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with the actual situation. In order to avoid misleading invest

Company”) on a voluntary basis.

The Company noticed that on 25 November and 26 November 2019, certain media published news reports headed “With Unfinished Projects and Temperamental Decisions, PPP Business of Hebei Construction is Paradoxical (項目爛尾、決策反復 河北建設PPP業務讓人疑惑不解)” and “Is Zhongming Zhiye the Profit Modifier of Hebei Construction? (中明置業

clarified as follows:

1. References are made to the Company’s announcement dated 8 January 2019 and the circular dated 14 January 2019 regarding the Company’s change of use of the net proceeds from the Global Offering. Unless otherwise defined, the terms used in this announcement shall have the same meanings as those defined in the aforementioned announcement and circular. The change in the use of the net proceeds from the Global Offering was made based on the Company’s research and judgment of the then actual situation of PPP projects and the actual needs in the Company’s ordinary course of business and operation at that time, and was for the purpose of improving the efficiency and flexibility of the use of the proceeds. The change was in accordance with the provisions of the Listing Rules, relevant laws and regulations and the Articles of Association, and the Company has fulfilled necessary approval procedures and satisfied relevant disclosure requirements.
2. The investment projects to be funded by proceeds from the proposed A share offering of the Company is determined based on the changes in the current business environment and the actual needs of the Company for newly added PPP project pipelines. The Feasibility Research Report on Investment Projects to be Funded by Proceeds from the A Share Offering prepared by the Company and the feasibility study reports issued by third-party engineering consulting agencies have fully demonstrated the necessity and reasonableness of PPP and BOT investment projects.

3. The Company hereby clarifies that at present, the PPP projects of the Company are running steadily in general with smooth construction progress and positive development trend. As for the three PPP projects mentioned in the Reports, (i) the Company has won the biddings of Anhui Dangshan Airport Facilities PPP Project (安徽省蕩山通航機場設施PPP項目), Guangdong Jieyang Shide Metal Ecological City to Jieyang Chaoshan International Airport Expressway PPP Project (廣東省揭陽市中德金屬生態城至揭陽潮汕國際機場大道PPP項目). Such projects are currently pending for environment assessment and land issues; and (ii) the Company has won the bidding of Auxiliary Infrastructure Construction PPP Project for Shuanglin (Yan) Highway Automation Project (1.19470.5 (a4)9T F

6. Regarding a series of equity transfers of the Company prior to the initial public offering and listing (the “**Listing**”), the Company hereby clarifies that the purpose of such equity transfers and reorganization is to focus on and stress the principal business, improve the corporate structure and improve the use of resources in core business. The pricing of relevant equity transfers is based on the reasonable book value and is determined by third-party evaluation agencies. The transfers complied with the provisions of relevant laws and regulations in force at the time and the Articles of Association, and the necessary approval procedures have been fulfilled. For further details of