

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board is pleased to announce that the Company and BUCIC entered into a Joint Venture Agreement on 22 September 2014, pursuant to which, a Joint Venture Company would be established by the Company and BUCIC to commence operations in reliance on the tram market.

According to the Joint Venture Agreement, the Company and BUCIC have agreed to establish a Joint Venture Company and will own 60% and 40% equity interests in the Joint Venture Company, respectively. Upon establishment, the Joint Venture Company will become a non wholly-owned subsidiary of the Company and its accounts will be consolidated into those of the Company.

BUCIC is a connected person of the Company by virtue of it being a non wholly-owned subsidiary of BUCG, the controlling shareholder of the Company. Therefore, the establishment of the Joint Venture Company by the Company and BUCIC will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the applicable percentage ratios in respect of the establishment of the Joint Venture Company are more than 0.1% but less than 5%, such transaction is subject to the requirements of reporting and announcement but is exempted from the publication of circular and approval by independent shareholders under Chapter 14A of the Hong Kong Listing Rules.

The Board is pleased to announce that the Company and BUCIC entered into a Joint Venture Agreement on 22 September 2014, pursuant to which, a Joint Venture Company would be established by the Company and BUCIC to commence operations in reliance on the tram market.

According to the Joint Venture Agreement, the Company and BUCIC have agreed to establish a Joint Venture Company and will own 60% and 40% equity interests in the Joint Venture Company, respectively. Upon establishment, the Joint Venture Company will become a non wholly-owned subsidiary of the Company and its accounts will be consolidated into those of the Company.

THE JOINT VENTURE AGREEMENT

On 22 September 2014, the Company and BUCIC entered into the Joint Venture Agreement. The principle terms of the Joint Venture Agreement are summarised as follows:

1. Registered Capital

RMB30,000,000

2. Shareholding Structure

- (1) RMB18 million to be contributed by the Company, holding 60% equity interest in the Joint Venture Company; and
- (2) RMB12 million to be contributed by BUCIC, holding 40% equity interest in the Joint Venture Company.

3. Scope of Business

The scope of business of the Joint Venture Company mainly includes:

The research and development and design of intelligent transportation control system; provision of technical consultancy, technical services and technology transfer in the relevant areas; design and construction of building intelligent construction and engineering; specialised construction of building intelligent construction and engineering; design, production and sales of computer software (excluding the special products of computer information system security); system integration; research and development, design and sales of mechanical equipment as well as other relevant businesses.

4. Board of Directors

The board of directors consists of seven members, five directors (including the chairman of the board of directors) of which are nominated and appointed by the Company, and two are nominated and appointed by BUCIC.

The capital contributions to be made by the Company and BUCIC under the Joint Venture Agreement have been determined after their arm's length negotiation, with reference to the estimated operating capital requirement of the Joint Venture Company. The capital contribution to be made by the Company under the Joint Venture Agreement comes from its own funds which will not include funds raised in the global offering. The Joint Venture Company has not been established as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JOINT VENTURE COMPANY

The Directors believe that the establishment of the Joint Venture Company will help the Company seize the development opportunities of the modern tram market, leverage the advantages of technologies and resources of the Company and BUCIC to capture better market opportunities, so as to further facilitate the significant development of technology commercialisation projects of the Company and form a diversified development model.

The Directors (including the independent non-executive Directors) are of the view that such transaction has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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 construction contracting business for urban rail transit engineering.

BUCIC is primarily engaged in the business of electrical and mechanical equipment installation. It has undertaken over thousands of domestic and overseas installation projects for industrial and civil construction as well as rail transit engineering. BUCG, the controlling shareholder of the Company, holds 24% equity interests in BUCIC but has control over it. In addition, the accounts of BUCIC are consolidated into those of BUCG. BUCIC is a non wholly-owned subsidiary of BUCG pursuant to the Hong Kong Listing Rules.

IMPLICATIONS OF HONG KONG LISTING RULES

BUCIC is a connected person of the Company by virtue of it being a non wholly-owned subsidiary of BUCG, the controlling shareholder of the Company. Therefore, the establishment of the Joint Venture Company by the Company and BUCIC will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the applicable percentage ratios in respect of the establishment of the Joint Venture Company are more than 0.1% but less than 5%, such transaction is subject to the requirements of reporting and announcement but is exempted from the publication of circular and approval by independent shareholders under Chapter 14A of the Hong Kong Listing Rules.

As BUCIC is a subsidiary of BUCG, each of the Directors, Ms. Wang Liping, Mr. Xu Jianyun and Mr. Chen Daihua, acting as the vice general manager, chairman of the board of directors, and director and general manager of BUCG, respectively, are deemed to have a material interest in the transaction abovementioned. Accordingly, the above Directors had abstained from voting on the Board resolution approving the transaction abovementioned in accordance with the Articles of Association of the Company and the Hong Kong Listing Rules.

DEFINITIONS

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

“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)
“BUCIC”	Beijing Urban Construction Installation Group Co., Ltd. (北京城建安裝集團有限公司)

“Company”	Beijing Urban Construction Design & Development Group Co., Limited, a joint stock company with limited liability incorporated in the PRC, and its H shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1599)
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Joint Venture Agreement”	the joint venture agreement entered into between the Company and BUCIC on 22 September 2014
“Joint Venture Company”	the joint venture company to be established by the Company and BUCIC pursuant to the Joint Venture Agreement
“percentage ratios”	the “percentage ratios” as defined in Rule 14A.06(30) of the Hong Kong Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent.

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

Beijing, 22 September 2014

As at the date of this announcement, the executive directors of the Company are Wang Hanjun and Li Guoqing; the non-executive directors of the Company are Wang Liping, Xu Jianyun, Chen Daihua, Hao Weiya, Su Bin and Kong Lingbin; and the independent non-executive directors of the Company are Zhang Fengchao, Yim Fung, Sun Maozhu and Liang Qinghuai.