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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
北京城建設計發展集團股份有限公司

(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

SOMERLEY CAPITAL LIMITED

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

As the Existing Integrated Services Framework Agreement and 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 2026, the Company has, on 9 November 2026, renewed the Integrated Services Framework Agreement and the Property and Land Leasing Framework Agreement with Beijing Investment on the same terms and conditions for a further term of three years commencing from 1 January 2027 and ending on 31 December 2029 on the same terms and conditions, and set the annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2029.

IMPLICATIONS OF THE LISTING RULES

As of the date of this announcement, the Domestic Shares and H Shares of the Company held by Beijing Investment in aggregate accounted for 14.83% of the total issued Shares of the Company. Beijing Investment is one of the substantial Shareholders of the Company and constitutes a connected person under Chapter 14A of the Listing Rules. The transactions contemplated under the Integrated Services Framework Agreement, the Property and Land Leasing Framework Agreement and such agreements between the Group and Beijing Investment, its subsidiaries and/or associates constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the construction survey, design and consultancy services and construction contracting services to be provided by the Group to Beijing Investment, its subsidiaries and/or associates under the Integrated Services Framework Agreement is more than 5%, such continuing connected transactions and such proposed annual caps shall be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the construction survey, design and consultancy services and construction contracting services to be provided by Beijing Investment, its subsidiaries and/or associates to the Group under the Integrated Services Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions and such proposed annual caps 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 the highest applicable percentage ratio of the proposed annual caps (calculated based on right-of-use assets) for the leasing of properties and land by Beijing Investment, its subsidiaries and/or associates to the Company contemplated under the Property and Land Leasing Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions and such proposed annual caps shall be subject to the reporting, announcement and annual review requirements, but exempt from Independent Shareholders' approval requirement under Chapter 14A of the 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. Beijing Investment, 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 2029. Somerley Capital Limited has 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 2029; (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 after 15 business days upon the publication of this announcement.

I. INTRODUCTION

References are made to the announcement of the Company dated 19 December 2023 and the circular dated 22 February 2024, 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 Beijing Investment.

II. 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 2026, the Company has, on 9 November 2026, renewed the Integrated Services Framework Agreement with Beijing Investment for a further term of three years commencing from 1 January 2027 and ending on 31 December 2029 on the same terms and conditions, the principal terms of which are summarised as follows:

Parties	The Company; and Beijing Investment
Term of the Agreement	From 1 January 2027 to 31 December 2029
Scope of Service	(1) The Group will provide Beijing Investment, its subsidiaries and/or associates with construction survey, design and consultancy services as well as construction contracting services; and (2) Beijing Investment, its subsidiaries and/or associates will provide the Group with construction survey, design and consultancy services as well as construction contracting services.

Among these services, in terms of construction survey, design and consultancy services, the Group and Beijing Investment, its subsidiaries and/or associates provide survey, design and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering to each other based on different professional businesses in their respective fields, respectively. For the purpose of illustration, there is no overlap in segments between construction survey, design and consultancy services provided by the Group to Beijing Investment, its subsidiaries and/or associates and construction survey, design and consultancy services provided by Beijing Investment, its subsidiaries and/or associates to the Group. Services provided by the Group to Beijing Investment, its subsidiaries and/or associates include but not limited to the survey, measurement and monitoring of Beijing Subway, bridge and tunnel structure testing and assessment of Beijing Subway and construction drawing design document procedures and technical review of Beijing Subway, etc., while services provided by Beijing Investment, its subsidiaries and/or associates to the Group include the construction of intelligent park for the security control center of Beijing Subway, etc. In terms of construction contracting services, the Group mainly provides traditional construction business under general construction contracting and other models, including Beijing Subway Capacity Expansion and Improvement Engineering Project and City Terminal Comprehensive Transportation Hub Integrated Engineering Project, etc., to Beijing Investment, its subsidiaries and/or associates, while Beijing Investment, its subsidiaries and/or associates mainly provide professional sub-contracting services, including supply of raw materials for construction and procurement of spare parts, etc., to the Group.

Transaction Principles

(1) Both parties are entitled to choose the counterparty of the transaction.

(2) Both parties shall carry out the transaction in accordance with the applicable general market practice (if any) and on normal commercial terms.

Pricing Policy

Pursuant to the Integrated Services Framework Agreement, to the Group, the terms of the agreements for the Group to provide construction survey, design and consultancy services as well as construction contracting services to Beijing Investment, its subsidiaries and/or associates, as well as for Beijing Investment, its subsidiaries and/or associates to provide construction survey, design and consultancy services as well as construction contracting services to the Group shall not be less favorable than the terms of comparable transactions entered into by the Group with independent third parties, and the price for services provided by one party to the other party shall be determined on the following principles:

(1) The prices shall be determined with reference to government guidance prices and market factors. The government guidance prices refer to the price determined for a certain type of service or services according to the laws, regulations, decisions and orders formulated by the Chinese central government, provincial governments, local governments, industry associations or other competent authorities, which within a certain range, can be determined by both parties to the transaction (factors taken into consideration when determining prices by both parties including but not limited to material cost, scale and technological difficulties of projects); To further illustrate, in terms of construction contracting services, the Ministry of Housing and Urban-Rural Development of the People's Republic of China issued the "Standard for Bills of Quantities and Valuation for Construction Works", GB/T 50500-2024, the Beijing Municipal Commission of Housing and Urban-Rural Development issued the "Beijing Construction Project Pricing Basis-Urban Rail Transit Project Budget Quota", while the commissions of housing and urban-rural development of local governments would also publish the "Project Cost Information", which would provide basis of calculation (including but not limited to how to calculate project cost in a comprehensive manner based on factors such as labor cost, material cost, scale of projects, etc.) for the construction projects. The Group 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;

(2) In addition to government guidance prices, the Group will implement the market price determined through a tender process. "Market Price" refers to the price collected by the Group 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), and the China Procurement and Tender website (http://www.chinabidding.com.cn/) for (i) the prevailing bid price of an independent third party that provides similar services under normal commercial terms in the ordinary 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 (ii) if (i) 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 other regions of China, with reference to the prices offered by at least two independent third parties for the same or similar services under the same conditions.

Payment Arrangement

The service fee shall be paid by one party of the agreement to the other party upon completion of relevant services provided within the settlement period (usually 30 days) as agreed under the specific service contract entered into in accordance with the Integrated Services Framework Agreement. If the payment of the consideration is otherwise agreed in the specific service contract, the specific contract shall prevail.

Implementation of Agreements

(1) Both parties may enter into specific service contracts in accordance with the Integrated Services Framework Agreement (including the annual plan established under the framework agreement). The terms of such specific service contracts shall not exceed the validity period of the Integrated Services Framework Agreement, and all specific service contracts shall not violate the provisions of the Integrated Services Framework Agreement.

(2) The principles and conditions stipulated in the Integrated Services Framework Agreement shall apply to the specific service contracts which have been entered into when the Integrated Services Framework Agreement was valid. Both parties may, as agreed, determine the new annual specific execution plan in the specific service contracts, or make any adjustments to the terms of renewal and other matters of the contracts according to the actual situation and needs from time to time.

2. The Proposed Annual Caps for the Three Years Ending 31 December 2029

2.1 Historical transaction amounts

Set out below are the historical transaction amounts in respect of the mutual provision of integrated services between the Group and Beijing Investment, its subsidiaries and/or associates under the Integrated Services Framework Agreement for the preceding two years ended 31 December 2025 and the six months ended 30 June 2026:

	Approximate historical transaction amounts for the financial year/period ended *(RMB hundred million)*		
	31 December 2024	**31 December 2025**	**30 June 2026**
Revenue generated by the Group from providing construction survey, design and consultancy services to Beijing Investment, its subsidiaries and/or associates	4.52	4.18	2.45
Revenue generated by the Group from providing construction contracting services to Beijing Investment, its subsidiaries and/or associates	14.34	20.90	8.81
Expenditure incurred by the Group for provision of construction survey, design and consultancy services by Beijing Investment, its subsidiaries and/or associates	0	0	0
Expenditure incurred by the Group for provision of construction contracting services by Beijing Investment, its subsidiaries and/or associates	0	0	0

2.2 The proposed annual caps for the three years ending 31 December 2029

The Company estimates the proposed annual caps for the continuing connected transactions contemplated between the Group and Beijing Investment, its subsidiaries and/or associates under the Integrated Services Framework Agreement proposed to be renewed for the three years ending 31 December 2029 as follows:

	Proposed annual caps for the year ending *(RMB hundred million)*		
	31 December 2027	**31 December 2028**	**31 December 2029**
Revenue generated by the Group from providing construction survey, design and consultancy services to Beijing Investment, its subsidiaries and/or associates	4.65	4.85	5.05
Revenue generated by the Group from providing construction contracting services to Beijing Investment, its subsidiaries and/or associates	38.0	40.0	41.5
Expenditure incurred by the Group for provision of construction survey, design and consultancy services by Beijing Investment, its subsidiaries and/or associates	0.016	0.018	0.023
Expenditure incurred by the Group for provision of construction contracting services by Beijing Investment, its subsidiaries and/or associates	0.023	0.040	0.040

2.3 Basis of determination of the proposed annual caps

Taking into account the difference in service nature between construction survey, design and consultancy services, which represent survey, design and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering, and construction contracting services which represent general construction contracting and other related businesses, and in order to better coordinate the operations, the Company sets separate annual caps for construction survey, design and consultancy services and construction contracting services when determining the proposed annual caps under the Integrated Services Framework Agreement.

2.3.1 Revenue

When estimating the annual caps for the revenue to be generated by the Group from providing construction survey, design and consultancy services to Beijing Investment, its subsidiaries and/or associates under the Integrated Services Framework Agreement for the three financial years ending 31 December 2029, the Company has made reference to the above historical transaction data and taken into account the ongoing projects of the Group and the projects that each unit of the Group is expected to undertake as far as possible in the next three financial years, details are as follows:

(1) The Group provides Beijing Investment, its subsidiaries and/or associates with construction survey, design and consultancy services

(a) Urban rail transit survey and measurement projects: Beijing Investment, its subsidiaries and/or associates have continuous demand for survey, measurement and monitoring services for urban rail transit projects such as Beijing Subway Line 14 Third Party Engineering Monitoring Project, Beijing Subway Line 12 Third Party Engineering Monitoring Project, Beijing Rail Transit Line 13 Third Party Engineering Monitoring Project, Beijing Rail Transit Line 22 Construction Survey, Beijing Rail Transit Line 28 Construction Survey, Beijing Sub-Center Railway Station Comprehensive Transportation Hub Construction Survey, etc.; and anticipated projects to be carried out, such as Monitoring Project of Existing Lines for Operation Period, Third Party Engineering Monitoring Project for Beijing Subway Line 10, etc.

(b) Urban rail transit design business: Beijing Investment, its subsidiaries and/or associates are investors and constructors of Beijing Rail Transit, and the Company has obtained numerous project design businesses through tender, such as Beijing Rail Transit Line 13 Engineering Design Project, the Engineering Design for Beijing Rail Transit Line 19 Phase II, Beijing Subway Line 17 Engineering General Contracting Design, Beijing Subway Line 3 Engineering General Contracting Design, Beijing Rail Transit Line 11 Engineering Design, Beijing Rail Transit Line M101 Engineering Design, Beijing Rail Transit Line 22 Engineering Design, etc.; and anticipated projects to be carried out under Beijing's urban rail transit construction plans, such as Beijing Operational Renovation Projects, Seepage and Leakage Remediation for Existing Lines of Beijing Subway, etc.

(c) **Urban rail transit consultancy business:** The Company is currently engaged in a number of rail transit consultancy business, including the Beijing Rail Transit Safety Protection Zone Operation Management System Construction Project, the Consulting for the Comprehensive Utilisation Project of Cigezhuang Depot of Beijing Daxing Airport Line, the Engineering Design and Consultancy Services for Noise Abatement of Beijing Subway Line 14, the Post-construction Assessment for Works Adjacent to and Crossing Existing Lines of Beijing Subway Line 16, etc.; and consultancy business in Beijing area anticipated to be obtained through tender, such as the Special Study on Passenger Flow Forecast for the Adjustment to the Phase III Construction Plan of Beijing Rail Transit, etc.

(d) **Urban rail transit testing business:** The Company is currently engaged in a number of rail transit testing businesses, such as the Testing for Beijing Suburban Railway Northeast Ring Line, the Testing for Beijing Subway Line 3 Phase I Works, the Testing for Beijing Subway Line 12 Works, the Testing for Beijing Rail Transit Line M101 Works, the Testing for Beijing Rail Transit Line 22 Works, the Testing for Beijing Rail Transit New Airport Line (Caoqiao – Lize Financial Business District) Works, etc.

(2) The Group provides Beijing Investment, its subsidiaries and/or associates with construction contracting services

When estimating the annual caps for the revenue to be generated by the Group from providing construction contracting services to Beijing Investment, its subsidiaries and/or associates under the Integrated Services Framework Agreement for the three financial years ending 31 December 2029, the Company has made reference to the above historical transaction data and taken into account the ongoing projects of the Group and the projects that each unit of the Group is expected to undertake as far as possible in the next three financial years, details are as follows:

(a) **Subway engineering projects under construction:** The projects obtained by the Company through tender and currently underway include Beijing Subway Line 13, Beijing Subway Line M101, Beijing Lize Terminal Transportation Hub, Beijing Subway Line R4, Beijing New Airport Line Caoqiao-Lize Business District Project, Beijing Subway Line 1 Branch Line, Beijing Suburban Railway Northeast Loop Line, General Contracting of the Phase II of Beijing Subway Line 6 (South Extension), Beijing Rail Transit Line 1 Branch Line Civil Defense Project Section II General Contracting Project, etc.

(b) **Newly awarded tender projects:** The projects that the Company expects to obtain through tender include Beijing Rail Transit Line 15, the Phase III of Beijing Rail Transit Line 25, the Phase III of Beijing Rail Transit Line 7, etc.

2.3.2 Expenditure

When estimating the annual caps for the expenditure to be incurred by Beijing Investment, its subsidiaries and/or associates from providing construction survey, design and consultancy services as well as construction contracting services to the Group under the Integrated Services Framework Agreement for the three financial years ending 31 December 2029 of the Group, the Company has made reference to the historical transaction information as listed above and considered, among other things, the following key factors:

(1) Beijing Investment, its subsidiaries and/or associates will provide the Group with construction survey, design and consultancy services

Consultancy service projects to be provided by Beijing Investment, its subsidiaries and/or associates to the Company include the development and maintenance of certain systems of the Beijing Rail Transit Security Control Center Smart Park, which is expected to be generated through tender, and the development and maintenance of some systems of Beijing Rail Transit Line 22.

(2) Beijing Investment, its subsidiaries and/or associates will provide the Group with construction contracting services

The procurement service projects to be provided by Beijing Investment, its subsidiaries and/or associates to the Company include the procurement of AFC equipment for the entrances and exits of Yizhuang Railway Stations of the Beijing Rail Transit Yizhuang Line Project, and the procurement of AFC equipment for the Beijing Rail Transit Line 1 branch line expected to be generated through tender.

3. Reasons for and Benefits of Entering into the Integrated Services Framework Agreement

Integration of design, survey and consultancy business and construction contracting business allows the Group to provide comprehensive business solutions, covering all major stages within urban rail transit engineering. Taking into account Beijing Investment being the investment platform for the rail transit business of the government, MTR Construction (a subsidiary of Beijing Investment) being the management platform for the rail transit construction of the government, and the ongoing business cooperation between Beijing Investment, MTR Construction and the Group, the provision of construction survey, design and consultancy services and construction contracting services by the Group to Beijing Investment, its subsidiaries and/or associates may expand the income sources of the Group, consolidate and improve the market position and competitiveness of the Group in the urban rail transit industry. The provision of construction survey, design and consultancy services and construction contracting services by Beijing Investment, its subsidiaries and/or associates to the Group may also provide more professional solutions for the Group, which allows the Group to access to professional services of Beijing Investment, its subsidiaries and/or associates in segments that they enjoy more advantages, and propels the development of the Group's whole industry chain business.

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. 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 2026, the Company has, on 9 November 2026, renewed the Property and Land Leasing Framework Agreement with Beijing Investment for a term of three years from 1 January 2027 to 31 December 2029 on the same terms and conditions, the principal terms of which are summarised as follows:

Parties	The Company, as lessee; and Beijing Investment, as lessor
Term of the Agreement	From 1 January 2027 to 31 December 2029
Principal Terms and Conditions	Pursuant to the Property and Land Leasing Framework Agreement: (a) Beijing Investment, its subsidiaries and/or associates agreed to lease the Leased Properties to the Group exclusively for office use. (b) As agreed by the parties, other than the Leased Properties as set out in the Property and Land Leasing Framework Agreement, during the term of the Property and Land Leasing Framework Agreement, the Group has the right to lease additional property and land from Beijing Investment, its subsidiaries and/or associates in accordance with the terms and conditions of the Property and Land Leasing Framework Agreement.

(c) Beijing Investment 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.

(d) Beijing Investment 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 the use of the Leased Properties.

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) The parties may, through mutual consultation, review and adjust the rental standards of the Leased Properties in a timely manner by reference to the prevailing market price during the term of the Property and Land Leasing Framework Agreement.

(b) The parties may negotiate and adjust the rentals at any time during the term of the Property and Land Leasing Framework Agreement.

(c) Save for the rentals, miscellaneous expenses, utility charges, property management fee (if applicable) and any charges that may be incurred as a result of the Group's breach of the provisions of the Property and Land Leasing Framework Agreement, Beijing Investment warrants that it will not require the Group to bear and/or pay any other charges for any reason in respect of the leasing of the Leased Properties (including any taxes and fees payable by Beijing Investment, such as property tax).

(d) The rentals in respect of the property and land shall be paid by the Group on a yearly or quarterly basis to Beijing Investment, 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 Beijing Investment, 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. The Proposed Annual Caps for the Three Financial Years Ending 31 December 2029

2.1 Historical transaction amounts

The table below sets out the historical transaction amounts between the Group and Beijing Investment, its subsidiaries and/or associates under the Existing Property and Land Leasing Framework Agreement for the preceding two years ended 31 December 2025 and the six months ended 30 June 2026:

	Approximate historical transaction amounts for the financial year/period ended *(RMB million)*		
	31 December 2024	**31 December 2025**	**30 June 2026**
Total value of right-of-use assets involved in the leasing of property and land by the Group from Beijing Investment, its subsidiaries and/or associates	18.09	12.97	11.27
Expenditure incurred by the Group for leasing property and land from Beijing Investment, its subsidiaries and/or associates	7.42	7.35	0

2.2 Proposed annual caps for the three years ending 31 December 2029

Pursuant to the China Accounting Standards for Business Enterprises, the rentals payable by the Group under the Property and Land Leasing Framework Agreement will be recognised as right-of-use assets of the Group. Accordingly, the annual caps for the continuing connected transactions between the Group and Beijing Investment, its subsidiaries and/or associates under the Property and Land Leasing Framework Agreement for the three years ending 31 December 2029 will be based on the right-of-use assets recognised (rather than the expenditure incurred by the Group for leasing property and land from Beijing Investment, its subsidiaries and/or associates), as follows:

	Proposed annual caps for the year ending *(RMB million)*		
	31 December 2027	**31 December 2028**	**31 December 2029**
Total value of right-of-use assets involved in the leasing of property and land by the Group from Beijing Investment, its subsidiaries and/or associates	7.50	3.00	17.35

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 Beijing Investment, 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 following factors:

(i) the historical transaction amounts;

(ii) the actual needs of the Group and the expected demand of the Group for additional office buildings and operating premises due to project needs, so as to facilitate the organisation and management of projects;

(iii) the rental prices of office buildings in Beijing remain at a relatively high level. For example, according to the latest monitoring of the China Real Estate Index System (China Index Academy), the average rental of office buildings in the major business districts of 15 key cities nationwide is approximately RMB136-138 per square meter per month; the average rental of Grade A office buildings across Beijing is approximately RMB191-206 per square meter per month. According to the latest data of Cushman & Wakefield, a real estate consultancy service institution, the average rentals of Grade A office buildings in Beijing and Shanghai are both in the first tier, higher than Shenzhen and Guangzhou, with the absolute rental level still ranking among the highest in the PRC;

(iv) future changes in supply and demand may drive up rentals. For example, according to the latest data of real estate consultancy service institutions such as Cushman & Wakefield, the new supply of office buildings in Beijing in 2025 was at a ten-year low; the vacancy rate of office buildings across the city, compared with the first-tier cities of Shanghai, Guangzhou and Shenzhen, is the only market below 16%. Supported by the scarcity of locations in core business districts, the rentals are expected to remain at a relatively high level, and changes in supply and demand may drive up rentals; and

(v) before renewing the Property and Land Leasing Framework Agreement with Beijing Investment, the Company has, from the perspectives of its own needs and cost saving, conducted research on the office buildings surrounding the relevant office premises proposed to be re-leased. For example, the relevant subsidiaries of the Company will, based on the locations of the office premises proposed to be re-leased, conduct research on no fewer than three leasable office buildings within a 10-kilometre radius, with the content of the research including but not limited to rentals, geographical locations, available areas, transportation convenience, parking needs, building age, decoration and surrounding supporting facilities, and will take into account the various costs that may be incurred in the case of relocation, and then determine, based on the research results, whether renewing the lease of the office buildings of Beijing Investment is in their own best interests. After finalising the research results, the relevant subsidiaries of the Company will report the research results upwards and go through the internal approval procedures of the Company.

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 Beijing Investment, 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. IMPLICATIONS OF THE LISTING RULES

As of the date of this announcement, the Domestic Shares and H Shares of the Company held by Beijing Investment in aggregate accounted for 14.83% of the total issued Shares of the Company. Beijing Investment is one of the substantial shareholders of the Company and constitutes a connected person under Chapter 14A of the Listing Rules. The Integrated Services Framework Agreement, the Property and Land Leasing Framework Agreement and the transactions contemplated under such agreement between the Group and Beijing Investment, its subsidiaries and/or associates constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the provision of construction survey, design and consultancy services and construction contracting services by the Group to Beijing Investment, its subsidiaries and/or associates contemplated under the Integrated Services Framework Agreement is more than 5%, such continuing connected transactions and such proposed annual caps shall be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the provision of construction survey, design and consultancy services and construction contracting services by Beijing Investment, its subsidiaries and/or associates to the Group contemplated under the Integrated Services Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions and such proposed annual caps 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 the highest applicable percentage ratio of the proposed annual caps (calculated based on right-of-use assets) for the leasing of properties and land by Beijing Investment, its subsidiaries and/or associates to the Company contemplated under the Property and Land Leasing Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions and such proposed annual caps shall be subject to the reporting, announcement and annual review requirements but exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Peng Dongdong serves as the general manager of the contract management department of Beijing Investment and Mr. Li Fei serves as the senior investment manager of the investment and development department headquarters of Beijing Investment, Mr. Peng Dongdong and Mr. Li Fei are deemed to be materially interested in the Integrated Services Framework Agreement and the Property and Land Leasing Framework 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 above agreements and thus is required to abstain from voting on the relevant resolution at the Board meeting.

VI. GENERAL INFORMATION

Information on the Company

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

Information on Beijing Investment

Beijing Investment, a wholly state-owned company with limited liability, is mainly engaged in businesses investment and financing, pre-planning, capital operation and relevant resources development and management of infrastructure projects including rail transit. The ultimate beneficial owner of Beijing Investment is the People's Government of Beijing Municipality.

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. Beijing Investment, 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 2029. Somerley Capital 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 2029; (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 after 15 business days upon 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 Listing Rules
"Beijing Investment"	Beijing Infrastructure Investment Co., Ltd., a substantial Shareholder of the Company
"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)"	the 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
"Existing Integrated Services Framework Agreement"	the integrated services framework agreement entered into by the Company and Beijing Investment on 19 December 2023
"Existing Property and Land Leasing Framework Agreement"	the property and land leasing framework agreement entered into by the Company and Beijing Investment on 19 December 2023
"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
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"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. Tian Aicheng, 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 2029
"Independent Financial Adviser"	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Integrated Services Framework Agreement and its proposed annual caps
"Independent Shareholders"	Shareholders other than those required by the 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 Beijing Investment on 9 November 2026
"Leased Properties"	the premises and land leased by Beijing Investment, its subsidiaries and/or associates pursuant to the Property and Land Leasing Framework Agreement (for office and business purposes only)
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MTR Construction"	Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司)
"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 by the Company and Beijing Investment on 9 November 2026

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	H Share(s) and Domestic Share(s) of the Company
"Shareholder(s)"	holder(s) of the Shares 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 of Directors
Beijing Urban Construction Design & Development Group Co., Limited
Xia Xiujiang
Chairman

Beijing, 9 November 2026

As at the date of this announcement, the executive director of the Company is Xia Xiujiang; the non-executive directors of the Company are Cai Yongli, Zhang Pengchao, Peng Dongdong, Li Fei, Li Bing and Tang Qimeng; the independent non-executive directors of the Company are Wang Guofeng, Xia Peng, Frank Chan Fan and Tian Aicheng; and the employee director of the Company is Zhang Hongyun.