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河北建設集團股份有限公司

**HEBEI CONSTRUCTION GROUP CORPORATION LIMITED**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1727)**

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the annual results announcement for the year ended 31 December 2019 dated 12 May 2020 (the “**Results Announcement**”) and the 2019 annual report (the “**Annual Report**”) published by Hebei Construction Group Corporation Limited (the “**Company**”) on 14 May 2020. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

The Board of the Company hereby clarifies certain inadvertent clerical errors in the English version of the Result Announcement and the Annual Report as follows (relevant amendments are highlighted with underline for easy reference):

1. The net profit for 2019 set out in the fourth paragraph of the section headed “Chairman’s Statement” on page 2 of the English version of the Annual Report shall be RMB763 million.
2. In the section of “Contingent Liabilities” on page 34 of the English version of the Annual Report, as at 31 December 2019, the principal and interest of the banking facilities granted to third parties subject to guarantees given to the banks by the Group shall be RMB160 million;

In the section of “Note XI. Contingencies” on page 355 of the English version of the Annual Report, the amounts of total contingent liabilities arisen from providing external guarantees as at 31 December 2019 and 31 December 2018 shall be RMB160,138 thousand and RMB17,937 thousand.

3. On page 46 of the English version of the Annual Report, the external donation made by the Company in 2019 shall be RMB295,000.

4. In the Consolidated Income Statement on page 193 of the English version of the Annual Report, the amounts for 2019 of the items of “Operating costs”, “Taxes and surcharges”, “Selling costs”, “Administrative expenses”, “Research and development costs”, “Finance expenses” and “Interest expenses” under the “Finance expenses” shall be RMB39,023,724 thousand, RMB109,276 thousand, RMB10,237 thousand, RMB505,448 thousand, RMB92,895 thousand, RMB263,642 thousand and RMB416,985 thousand, respectively;

In the Consolidated Income Statement on page 194 of the English version of the Annual Report, the amount for 2019 of the item of “Changes in fair value of other equity investments” shall be RMB73,100 thousand, and the item of “Other comprehensive income that will be reclassified to profit and loss – Changes in fair value of receivables financing” with debt side amount of RMB14,443 thousand shall be added under the item of “Other comprehensive income attributable to shareholder of the parent, net of tax”;

In the Income Statement of the Company on page 201 of the English version of the Annual Report, the amount for 2019 of the item of “Changes in fair value of other equity instrument investments” shall be RMB73,100 thousand. In the Income Statement of the Company for 2019 and 2018, the amounts of the item of “Other comprehensive income that cannot be reclassified to profit or loss” shall be removed, and the item of “Other comprehensive income that will be reclassified to profit and loss – Changes in fair value of receivables financing” with debt side amount of RMB10,270 thousand shall be added under the item of “Other comprehensive income attributable to shareholder of the parent, net of tax”;

The heading on pages 202 and 203 of the English version of the Annual Report shall be “Statement of Changes in Shareholders’ Equity” instead of “Consolidated Statement of Changes in Shareholders’ Equity”, and the closing balance of the surplus reserve in 2019 in the Statement of Changes in Shareholders’ Equity on page 202 shall be RMB228,135 thousand.

5. In the note to the section of “Note VI-33. Retained earnings” on page 305 of the English version of the Annual Report, the expression of “such cash dividend had not been paid” shall be “such cash dividend was paid in full”.
6. In the sections of “Note IX-1. Fair value of financial instruments” on page 329 and “Note IX-3. Fair value hierarchy” on page 333 of the English version of the Annual Report, the fair value of the long-term borrowings as at 31 December 2019 and 31 December 2018 shall be RMB927,407 thousand and RMB837,394 thousand, respectively.
7. In the second paragraph of “Note IX-1. Fair value of financial instruments” on page 330 of the English version of the Annual Report, the amount in the expression of “the fair value decreased by approximately RMB6,550,00” shall be RMB6,550,000;

In the section of “Note IX-3. Fair value hierarchy” on page 332 of the English version of the Annual Report, the fair value of equity investments in Baoding Taihang Heyi Environmental Technology Co., Ltd. as at 31 December 2019 shall be RMB113,000 thousand.

8. In the last paragraph of Note VIII-3 on page 327 of the English version of the Annual Report, the expression of “the net profit/loss of the Group will increase/decrease by” shall be “the net profit/loss of the Group will decrease/increase by”.
9. In item (d) of Note 4(4) on page 346 of the English version of the Annual Report, the expression of “from 8 May 2019 to 18 July 2020, Zhongming Zhiye provided a credit guarantee” shall be “from 8 May 2019 to 18 July 2023, Zhongming Zhiye provided a credit guarantee”.

Save as the aforesaid, the Company confirms that there is no other clarification that is required to be made and all other information in the Results Announcement and the Annual Report remain unchanged.

By order of the Board  
**Hebei Construction Group Corporation Limited**  
**LI Baozhong**  
*Chairman and Executive Director*

Hebei, the People’s Republic of China  
22 May 2020

*As of the date of this announcement, the executive directors are Mr. LI Baozhong, Mr. SHANG Jinfeng, Mr. LIU Yongjian and Mr. ZHAO Wensheng; the non-executive directors are Mr. LI Baoyuan and Mr. CAO Qingshe; and the independent non-executive directors are Mr. XIAO Xuwen, Ms. SHEN Lifeng, Ms. CHEN Xin and Mr. CHAN Ngai Sang Kenny.*