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If you have sold or transferred all your shares in Beijing Urban Construction Design & Development Group Co., Limited, you should at once hand this circular together with the accompanying proxy form for the annual general meeting to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) FINANCIAL REPORT FOR 2022
(2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2022 AND ITS SUMMARY
(3) 2022 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL
(4) RE-APPOINTMENT OF AUDITORS FOR 2023 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2022
(5) 2023 INVESTMENT PLAN
(6) REPORT OF THE BOARD OF DIRECTORS FOR 2022
(7) REPORT OF THE BOARD OF SUPERVISORS FOR 2022
(8) RENEWAL OF THE REGISTRATION FOR ISSUANCE OF SUPER SHORT-TERM COMMERCIAL PAPERS
AND
NOTICE OF THE 2022 ANNUAL GENERAL MEETING

The AGM of the Company is to be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 25 May 2023. A letter from the Board is set out on pages 3 to 5 of this circular. Notice convening the AGM is set out on pages 6 to 7 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For holders of H Shares, the proxy form should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in hand or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof if you so wish.

5 May 2023

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DEFINITIONS

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

“AGM”	the 2022 annual general meeting of the Company to be convened on Thursday, 25 May 2023
“Articles of Association”	the articles of association of the Company, as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors 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)
“Director(s)”	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
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“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

DEFINITIONS

“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular only, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	H Share(s) and Domestic Share(s) of the Company
“Shareholder(s)”	holders of the Share(s) of the Company
“Supervisor(s)”	supervisor(s) of the Company

LETTER FROM THE BOARD



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)

Members of the Board:

Executive Directors:

Wang Hanjun

Li Guoqing

Non-executive Directors:

Pei Hongwei (*Chairman*)

Shi Huaxin

Peng Dongdong

Li Fei

Wang Tao

Tang Qimeng

Registered office:

5 Fuchengmen North Street

Xicheng District, Beijing

PRC

Principal place of business

in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

Independent non-executive Directors:

Wang Guofeng

Qin Guisheng

Ma Xufei

Xia Peng

5 May 2023

To the Shareholders:

- (1) FINANCIAL REPORT FOR 2022
 - (2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2022 AND ITS SUMMARY
 - (3) 2022 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL
 - (4) RE-APPOINTMENT OF AUDITORS FOR 2023 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2022
 - (5) 2023 INVESTMENT PLAN
 - (6) REPORT OF THE BOARD OF DIRECTORS FOR 2022
 - (7) REPORT OF THE BOARD OF SUPERVISORS FOR 2022
 - (8) RENEWAL OF THE REGISTRATION FOR ISSUANCE OF SUPER SHORT-TERM COMMERCIAL PAPERS
- AND
- NOTICE OF THE 2022 ANNUAL GENERAL MEETING

I. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM to be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 25 May 2023.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

II. BUSINESSES TO BE TRANSACTED AT THE AGM

The businesses to be transacted at the AGM are specified in the notice of the AGM, and such notice is set out on pages 6 to 7 of this circular.

The resolutions to be proposed by way of ordinary resolutions at the AGM include: resolutions on (1) financial report for 2022; (2) audited consolidated financial statements for the year of 2022 and its summary; (3) 2022 profit distribution plan and dividend declaration proposal; (4) re-appointment of auditors for 2023 and payment of the auditing service fee for 2022; (5) 2023 investment plan; (6) report of the Board of Directors for 2022; and (7) report of the Board of Supervisors for 2022.

The resolution to be proposed by way of special resolution at the AGM is: (8) renewal of the Company's registration for issuance of super short-term commercial papers.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make decisions upon obtaining sufficient and necessary information, we have provided detailed information in relation to the resolutions to be proposed at the AGM in Appendix I to this circular to the Shareholders.

III. OTHER INFORMATION

Please pay attention to the other information set out in Appendices I to II of this circular.

IV. AGM

The AGM will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 25 May 2023, to consider and approve the matters set out in the notice of the AGM dated 5 May 2023. Notice convening the AGM is set out on pages 6 to 7 in this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For holders of H Shares, the proxy form should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in hand or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof if you so wish.

LETTER FROM THE BOARD

V. BOOK CLOSURE PERIOD

In order to determine the list of Shareholders who will be entitled to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 20 May 2023 to Thursday, 25 May 2023, both days inclusive, during which period no transfer of Shares will be registered.

For the identification of Shareholders who are qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), or the registered office of the Company (for Domestic Shareholders), for registration not later than 4:30 p.m. on Friday, 19 May 2023. Shareholders whose names appear on the register of members of the Company on Thursday, 25 May 2023 will be entitled to attend and vote at the AGM.

VI. VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Listing Rules and the Articles of Association, the resolutions set out in the notice of the AGM will be voted on by way of poll. Results of the poll voting will be posted on the website of the Company at www.bju.cd.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.

VII. RECOMMENDATIONS

The Directors (including independent non-executive Directors) are of the view that all resolutions to be proposed for consideration at the AGM are in the interests of the Company and its Shareholders as a whole. Therefore, the Directors recommend Shareholders to vote in favour of relevant resolutions set out in the relevant notice to be proposed at the AGM.

Yours faithfully,

By order of the Board

Beijing Urban Construction Design & Development Group Co., Limited

Pei Hongwei

Chairman

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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)

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (the “AGM”) of Beijing Urban Construction Design & Development Group Co., Limited (the “Company”) will be held at Conference Room, 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 2:30 p.m. on Thursday, 25 May 2023, to consider and, if thought fit, approve the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the Financial Report for 2022.
2. To consider and approve the Audited Consolidated Financial Statements for the Year of 2022 and its Summary.
3. To consider and approve the 2022 Profit Distribution Plan and Dividend Declaration Proposal.
4. To consider and approve the Re-appointment of Auditors for 2023 and Payment of the Auditing Service Fee for 2022.
5. To consider and approve the 2023 Investment Plan.
6. To consider and approve the Report of the Board of Directors for 2022.
7. To consider and approve the Report of the Board of Supervisors for 2022.

SPECIAL RESOLUTION

8. To consider and approve the Renewal of the Company's Registration for Issuance of Super Short-term Commercial Papers.

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

Beijing, 5 May 2023

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

As at the date of this notice, 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.

Notes:

1. The register of members of the Company will be closed from Saturday, 20 May 2023 to Thursday, 25 May 2023, both days inclusive, during which period no transfer of Shares will be registered. Holders of H Shares and Domestic Shares whose names appeared on the register of members of the Company on Thursday, 25 May 2023 shall be entitled to attend and vote at the AGM. Holders of H Shares of the Company who intend to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant H Share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 19 May 2023 for registration.
2. The register of members of the Company will be closed from Friday, 2 June 2023 to Wednesday, 7 June 2023, both days inclusive, during which period no transfer of Shares will be registered. Holders of H Shares and Domestic Shares whose names appeared on the register of members of the Company on Wednesday, 7 June 2023 shall be entitled to receive the final dividend of the Company for 2022 (subject to Shareholders' approval at the AGM). Holders of H Shares of the Company who intend to receive the final dividend of the Company for 2022 must lodge all transfer documents accompanied by the relevant H Share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 1 June 2023 for registration.
3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company but must attend the AGM in person to represent the relevant Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporation, the instrument must be executed either under its common seal or under the hand of its director(s) or duly authorised attorney. If the instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarised.
5. In order to be valid, the proxy form together with the notarised power of attorney or other documents of authorisation (if any) must be deposited at the Secretariat of the Board of Directors of the Company at 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares and at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time stipulated for convening the AGM (or any adjournment thereof) (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the AGM (or any adjournment thereof). If no direction is given, the proxy will be entitled to vote or abstain as he or she thinks fit.
6. The AGM is estimated to last for about half a day. Shareholders or their proxies who attend the AGM (and any adjournment thereof) shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the AGM (and any adjournment thereof).

(1) FINANCIAL REPORT FOR 2022

On 24 March 2023, the Financial Report for 2022 of the Company (see the annual results announcement of the Company for the year ended 31 December 2022 disclosed on 24 March 2023 for details) was considered and passed at the meeting of the Board, and is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(2) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR OF 2022 AND ITS SUMMARY

The audited consolidated financial statements and its summary for the year ended 31 December 2022 of the Company are set out in the 2022 Annual Report of the Company. On 24 March 2023, the resolution relating to the audited consolidated financial statements and its summary for the year ended 31 December 2022 was considered and passed at the meeting of the Board, and is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(3) 2022 PROFIT DISTRIBUTION PLAN AND DIVIDEND DECLARATION PROPOSAL

According to the International Financial Reporting Standards, the net profit attributable to the Shareholders of the Company in 2022 was RMB972,249,821.54. After the appropriations to the statutory surplus reserve according to the requirement of relevant law, the proposed profit distribution plan for 2022 of the Company may proceed by distributing dividends of RMB0.1898 (including tax) per Share in cash on the base of the total Share capital of 1,348,670,000 Shares as at 31 December 2022, which will result in approximately RMB255,977,566.00 of profit distributed in total, representing approximately 30% of the distributable profits in 2022.

On 24 March 2023, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

To determine the list of the Shareholders entitled to receive the dividend, the register of H Shares of the Company will be closed from Friday, 2 June 2023 to Wednesday, 7 June 2023, both days inclusive. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company as at Wednesday, 7 June 2023 will be entitled to receive the final dividend of the Company for 2022 (subject to Shareholders' approval at the AGM). The dividends shall be paid to the Shareholders within three months after being approved at the 2022 AGM.

According to Article 164 of the Articles of Association, the Company declares dividends denominated in RMB to Shareholders. Dividends declared to holders of Domestic Shares shall be paid in RMB within three months after the date when the dividends are declared, and dividends declared to holders of H Shares shall be paid in Hong Kong dollars within three months after the date when the dividends are declared. This Hong Kong dollars value shall be converted based on the average closing price of RMB against Hong Kong dollars announced by the People's Bank of China five working days before the date when the dividend is declared as to be approved by the AGM.

(4) RE-APPOINTMENT OF AUDITORS FOR 2023 AND PAYMENT OF THE AUDITING SERVICE FEE FOR 2022

The aggregated expenses relating to the auditing services and other related services conducted and provided by Ernst & Young engaged by the Company in 2022 were RMB3.6623 million, which included the payments of RMB2.70 million and RMB0.9623 million respectively incurred in auditing the annual financial statements of 2022 and reviewing the interim financial statements of 2022.

The Board has proposed to re-appoint Ernst & Young as the external auditors of the Company for 2023 to audit the annual financial statements for 2023 prepared by the Company in accordance with the International Accounting Standards, and to review the interim financial statements of the Company for the six months ending 30 June 2023 in compliance with the International Accounting Standards.

On 24 March 2023, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(5) 2023 INVESTMENT PLAN

The Company plans to complete investment of RMB2.566 billion for the year 2023 and has prepared the 2023 Investment Plan (see Appendix II to this circular for details). On 24 March 2023, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(6) REPORT OF THE BOARD OF DIRECTORS FOR 2022

Please refer to the relevant sections of the Company's 2022 Annual Report for the main contents of the Report of the Board of Directors for 2022. On 24 March 2023, the resolution was considered and passed at the meeting of the Board, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(7) REPORT OF THE BOARD OF SUPERVISORS FOR 2022

Please refer to the relevant sections of the Company's 2022 Annual Report for the main contents of the Report of the Board of Supervisors for 2022. On 24 March 2023, the resolution was considered and passed at the meeting of the Board of Supervisors, which is hereby proposed to the AGM for consideration and approval by way of ordinary resolution.

(8) RENEWAL OF THE REGISTRATION FOR ISSUANCE OF SUPER SHORT-TERM COMMERCIAL PAPERS

In order to meet the needs of the Company's operation and development, optimize the financing structure and effectively reduce the cost of financing, the Company intends to apply to the National Association of Financial Market Institutional Investors for the registration for issuance of super short-term commercial papers not exceeding (including) RMB2 billion, and the final registration and issuance amount will be subject to the amount stated in the Notice of Acceptance of Registration of the National Association of Financial Market Institutional Investors. The relevant matters are as follows:

I. Issuance proposal

1. Issuing body: Beijing Urban Construction Design & Development Group Co., Limited.
2. Scale of registration: planning to register no more than RMB2 billion of super short-term commercial papers.
3. Use of raised funds: to be used for purposes stipulated by the National Association of Financial Market Institutional Investors such as repayment of due debts and supplements to current funds.
4. Term of issuance: no more than 270 days (inclusive) for each issue, which can be issued at one time or in separate issues during the valid period of registration.
5. Form of interest rate: to be determined according to the market situations when issued.
6. Mode of issuance: to be issued in public by the underwriting agency in the interbank bond market.
7. Guarantee measures: no guarantee.
8. Valid term of resolution: relevant resolutions continue to be valid during the registration, issuance and duration of the super short-term commercial papers.

II. Items submitted to the shareholders' meeting for authorization

In order to complete the Company's registration for issuance of super short-term commercial papers in an efficient and orderly manner, application is filed to the general meeting of Shareholders to approve that the Board of Directors authorize the management of the Company to handle the relevant matters relating to the registration for issuance of super short-term commercial papers, including but not limited to:

1. To determine all matters related to the issuance, such as the specific amount, term, number of issues, interest rate, underwriting mode, timing of the issuance, etc.
2. To decide the appointment of main underwriters and other intermediaries for the issuance.
3. To amend, sign and report all agreements and legal documents related to the issuance within the aforesaid scope of authorization, and handle the reporting and registration procedures related to the issuance.
4. If there are changes in regulatory policies or market conditions, the specific plan of the issuance and other related matters may be adjusted accordingly in accordance with the opinions of the regulatory authorities.
5. To disclose information in accordance with the applicable regulatory rules.
6. To handle other matters related to the issuance.
7. This authorization shall be valid from the date of approval at the general meeting and shall continue to be valid during the registration, issuance and duration period of super short-term commercial papers.

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED
REPORT ON 2023 INVESTMENT PLAN

I. GENERAL DESCRIPTION OF THE 2023 INVESTMENT PLAN

In 2023, while closely following the development strategy of the Company and actively monitoring the markets of national strategic areas such as Beijing-Tianjin-Hebei Region, Yangtze River Delta, Guangdong, Hong Kong, Macao and Chengdu-Chongqing, Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) will fully leverage its advantages in the main business of rail transit and in the upstream and downstream of the industry chain, and expedite the progress of the Huangshan Urban Tourism Railway, Beijing subway Line M101 and other projects. The Group strictly guards against risks while seizing opportunities to pursue common development.

In 2023, the Company plans to complete an investment of RMB2,566 million and complete 2 post-evaluation projects, among which, RMB666 million is proposed to be invested in fixed assets, RMB596 million in equity, RMB1,065 million in construction projects such as PPP in, among others, Beijing, Chongqing, Anhui, Zhejiang and Fujian, RMB239 million in other projects (fundraising projects). The details are as follows:

List of the 2023 Investment Plan

Unit: RMB100 million

No.	Type of investment	Proposed investment amount in 2023	Percentage of the total structure	Remarks
1	Investment in fixed assets	6.66	25.95%	
2	Investment in equity	5.96	23.23%	
3	Project investment	10.65	41.50%	
4	Other investment	2.39	9.32%	Fundraising projects
Total		25.66	100%	

(I) Investment in fixed assets (proposed investment in 2023: RMB666 million)

RMB666 million is proposed to be invested in fixed assets in 2023. Among them, RMB163 million is proposed to purchase the office building of the Rail Company and RMB414 million is proposed to purchase the office building of Design Building for daily office business activities.

(II) Investment in equity (proposed investment in 2023: RMB596 million)

The total investment of the equity investment plan of the Company is proposed to be RMB596 million in 2023, of which 5 are for the equity investment projects at hand with a planned investment of RMB561 million and 3 are new equity investment projects with a planned investment of RMB35 million.

(III) Project investment (proposed investment in 2023: RMB1,065 million)

In 2023, the Company proposes to invest RMB1,065 million in projects, among which, RMB65 million is proposed to be invested in the two projects at hand, and RMB1,000 million is proposed to be invested in the five projects under proposition.

(IV) Other investment (proposed investment in 2023: RMB239 million)

In 2023, according to the Company's progress, some technological research and development projects are listed as fundraising projects, and also included in other investment plans in 2023, totaling RMB239 million.

(V) Post-project evaluation

According to the Measures of State-owned Assets Supervision and Administration Commission on the Supervision and Administration of Enterprise Investment (J.G.Z.F. [2017] No.29) and other relevant regulations, the investment unit shall complete the post-project evaluation report within 24 months after the project operation.

In 2023, it is planned to further carry out the post-evaluation of the infrastructure project of East Huangshan International Town and the first phase project of the Zhuzhou Smart Rail Transit System, and complete the post-evaluation report as soon as possible after the project progress meets the corresponding conditions.

II. DEVELOPMENT PROSPECTS OF INVESTMENT AND FINANCING BUSINESS

In 2023, the Company will continue to follow reasonable investment, control the investment behavior of the enterprise under the judgment of strategy, prudence, profitability and scale control, and promote the optimization of investment business of the enterprise.

1. Deepen the investment and financing modes of innovative projects

In view of the financial situation and industrial layout of local governments, we shall study the innovative project model that meets the actual needs; actively explore and study innovative investment and financing modes such as PPP + TOD, PPP + EOD, and equity investment + EPC + O, closely track the preliminary work of the projects, innovate the profit points of investment and financing projects, continuously improve the marketization ability and economic feasibility of the projects, and take innovation as the first competitiveness of market development.

2. Strengthen the market tracking of infrastructure investment and financing

We shall keep up with the national strategic areas, deeply interpret policies, grasp the local industrial layout, and make a good reserve of regional market resources. Based on government demand, market demand and enterprise demand, we shall provide scientific, sustainable and win-win investment and financing schemes. We shall innovate the operation mode, focus on the main business of rail transit, further explore the suburban railway market, actively explore new market areas such as TOD, EOD and tourism track, deepen the implementation of the Group's investment-driven strategy, and promote the steady development of the Group's investment and financing business.

3. Broaden the financing channels of investment and financing business

On the basis of existing financing business, we shall explore various financing methods based on projects, and customize specific financing schemes; actively try diversified financing means such as asset-backed securitization (ABS), real estate investment trusts (REITs), equity funds and policy development financial instruments to stimulate industrial development, revitalize existing assets, increase capital leverage effect and maximize capital benefits.

III. MANAGEMENT AND EVALUATION OF INVESTMENT PROJECTS

In 2022, the implementation and post-evaluation of the Company's investment projects were generally good. In order to further strengthen the process management of investment projects, it is planned to carry out the following work in 2023:

1. Strengthen the process control of investment projects

We shall strengthen and improve the information and data collection, statistics and analysis of the Company's investment projects, realize the real-time supervision of the process of investment projects under construction, projects in operation and long-term equity investment projects, strictly implement the relevant management requirements of the Group, earnestly perform various working procedures, and consolidate the internal management.

2. Enhance the post-investment evaluation management of the projects

We shall do a good job in the post-evaluation of investment projects, strengthen the control of investment projects, analyze the investment effect and put forward reasonable countermeasures, so as to improve the investment management of enterprises, improve the decision-making level and achieve the purpose of improving the investment benefit. We shall learn investment experience, optimize the overall investment structure of the enterprise, and choose investment projects that are more suitable for the business conditions of the enterprise and more beneficial to the development of the enterprise.

3. Consolidate the risk management and control of investment business

Combined with the increasingly complex market situation of project operation, we shall further improve the internal control system, organization and process construction of investment business, strengthen the analysis and judgment of project location, local government financial resources and project feasibility, and strengthen project review, decision-making and implementation control to ensure the economic feasibility and controllable risks of the projects, reduce the market risks of investment project operation and ensure the stable and far-reaching development of the enterprise.

In a word, in 2023, the Company will actively respond to the changing trend of the market, continuously strengthen the innovation of project operation mode, continuously deepen the new concept of business development, accelerate the guidance of enterprise transformation and upgrading, actively promote the integration of internal business resources, actively grasp the cooperation of external resources, strengthen the risk management and control of project operation, and actively cooperate with the enterprise in being listed and returning to A to ensure the healthy and sustainable development of the enterprise.