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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)

FURTHER INFORMATION ON ASSET TRANSFER AGREEMENT

Reference is made to the announcement of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) dated 26 October 2022 (the “**Announcement**”) in relation to the acquisition of all assets and related creditor’s rights and debts of the rail transit construction contracting department of BUCC. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Company would like to provide further information in relation to the Asset Transfer Agreement.

The asset portfolio of the rail transit construction contracting department of BUCC involved in the acquisition includes (i) five existing business contracts, (ii) new contracts expected to be signed in the next five years and (iii) two branches. In particular, the five existing business contracts include projects including integrated station structure and sound barrier with an expected contract value of approximately RMB3,109 million; the revenue from the new contracts expected to be signed in the next five years is approximately RMB3,480 million; and the two branches are the Shield Branch of Rail Transit Municipal Engineering Contracting Department of Beijing Uni.-Construction Group Co., Ltd.* (北京住總集團有限責任公司軌道交通市政工程總承包部盾構分公司) and the Component Branch of Rail Transit Municipal Engineering Contracting Department of Beijing Uni.-Construction Group Co., Ltd.* (北京住總集團有限責任公司軌道交通市政工程總承包部構件分公司), which is mainly engaged in shield construction and production of precast reinforced concrete segments for metro projects, respectively.

Among the related creditor’s rights and debts involved in the acquisition, the creditor’s rights are mainly trade receivables, prepayments and other receivables and contract assets with a total carrying amount of RMB174,853,000, and the debts are mainly trade payables, other payables, contract liabilities and lease liabilities with a total carrying amount of RMB427,876,000. Among the target assets involved in the acquisition, in addition to the aforementioned creditor’s rights and debts, the remaining are mainly property, plant and equipment, inventories, cash and bank balances and other assets with a total carrying amount of RMB253,023,000, which causes the carrying amount of the target assets to be nil together with the aforementioned creditor’s rights and debts. The nil carrying amount of the target assets is mainly due to the fact that the asset portfolio of the acquisition consists of five existing business contracts, new contracts expected to be signed in the next five years and two branches, which does not involve equities such as paid-in capital and undistributed profit. In addition, given the asset portfolio acquired in the acquisition are five existing business contracts, new contracts expected to be signed in the next five years and two branches, which are not independent and complete taxpayers, and therefore do not bear the tax liability separately, and their profits before tax and after tax are the same.

The entering into of the Asset Transfer Agreement will consolidate the former rail transit construction contracting department of BUCC into the Company, which will increase the Company's revenue, further expand the Company's business, enhance the Company's market share in the field of rail transit construction contracting business and increase its market occupancy. At the same time, in view of the Company's plan for A-share listing, and BUCC was officially consolidated into BUCG and became its wholly-owned subsidiary on 28 December 2020 which business also includes the rail transit construction contracting, therefore, upon completion of the acquisition, the business scope of BUCG will no longer include the rail transit construction contracting, which will help the Company to address the issue of horizontal competition before A-share application, so as to successfully facilitate the process of the Company's A-share listing.

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

Beijing, 4 November 2022

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, Shi Huaxin, Peng Dongdong, Li Fei, Wang Tao and Tang Qimeng; and the independent non-executive directors of the Company are Wang Guofeng, Qin Guisheng, Ma Xufei and Xia Peng.

* *for identification purposes only*