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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of Hebei Construction Group Corporation Limited (the “**Company**”) dated 5 May 2022 in relation to the Company’s Acquisition of 100% equity interest in the Target Company (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide Shareholders and potential investors with the following supplemental information in relation to the Announcement:

CONDITIONS PRECEDENT

Completion of the Acquisition is conditional upon, among other things, the satisfaction or waiver of the following conditions precedent:

1. Each of the purchaser and sellers has completed the internal decision-making procedures for the Acquisition in accordance with the requirements of the Listing Rules, the articles of association of the Company and relevant laws and regulations;
2. In respect of the entering into and performance of the Equity Transfer Agreement, each of the purchaser and sellers has obtained and completed all necessary consents, approvals and filings from or with any relevant governmental or regulatory authorities in the PRC, Hong Kong or other jurisdictions (where applicable); and
3. The Company has subsequently introduced a government platform company to participate in the investment in the Target Company.

COMPLETION

The date on which the Company introduces the government platform company to participate in the investment is the closing date of the Acquisition. On the closing date, all rights, obligations and risks in respect of the Target Equity Interest will be transferred. Upon Completion of the Acquisition, the results of the Target Company will not be consolidated into the financial statements of the Group.

TERMINATION

If the Company fails to introduce a government investment platform, the Company shall have the right to terminate the Equity Transfer Agreement by notice in writing to the sellers. Upon receipt of the written notice from the Company, the sellers shall jointly assist the Company in completing the change of business registration for the transfer of equity interest in the Target Company.

METHOD OF PAYMENT FOR CONSIDERATION

Prior to Completion of the Acquisition, the Company will not actually pay to the sellers the total consideration of RMB101 million for the Acquisition of the Target Equity Interest. Upon Completion of the Acquisition, the Company will pay the sellers the Consideration for the Acquisition of 100% equity interest in the Target Company in the same proportion and progress as the subsequent capital contribution and payment of consideration by the government platform company for the acquisition of over 50% equity interest in the Target Company.

EXPECTED TIMETABLE AND LONG STOP DATE

The date of introduction of the government investment platform by the Company and the completion of the Acquisition are subject to a number of factors including the progress of negotiations between the Company and the government platform company, the investment decision process of the government platform company and the development plan of the Company and the government on mixed-ownership reform cooperation. Therefore, the Board is currently unable to determine the expected timetable for the introduction of the government investment platform and the long stop date for the Acquisition which has not been specified in the Equity Transfer Agreement.

All information contained in the Announcement remains unchanged and shall continue to be valid for all purposes and this announcement shall be deemed to be supplemental to and read in conjunction with the Announcement.

As the transaction contemplated under the Acquisition is subject to certain conditions and may or may not be completed, Shareholders and investors are advised to exercise caution when dealing in the H shares of the Company.

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

Hebei, the PRC
12 May 2022

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 Ms. SHEN Lifeng, Ms. CHEN Xin and Mr. CHAN Ngai Sang Kenny.