Basis of determination of the proposed annual caps

The above estimated annual caps for the continuing connected transactions contemplated between the Group and BUCG, its subsidiaries and/or associates under the Property and Land Leasing Framework Agreement for the next three years were mainly determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors: office property rental prices in Beijing remain at a relatively high level, and the possibility of rental growth and the rate of such growth in the coming years; for example, according to the latest statistics released by the China Office Research Center, the rental level of Grade A office buildings in Beijing remained in the range of approximately RMB305-350 per square meter per month; office rentals in the Beijing market will remain high in the future, especially in city centers and commercial districts, with rental prices affected by supply and demand.

### **3. Reasons for and Benefits of Entering into the Property and Land Leasing Framework Agreement**

Entering into the Property and Land Leasing Framework Agreement may be conducive to obtaining long-term property use rights for the Group, thereby avoiding unnecessary interruption of operation arising from relocation of the Group, and ensuring long-term development and continuous operation of the Group. Meanwhile, entering into the Property and Land Leasing Framework Agreement, which may reduce the cost from initial establishment, such as internal renovation and lease renewal fees (in the case of short-term leases), is in the commercial interests of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Property and Land Leasing Framework Agreement proposed to be renewed and the continuing connected transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable, and are in the best interests of the Shareholders and the Company as a whole.

## **IV. INTERNAL CONTROL MEASURES**

To ensure the Company's conformity with the above pricing policy in relation to the continuing connected transactions contemplated under the existing and proposed renewed Integrated Services Framework Agreement and Property and Land Leasing Framework Agreement, the Company has adopted and will continue to strengthen a series of internal control policies for its daily operation.

The Company has formulated relevant Administrative Measures on Connected Transactions, in accordance with supervisory requirements of the Hong Kong Stock Exchange in respect of connected transactions and continuing connected transactions and with reference to actual situation of the Company, which implements strict regulation from aspects of identification of connected transactions, procedure of review and approval, report, supervision and management and related information disclosure.

To ensure the relevant continuing connected transactions contemplated under the Integrated Services Framework Agreement and Property and Land Leasing Framework Agreement between the Group and BUCG, its subsidiaries and/or associates being in compliance with the pricing policy thereunder, especially when the relevant service price is determined on the basis of market price, the Group has adopted and will continue to strengthen the following specific measures:

- (a) The Department of Board Secretary is responsible for collecting detailed data in respect of above-mentioned continuing connected transactions on a regular basis, including but not limited to pricing terms, payment arrangement and actual transaction amounts specified in individual service contracts under the Integrated Services Framework Agreement and Property and Land Leasing Framework Agreement; the Legal and Audit Department and the Financial Department of the Company shall assist in reviewing and controlling the specific terms, conditions and actual transaction amounts of such continuing connected transactions.



- (b) Senior management of the Company and its subsidiaries is responsible for supervising whether the transaction terms, pricing and other terms specified in individual service contracts are in compliance with the principles set out in the Integrated Services Framework Agreement and Property and Land Leasing Framework Agreement, whether the price conformed with relevant pricing requirements if the service applies price prescribed by the government, government-guided price or price determined through tender process and whether the price conformed with the range of the then market price applicable to same type of services if the service price is based on the market price, as well as evaluating the fairness of the transaction terms and pricing terms, and reporting relevant information to the Board in time.
- (c) The Board is responsible for inspecting and supervising the control on connected transactions of the Company, as well as the execution of control system of connected transactions by the Directors, senior management and connected persons of the Company.
- (d) In addition, the independent non-executive Directors have reviewed and would continue to review the continuing connected transactions contemplated under the Integrated Services Framework Agreement and Property and Land Leasing Framework Agreement to ensure that such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company would also conduct an annual review on the pricing terms and annual caps of such continuing connected transactions.

## **V. HONG KONG LISTING RULES IMPLICATIONS**

BUCG directly and indirectly holds an aggregate of 42.34% interest in the Company and is the controlling shareholder of the Company, therefore constituting a connected person under Chapter 14A of the Hong Kong Listing Rules as at the date of this announcement. Accordingly, the transactions contemplated under the Integrated Services Framework Agreement and the Property and Land Leasing Framework Agreement to be renewed between the Group and BUCG constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the integrated services to be provided by the Group to BUCG, its subsidiaries and/or associates under the Integrated Services Framework Agreement is higher than 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the integrated services to be provided by BUCG, its subsidiaries and/or associates to the Group under the Integrated Services Framework Agreement is higher than 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the continuing connected transactions contemplated under the Property and Land Leasing Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements, but are exempt from Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Mr. Pei Hongwei, Mr. Li Guoqing and Ms. Shi Huaxin, being employed by BUCG, are deemed to have material interest in all the above-mentioned continuing connected transactions contemplated between the Group and BUCG, its subsidiaries and/or associates and thus have abstained from voting on the relevant resolutions at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transactions and is required to abstain from voting on the relevant resolutions at the Board meeting.

## **VI. GENERAL INFORMATION**

### **Information on the Company**

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

### **Information on BUCG**

BUCG is a wholly state-owned enterprise under the Beijing Municipal People's Government established as a limited liability company, which is principally engaged in the construction contracting, real estate development and design and consultation businesses, and its ultimate beneficial owner is the Beijing Municipal People's Government.

## **VII. EXTRAORDINARY GENERAL MEETING**

The Company will convene an extraordinary general meeting for the purposes of, among other things, obtaining the Independent Shareholders' approval for the continuing connected transactions contemplated under the Integrated Services Framework Agreement and the proposed annual caps. BUCG, its subsidiaries and/or associates will abstain from voting on the resolution in this regard at the extraordinary general meeting.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028. Merdeka Corporate Finance Limited has also been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

A circular containing, among other things, (i) further details of the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with the notice of the extraordinary general meeting of the Company, will be despatched to the Shareholders in due course. As it takes time to finalize certain information to be incorporated into the circular, the Company may despatch the circular 15 business days after the publication of this announcement.

## VIII. DEFINITIONS

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

“associate(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of directors of the Company
“BUCG”	Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司), the controlling shareholder of the Company holding 42.34% interest in the Company and a wholly state-owned enterprise under the Beijing Municipal People’s Government
“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 Hong Kong Listing Rules
“controlling shareholder(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Integrated Services Framework Agreement”	the integrated services framework agreement entered into between the Company and BUCG on 16 December 2022
“Existing Property and Land Leasing Framework Agreement”	the property and land leasing framework agreement entered into between the Company and BUCG on 16 December 2022
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Mr. Wang Guofeng, Mr. Xia Peng, Mr. Frank Chan Fan and Mr. Zha Xiaodong, which was established to advise the Independent Shareholders in relation to the terms of the Integrated Services Framework Agreement proposed to be renewed and the proposed annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028
“Independent Shareholders”	Shareholders other than those required by the Hong Kong Listing Rules to abstain from voting on the resolution to be proposed at the extraordinary general meeting in relation to the renewal of the Integrated Services Framework Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder
“Integrated Services Framework Agreement”	the integrated services framework agreement entered into between the Company and BUCG on 24 October 2025
“Leased Properties”	the properties and land leased by BUCG, its subsidiaries and/or associates to the Group exclusively for office and operation uses under the Property and Land Leasing Framework Agreement
“Non-competition Agreement”	the non-competition agreement entered into between BUCG and the Company on 24 January 2014, as amended by the Supplemental Agreement I to the Non-competition Agreement on 16 June 2014, the Supplemental Agreement II to the Non-competition Agreement on 29 October 2015 and the Supplemental Agreement III to the Non-competition Agreement on 10 November 2021 signed by the parties
“PRC” or “China”	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
“Property and Land Leasing Framework Agreement”	the property and land leasing framework agreement entered into between the Company and BUCG on 24 October 2025

“Shareholder(s)”	holder(s) of the Shares of the Company
“subsidiary(ies)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“Supplemental Agreement I to the Non-competition Agreement”	the supplemental agreement entered into between BUCG and the Company on 16 June 2014 to amend the non-competition agreement entered into between BUCG and the Company on 24 January 2014
“Supplemental Agreement II to the Non-competition Agreement”	the second supplemental agreement entered into between BUCG and the Company on 29 October 2015 to amend the Non-competition Agreement, which was entered into between BUCG and the Company on 24 January 2014 as amended by the Supplemental Agreement I on 16 June 2014
“Supplemental Agreement III to the Non-competition Agreement”	the third supplemental agreement entered into between BUCG and the Company on 10 November 2021 to amend the Non-competition Agreement, which was entered into between BUCG and the Company on 24 January 2014 as amended by the Supplemental Agreement I on 16 June 2014 and the Supplemental Agreement II on 29 October 2015

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

Beijing, 24 October 2025

*As at the date of this announcement, the executive Director of the Company is Xia Xiujiang; the non-executive Directors of the Company are Pei Hongwei, Li Guoqing, Shi Huaxin, Peng Dongdong, Li Fei, Wang Tao and Tang Qimeng; and the independent non-executive Directors of the Company are Wang Guofeng, Xia Peng, Frank Chan Fan and Zha Xiaodong.*