

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt

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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)

- (1) 2020 ANNUAL REPORT**
- (2) 2020 FINANCIAL REPORT**
- (3) WORK REPORT OF THE BOARD FOR 2020**
- (4) WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2020**
- (5) PROFIT DISTRIBUTION PROPOSAL FOR 2020**
- (6) REMUNERATION OF DIRECTORS FOR 2020**
- (7) REMUNERATION OF SUPERVISORS FOR 2020**
- (8) FINANCING PLAN FOR 2021**
- (9) GUARANTEE ARRANGEMENT FOR 2021**
- (10) APPOINTMENT OF DOMESTIC AUDITOR FOR 2021 AND DETERMINATION OF ITS REMUNERATIONS**
- (11) ISSUANCE OF DEBT FINANCING INSTRUMENTS IN 2021**
- (12) GENERAL MANDATE TO ISSUE SHARES**
- AND**
- (13) NOTICE OF 2020 ANNUAL GENERAL MEETING**

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DEFINITIONS

Let \mathcal{A} be a \mathbb{K} -algebra and \mathcal{M} a \mathcal{A} -module. For $\lambda \in \mathbb{K}$, the λ -eigenspace of \mathcal{M} is defined as

$$\mathcal{M}_\lambda := \{ m \in \mathcal{M} \mid a \cdot m = \lambda m \text{ for all } a \in \mathcal{A} \}.$$

The generalized λ -eigenspace of \mathcal{M} is defined as

$$\mathcal{M}_\lambda^{\text{gen}} := \bigcup_{k \geq 0} \mathcal{M}_\lambda^{(k)},$$

$$\text{where } \mathcal{M}_\lambda^{(k)} := \{ m \in \mathcal{M} \mid (a - \lambda)^k \cdot m = 0 \text{ for all } a \in \mathcal{A} \}.$$

$$\text{The generalized } \lambda\text{-eigenspace } \mathcal{M}_\lambda^{\text{gen}} \text{ is a } \mathcal{A}\text{-submodule of } \mathcal{M}.$$

Let $\mathcal{M} = \mathcal{M}_\lambda^{\text{gen}} \oplus \mathcal{N}$ be a decomposition of \mathcal{M} into a generalized λ -eigenspace and a complementary submodule \mathcal{N} .

$$\text{Then } \mathcal{M}_\lambda^{\text{gen}} \text{ is the largest } \mathcal{A}\text{-submodule of } \mathcal{M} \text{ such that } \mathcal{M} = \mathcal{M}_\lambda^{\text{gen}} \oplus \mathcal{N}.$$

Let $\mathcal{M} = \mathcal{M}_\lambda^{\text{gen}} \oplus \mathcal{N}$ be a decomposition of \mathcal{M} into a generalized λ -eigenspace and a complementary submodule \mathcal{N} . For $k \geq 0$, the k -th generalized λ -eigenspace of \mathcal{M} is defined as

$$\mathcal{M}_\lambda^{(k)} := \mathcal{M}_\lambda^{\text{gen}} \cap \mathcal{N}^{(k)},$$

$$\text{where } \mathcal{N}^{(k)} := \{ n \in \mathcal{N} \mid (a - \lambda)^k \cdot n = 0 \text{ for all } a \in \mathcal{A} \}.$$

$$\text{Then } \mathcal{M}_\lambda^{(k)} \text{ is a } \mathcal{A}\text{-submodule of } \mathcal{M}_\lambda^{\text{gen}}.$$

$$\text{The } k\text{-th generalized } \lambda\text{-eigenspace } \mathcal{M}_\lambda^{(k)} \text{ is the largest } \mathcal{A}\text{-submodule of } \mathcal{M}_\lambda^{\text{gen}} \text{ such that } \mathcal{M}_\lambda^{\text{gen}} = \mathcal{M}_\lambda^{(k)} \oplus \mathcal{N}^{(k)}.$$

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LETTER FROM THE BOARD



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LETTER FROM THE BOARD

I. INTRODUCTION

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2020, and the accompanying notes to the financial statements, and has approved the financial statements for inclusion in the Company's 2020 Annual Report. The Board also has approved the 2020 Annual Report of the Company, including the Chairman's Letter to Shareholders, the Report of the Board of Directors, the Report of the Audit Committee, and the Report of the Compensation Committee. The Board has also approved the 2021 Strategic Plan of the Company, which sets forth the Company's goals and objectives for the year 2021. The Board has also approved the 2021 Compensation Policy of the Company, which sets forth the compensation structure for the Company's executive officers and other key personnel. The Board has also approved the 2021 Nominations Policy of the Company, which sets forth the process for nominating and electing members to the Board of Directors. The Board has also approved the 2021 Governance Policy of the Company, which sets forth the principles and standards for the Company's corporate governance. The Board has also approved the 2021 Environmental, Social and Governance Policy of the Company, which sets forth the Company's commitment to environmental, social and governance issues. The Board has also approved the 2021 Anti-Corruption Policy of the Company, which sets forth the Company's commitment to ethical and legal conduct. The Board has also approved the 2021 Information Security Policy of the Company, which sets forth the Company's commitment to the protection of its information assets. The Board has also approved the 2021 Business Continuity Policy of the Company, which sets forth the Company's commitment to the continuity of its operations. The Board has also approved the 2021 Risk Management Policy of the Company, which sets forth the Company's commitment to the identification, assessment and management of its risks. The Board has also approved the 2021 Sustainability Policy of the Company, which sets forth the Company's commitment to sustainable development. The Board has also approved the 2021 Diversity and Inclusion Policy of the Company, which sets forth the Company's commitment to diversity and inclusion. The Board has also approved the 2021 Supplier Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its supply chain. The Board has also approved the 2021 Customer Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its customer relationships. The Board has also approved the 2021 Employee Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its employee relationships. The Board has also approved the 2021 Vendor Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its vendor relationships. The Board has also approved the 2021 Partner Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its partner relationships. The Board has also approved the 2021 Community Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its community relationships. The Board has also approved the 2021 Stakeholder Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its stakeholder relationships. The Board has also approved the 2021 Investor Code of Conduct of the Company, which sets forth the Company's commitment to ethical and legal conduct in its investor relationships. 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II. MATTERS TO BE RESOLVED AT THE AGM

ORDINARY RESOLUTIONS

1. 2020 Annual Report

LETTER FROM THE BOARD

Dear Members of the Board,

I am pleased to have the opportunity to discuss the current state of the organization and the challenges we face. The Board's oversight and guidance are essential for our success, and I appreciate the time and effort you have dedicated to this role.

Over the past year, we have made significant progress in several key areas. Our financial performance has improved, and we have successfully implemented our strategic plan. However, there are still several challenges that we must address.

One of the primary challenges we face is the need for additional funding. Our current budget is insufficient to cover our operating expenses, and we must explore alternative funding sources to ensure our long-term sustainability.

Another challenge is the need for improved governance and oversight. We must ensure that our Board is fully informed and engaged in the organization's affairs, and that we have robust internal controls in place to prevent fraud and mismanagement.

Finally, we must address the need for improved communication and transparency. We must ensure that our members and the public are kept informed of our activities and financial performance, and that we have a clear and consistent message regarding our mission and vision.

I am confident that with the Board's support and guidance, we can overcome these challenges and achieve our long-term goals. I look forward to working closely with you to address these issues and ensure the success of our organization.

LETTER FROM THE BOARD

Final Dividend Income Taxable to Overseas Shareholders

《中華人民共和國企業所得稅法》
《關於中國居民企業向境外
股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》國稅函
號

《中華人民
共和國個人所得稅法》
《國家稅務總局關於國稅發
號文件廢止後有關個人所得稅徵管問題的通知》國稅函 號
Notice

《非居民納稅人享受稅收協定待
遇管理辦法》國家稅務總局 年第 號
Measures on Taxation

LETTER FROM THE BOARD

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6. Remuneration of Directors for 2020

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7. Remuneration of Senior Officers for 2020

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LETTER FROM THE BOARD

(1) Financing Plan

The Board of Directors of Hebei Construction Group Co., Ltd. has reviewed the financing plan for 2021. The plan is based on the company's business development and financial situation. The total financing amount is estimated to be RMB 1.5 billion. The financing will be used for various purposes, including capital expenditure, working capital, and debt repayment. The Board believes that the financing plan is reasonable and feasible, and it is recommended to the shareholders for approval.

**Financing schedule of
Hebei Construction Group Co., Ltd. for 2021**

Ta ge	E ec ed financing amOn	E ec ed e iod
1. Capital expenditure	_____	_____
2. Working capital	_____	_____
3. Debt repayment	_____	_____
Total	_____	_____

(2) Credit Facility Plan

The Board of Directors of Hebei Construction Group Co., Ltd. has reviewed the credit facility plan for 2021. The plan is based on the company's business development and financial situation. The total credit facility amount is estimated to be RMB 1.5 billion. The credit facilities will be used for various purposes, including capital expenditure, working capital, and debt repayment. The Board believes that the credit facility plan is reasonable and feasible, and it is recommended to the shareholders for approval.

LETTER FROM THE BOARD

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LETTER FROM THE BOARD

(3) *Investment and Investment Method*

The Board has reviewed the investment and investment method of the Company and has concluded that the investment and investment method of the Company is appropriate and in the best interests of the Company and its shareholders.

(4) *Term of Debt Financing Involvement*

The Board has reviewed the term of debt financing involvement of the Company and has concluded that the term of debt financing involvement of the Company is appropriate and in the best interests of the Company and its shareholders.

(5) *Use of Proceeds*

The Board has reviewed the use of proceeds of the Company and has concluded that the use of proceeds of the Company is appropriate and in the best interests of the Company and its shareholders.

(6) *Other Matters Related to the Investment*

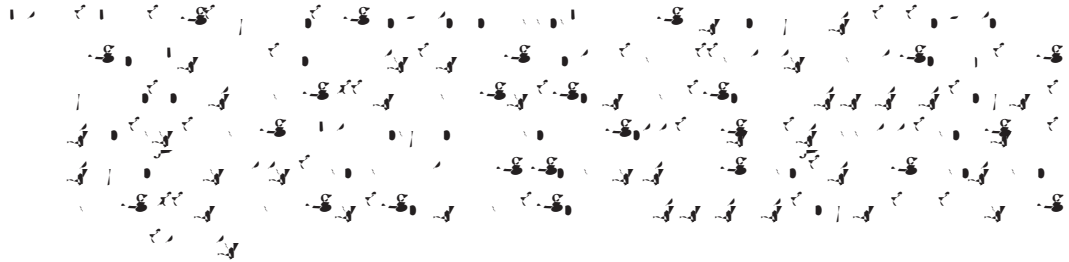
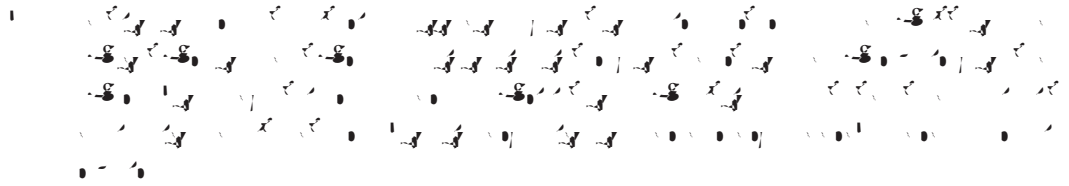
The Board has reviewed the other matters related to the investment of the Company and has concluded that the other matters related to the investment of the Company are appropriate and in the best interests of the Company and its shareholders.

LETTER FROM THE BOARD

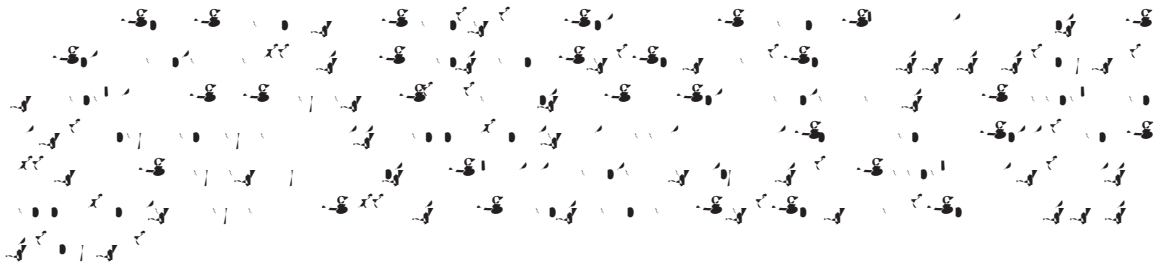
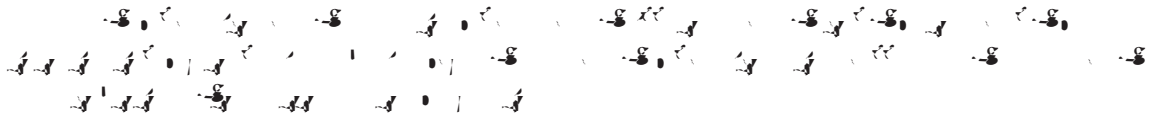
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LETTER FROM THE BOARD



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LETTER FROM THE BOARD

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III. AGM AND METHODS OF VOTING

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IV. CLOSURE OF REGISTER OF MEMBERS

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LETTER FROM THE BOARD

Hebei Construction Group Corporation Limited
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V. RECOMMENDATIONS

Hebei Construction Group Corporation Limited
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Hebei Construction Group Corporation Limited
LI Bao hong

Hebei Construction Group Corporation Limited
LI Bao hong

NOTICE OF 2020 ANNUAL GENERAL MEETING



河北建設集團股份有限公司

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NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN **AGM**

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ORDINARY RESOLUTIONS

NOTICE OF 2020 ANNUAL GENERAL MEETING

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