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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hebei Construction Group Corporation Limited, you should at once hand this circular and the relevant form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



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**
-

A letter from the Board is set out on pages 3 to 16 of this circular.

A notice of AGM of the Company to be held at 9:00 a.m. on Tuesday, 8 June 2021 at Meeting Room No. 1, 3/F, No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC is set out on pages 17 to 19 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hebjs.com.cn).

Whether or not you intend to attend the AGM, holders of Shares of the Company are requested to complete the enclosed form of proxy of the Company in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares of the Company) or the Company's PRC registered office at No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC (for holders of Domestic Shares of the Company), as soon as possible, but in any event, not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i.e., not later than 9:00 a.m. on Monday, 7 June 2021). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof if you so wish.

10 May 2021

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DEFINITIONS

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

“AGM”	the 2020 annual general meeting of the Company to be convened and held at 9:00 a.m. on Tuesday, 8 June 2021 at Meeting Room No. 1, 3/F, No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended 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”	Hebei Construction Group Corporation Limited
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign Shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Stock Exchange
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	30 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

DEFINITIONS

“PPP”	public-private partnership, a partner relationship based on a framework agreement and formed between the government and private organizations for co-construction of infrastructure construction projects or providing certain public goods and services
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Baozhong (*Chairman*)
Mr. SHANG Jinfeng (*President*)
Mr. LIU Yongjian
Mr. ZHAO Wensheng

Registered Office:

No.125 Lugang Road
Jingxiu District
Baoding, Hebei Province
PRC

Non-executive Directors:

Mr. LI Baoyuan (*Honorary Chairman*)
Mr. CAO Qingshe (*Vice Chairman*)

*Headquarters and Principal Place of
Business in the PRC:*

No. 125 Lugang Road
Jingxiu District
Baoding City, Hebei Province
the PRC

Independent non-executive Directors:

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

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

10 May 2021

To the Shareholders

Dear Sir or Madam,

- (1) 2020 ANNUAL REPORT**
- (2) 2020 FINANCIAL REPORT**
- (3) WORK REPORT OF THE BOARD FOR 2020**
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AND**
- (13) NOTICE OF 2020 ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

The Company proposes to convene the AGM at 9:00 a.m. on Tuesday, 8 June 2021 at Meeting Room No. 1, 3/F, No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC. The notice convening the AGM is set out on pages 17 to 19 of this circular.

The purpose of this circular is to provide you with details regarding the resolutions to be proposed at the AGM for your consideration and approval as ordinary resolutions or special resolutions, as the case may be, at the AGM, and to provide relevant information to enable you to make an informed decision on whether to vote for or against or abstain from voting on those resolutions. Such resolutions and relevant details are set out in the letter from the Board.

II. MATTERS TO BE RESOLVED AT THE AGM

ORDINARY RESOLUTIONS

1. 2020 Annual Report

An ordinary resolution will be proposed at the AGM to approve the 2020 Annual Report. For the full text of the report, please refer to the annual report of the Company for the year ended 31 December 2020, which was published on the website of the Company and the HKExnews website of the Stock Exchange on 29 April 2021 (“**2020 Annual Report**”).

2. 2020 Financial Report

An ordinary resolution will be proposed at the AGM to approve the 2020 Financial Report. For the full text of the report, please refer to the 2020 Annual Report.

3. Work Report of the Board for 2020

An ordinary resolution will be proposed at the AGM to approve the Report of the Board for 2020. For the full text of the report, please refer to the 2020 Annual Report.

4. Work Report of the Board of Supervisors for 2020

An ordinary resolution will be proposed at the AGM to approve the Report of the Board of Supervisors for 2020. For the full text of the report, please refer to the 2020 Annual Report.

5. Profit Distribution Proposal for 2020

An ordinary resolution will be proposed at the AGM to approve the Profit Distribution Proposal of the Company for 2020. It is proposed that the AGM authorizes the Board and persons authorized by the Board to specifically complete the profit distribution, subject to the profit distribution plans considered and approved at the AGM.

LETTER FROM THE BOARD

According to the 2020 audited financial report of the Company, the undistributed profit of the parent company at the beginning of 2020 amounted to RMB1,957,869,000, plus a net profit of RMB647,835,000 realized by the parent company for the year, less the cash dividends paid for 2020 of RMB246,595,000 and less the other comprehensive income or loss carried forward to retained earnings of RMB9,553,000, the distributable profits of the parent company at the end of the year amounted to RMB2,349,556,000.

According to the Company Law of the PRC and the Articles of Association, the distributable profits of the parent company for the year 2020 shall be distributed in the order as follows:

1. 10% of the net profit realized by the parent company for the year 2020, being RMB64,784,000, will be withdrawn to statutory surplus reserve fund, after which the parent company's distributable profit for the shareholders in this year was RMB2,284,772,000;
2. The cash dividend will be RMB0.14 (tax inclusive) per share based on the total share capital of 1,761,383,500 Shares as at 31 December 2020, totaling RMB243,584,000, accounting for 32% of the net profit attributable to the listed company's shareholders for the current year under the consolidated financial statements. After the distribution, the remaining profit of the parent company available for distribution amounting to RMB2,041,188,000 will be carried forward to the next year.

The 2020 final dividend will be denominated and declared in Renminbi, in particular, domestic Shareholders will be paid in Renminbi while H Shareholders will be paid in HK dollars. The exchange rate for HK dollars will be calculated in accordance with the average central parity rate as announced by the PBOC three business days before the day the dividend distribution announcement is made (inclusive of the day of the dividend distribution announcement). It is expected that the final dividend will be distributed on Friday, 16 July 2021. The above profit distribution proposal is subject to approval by the Shareholders at the AGM.

In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Tuesday, 15 June 2021 to Thursday, 17 June 2021 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to receive the proposed final dividend, all duly completed and signed share transfer documents together with relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by holders of H Shares of the Company no later than 4:30 p.m. on Friday, 11 June 2021.

LETTER FROM THE BOARD

Final Dividend Income Tax Applicable to Overseas Shareholders

Withholding and Payment of EIT on behalf of Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions of the EIT Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Circular on Issues Relating to the Withholding of EIT by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H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[2008]897號)) issued by the SAT, the Company will withhold and pay EIT at the rate of 10% when it distributes the final dividend to overseas non-resident enterprise Shareholders of H Shares (including any H Shares of the Company registered in the name of HKSCC Nominees Limited, but excluding any H Shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder on behalf of investors who invest in the H Shares of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules, the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the “**Tax Notice**”) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H Shareholders:

- For individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in the distribution of the final dividend;
- For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the relevant Shareholder shall submit to the Company the information required under the “Administrative Measures on Preferential Treatment Entitled by Nonresidents Taxpayers under Tax Treaties” (the State Administration of Taxation [2019] No. 35) (《非居民納稅人享受稅收協定待遇管理辦法》(國家稅務總局2019年第35號)) (the “**Measures on Tax Treaties**”) on or before Friday, 18 June 2021, and demand to claim treaty benefits and retain the relevant materials for future reference. If the information is complete, the Company will withhold individual income tax in accordance with the provisions of PRC tax law and tax treaties. If the relevant individual H Shareholders do not submit the information, the Company will withhold 10% of the dividends to be distributed to the individual H Shareholders as individual income tax;

LETTER FROM THE BOARD

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H Shareholders in the distribution of the final dividend; and
- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H Shareholders in the distribution of the final dividend.

6. Remuneration of Directors for 2020

An ordinary resolution will be proposed at the AGM to approve the remuneration of Directors for 2020.

Remuneration of Directors for 2020 was determined pursuant to relevant provisions under the Articles of Association and the related contracts entered into between the Company and the Directors. For details, please refer to the 2020 Annual Report.

7. Remuneration of Supervisors for 2020

An ordinary resolution will be proposed at the AGM to approve the remuneration of Supervisors for 2020.

Remuneration of Supervisors for 2020 was determined pursuant to relevant provisions under the Articles of Association and the related contracts entered into between the Company and the Supervisors. For details, please refer to the 2020 Annual Report.

8. Financing Plan for 2021

An ordinary resolution will be proposed at the AGM to approve the Financing Plan for 2021. It is proposed that the AGM authorises the Board, which may further delegate such authority to the Chairman or the management to make decisions on the financing activities of the Company in 2021 within the framework of the Financing Plan for 2021 with the authorization period commencing from 1 July 2021 to 30 June 2022.

LETTER FROM THE BOARD

According to the 2021 Financial Budget of the Company and taking into account the capital requirements out of comprehensive consideration for the development plan and the status of business development of the Company, the Company has the following arrangements regarding the Financing Plan for 2021:

(1) Financing Plan

The financing facilities for working capital loan, bill financing and factoring financing of the Company (including wholly-owned and holding subsidiaries) are expected to be RMB9.2 billion for 2021 (excluding PPP projects), of which, the planned financing facilities of the Company (including the branches) amount to RMB5.7 billion, the planned financing facilities of its wholly-owned and holding subsidiaries amount to RMB3.5 billion, and the financing facilities of PPP project companies amount to RMB2.17 billion (including those undertaken and to be undertaken). The following table shows the breakdown of the financing plan:

**Financing schedule of
Hebei Construction Group Corporation Limited for 2021**

Unit: RMB100 million

Target	Expected financing amount	Expected period
The Company (including its branches)	57	1-3 years
Wholly-owned and holding subsidiaries of the Company	35	1-3 years
PPP project financing undertaken	11.7	2-10 years
PPP project financing to be undertaken	10	2-10 years
Total	<u>113.7</u>	

(2) Credit Facility Plan

The Company (including branches and subsidiaries) intends to obtain total credit facilities of RMB20.0 billion from various financial institutions for 2021. The Company plans to obtain total credit facilities of up to RMB15.0 billion from various financial institutions, with no more than RMB5.0 billion of total credit facilities for subsidiaries.

The above credit facilities of various banks are preliminary proposed facilities. The Company will deploy and use the aggregate financing facilities within the limit of RMB20.0 billion (including existing facilities) among various banks according to the actual situation. The specific facilities amount of each bank is subject to the agreement entered into between the Company and the bank.

LETTER FROM THE BOARD

9. Guarantee Arrangement for 2021

An ordinary resolution will be proposed at the AGM to approve the Guarantee Arrangement for 2021. It is proposed that the AGM authorises the Board, which may further delegate such authority to the Chairman or the management to make decisions on the grant of guarantee of the Company in 2021 within the framework of the Guarantee Arrangement for 2021 with the authorization period commencing from 1 July 2021 to 30 June 2022.

In order to meet its production and operational needs, the Company has formulated the guarantee plan for 2021 taking into account the actual capital flow and the Financing Plan for 2021. Details of which are as follows:

The guarantee plan for 2021 was developed based on the actual circumstances of the Company and its branches and subsidiaries, and with reference to the capital requirements as reported by the business units of the Company. To ensure steady development of the Company, it will provide new investment for continued project construction and finance the loans granted in the original projects. For risk management and control purpose, the Company will strictly review new projects, so that project financing and guarantee will be in compliance with relevant requirements of the Company Law of the People's Republic of China and the approval procedures.

The total amount of various guarantees of the Company and its subsidiaries are estimated to be RMB8.67 billion for 2021, of which, the Company will provide various guarantees, including working capital, bill financing and letter of guarantee for an amount of RMB4.5 billion for investees, holding subsidiaries and third parties; and guarantees, for a total amount of RMB2.17 billion for PPP project (SPV) companies; the subsidiaries will provide guarantees for a total amount of RMB2.0 billion for the Company, other consolidated subsidiaries of the Group, investees and third parties.

Breakdown of the Guarantee Plan

Unit: RMB100 million

Guaranteed Business	Amount of Guarantee	Terms of Guarantee
Provided by the Company to investees and holding subsidiaries and third-party companies	45	1-3 years
Provided to PPP project (SPV) companies	21.7	2-10 years
External guarantees of subsidiaries	20	1-3 years
Total	<u>86.7</u>	

LETTER FROM THE BOARD

10. Appointment of Domestic Auditor for 2021 and Determination of its Remunerations

An ordinary resolution will be proposed at the AGM to approve the Company's appointment of domestic auditor for 2021 and determination of its remunerations.

According to the domestic and overseas regulation and information disclosure requirements of the Company, taking into account the continuity and integrity of the Company's financial audit business and in view of the good credibility and influence of Ernst & Young Hua Ming LLP in the capital market and its familiarity with the regulatory requirements of the capital market, and considering that it provided professional services for the Company for the year of 2020 and established a good cooperating relationship with the Company, the Company proposed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2021. The above auditor will perform audits on the financial statements prepared by the Company in accordance with the Chinese Accounting Standards for Business Enterprises and undertake the duties of the overseas auditor in accordance with the Listing Rules for a term of office until the end of the 2021 annual general meeting of the Company. At the same time, it will be proposed at the AGM the authorization to the Board, and the further authorization by the Board to the president of the Company, to determine the remunerations of appointment of the above-mentioned auditor. Ernst & Young Hua Ming LLP is a certified public accounting firm accredited by the Ministry of Finance of PRC and the China Securities Regulatory Commission and is qualified to provide auditing services by adopting the Chinese Standards on Auditing for issuers listed in Hong Kong and incorporated in the PRC.

SPECIAL RESOLUTIONS

11. Issuance of Debt Financing Instruments in 2021

A special resolution will be proposed at the AGM to approve the issuance of debt financing instruments in 2021.

In order to meet the needs for the Company's business operation, adjust the debt structure, replenish the liquidity and lower the financing costs, the Company intends to propose at the AGM to authorize the Board and persons authorized by the Board to consider and approve, subject to the relevant laws and regulations and the prevailing market conditions, the issuance of debt financing instruments within the framework and limit approved at the AGM:

(1) Issuer

The Company is the issuer of the RMB debt financing instruments. The Company or the foreign wholly-owned subsidiaries of the Company is the issuer of the offshore debt financing instruments.

(2) Type of Debt Financing Instruments

The onshore debt financing instruments proposed to be issued by the Company include but not limited to: RMB financing instruments, such as corporate bonds, medium-term notes, short-term commercial papers and super short-term commercial papers. The offshore debt financing instruments proposed to be issued by the Company include but not limited to: USD bonds, offshore RMB bonds, etc. The aforementioned onshore and offshore debt financing instruments do not contain any provision for conversion into Shares.

LETTER FROM THE BOARD

The type of onshore and offshore debt financing instruments will be determined by the Board and persons authorized by the Board based on the relevant requirements and the market conditions at the time of issue.

(3) *Issue Size and Issue Method*

The issue size of any single type of bonds, which could be issued on an one-off or multiple issuances or multi-tranche issuances basis, shall not exceed the approved limit of issue for that class under the relevant laws, regulations and regulatory documents. Subject to the relevant laws, regulations and regulatory documents, the specific issue size will be determined based on our needs for funding and the market conditions, provided that the aggregate size for various classes of bonds applied for registration shall not exceed RMB1.5 billion equivalent.

The specific issue size will be determined by the Board and persons authorized by the Board based on the relevant requirements and the market conditions at the time of issue.

(4) *Term of Debt Financing Instruments*

The terms of the onshore and offshore debt financing instruments shall be no longer than 10 years, with a single term or a hybrid type with multiple terms. The specific term and each type with different terms will be determined by the Board and persons authorized by the Board based on the relevant requirements and the market conditions at the time of issue.

(5) *Use of Proceeds*

The proceeds from onshore and offshore debt financing instruments shall be used to meet the needs for business operation, adjust the debt structure, replenish the liquidity and/or for project investment of the Company. The specific usage will be determined by the Board and persons authorized by the Board based on the funding needs of the Company.

(6) *Other Matters Related to the Issuance*

The interest rates and interest payment method, guarantee, listing and trading of the instruments, whether it will be placed to the Shareholders and other related matters will be determined by the Board or persons authorized by the Board based on the relevant requirements and the type of onshore and offshore debt financing instruments proposed to be issued.

LETTER FROM THE BOARD

(7) Authorization Given to the Board

To ensure effective coordination of the issuance of onshore and offshore debt financing instruments and specific matters in the process of the issuance, it is proposed that the AGM authorizes and approves the Board to further authorize any one of the executive Directors to be the authorized person of the Board in respect of the issuance of onshore and offshore debt financing instruments to, deal with, at its/their sole discretion and for the best interests of the Company, all matters related to the issuance of onshore and offshore debt financing instruments within the framework of the major terms of the aforesaid issuance approved at the AGM in accordance with the relevant laws and regulations as well as the advice and recommendations from regulatory authorities, and taking into account the operational needs and the prevailing market conditions. Such matters include but are not limited to the followings:

- (i) to formulate and adjust the specific proposal for each issuance of the onshore and offshore debt financing instruments based on the specific conditions of the Company and the relevant debt market pursuant to the applicable laws, regulations and relevant requirements of the regulatory authorities as well as resolution passed at the AGM, including but not limited to: the suitable issuer(s), timing of the issue, the numbers and method of the issue, terms of issue, targets of the issue, maturity, denomination, interest rates, currency, guarantee arrangement, rating arrangement, measures to ensure debt repayment, use of proceeds, registration, listing of the bond and all matters in connection with the issuance of onshore and offshore debt financing instruments.
- (ii) to make decision on the engagement of intermediary agency, to select and engage trustee and settlement manager(s), to sign the trust agreement(s) and settlement agreement(s), and to formulate the rules of procedures of the meeting of the holders of debt financing instruments (if applicable).
- (iii) to sign, implement, amend and complete all of the agreements and documents relating to the issuance of the onshore and offshore debt financing instruments, including but not limited to, the sponsor agreement, underwriting agreement, guarantee agreement, bond indenture, engagement agreement with intermediary agency, trust agreement, settlement agreement, registration and custody agreement, listing agreement and other legal documents, etc.
- (iv) to complete all applications and listing matters in connection with the issuance of the onshore and offshore debt financing instruments, including but not limited to, the preparation, revision and submission of relevant application and filing materials relating to the issuance and listing of the onshore and offshore debt financing instruments as well as the application and filing materials in respect of guarantee, letter of support or keep-well deed to be provided by the Company, the issuer and/or third party(ies), and to sign the relevant application and filing documents and other legal documents as required by relevant regulatory authorities.

LETTER FROM THE BOARD

- (v) to sign and release/distribute announcements and circulars related to the issuance of the onshore and offshore debt financing instruments pursuant to the requirements of the relevant domestic regulatory authorities and the Listing Rules, so as to fulfill its obligation to disclose relevant information and/or perform approval procedure (if required).
- (vi) save as those matters that require re-approval at the general meetings as required by the relevant laws, regulations and the Articles of Association, to either adjust the matters relating to the issuance of the onshore and offshore debt financing instruments in response to the advice from regulatory authorities, changes in policies or changes in market conditions, or to decide whether to continue the works, in whole or in part, of the issuance of the onshore and offshore debt financing instruments based on the actual situation.
- (vii) to deal with other relevant matters in connection with the issuance of the onshore and offshore debt financing instruments, and to sign all necessary documents.

(8) *Validity Period of the Resolution*

The resolution of the AGM in respect of the issuance of the onshore and offshore debt financing instruments will be valid from the date of the resolution being passed at the AGM to the date convening the next annual general meeting.

Where the Board and the persons authorized by the Board have decided, during the authorized period, to issue in whole or in part the onshore and offshore debt financing instruments, and provided that the Company has also, during the authorized period, obtained the approval or license from, or completed filing or registration (if applicable) with regulatory authorities for the issuance, the Company may, during the validity period confirmed in such approval, license, filing or registration, complete the issue in whole or in part of the onshore and offshore debt financing instruments.

12. General Mandate to Issue Shares

A special resolution will be proposed at the AGM to approve the general mandate to issue new Domestic Shares and H Shares of the Company. In order to meet the capital requirements for the sustainable business development of the Company, and for the flexible and effective utilization of financing platforms, the Board will, in accordance with the applicable laws, regulations, other regulatory documents and capital market practices, propose the following at the AGM for consideration and approval:

(1) *General Mandate to Issue Shares*

- (i) Subject to the conditions set out in (ii) below, a resolution will be proposed at the AGM to authorize the Board to issue Shares (H Shares and/or Domestic Shares, same for the below) during the relevant period (as defined below).

LETTER FROM THE BOARD

(ii) The numbers of H Shares and Domestic Shares authorized to be issued by the Board under approval shall not exceed 20% of the total numbers of H Shares and Domestic Shares in issue of the Company as at the date of this resolution being approved at the AGM, respectively.

(iii) For the purpose of this resolution:

“**relevant period**” means the period from the date of the passing of this special resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting after the passing of this resolution (unless otherwise being extended by the passing of a special resolution at that meeting (whether or not with conditions being attached), such mandate will be lapsed); or
2. the date on which such mandate granted under this resolution is revoked or amended by a special resolution at the general meeting of the Company.

(2) Related Authorization

In order to improve the efficiency of decision making and to reduce approval procedures so as to grasp the opportunities in the market, it is proposed at the AGM to grant the Board the general mandate to issue Shares, to deal with all matters related to the general mandate to issue Shares at their sole discretion, which include but are not limited to:

- (i) to authorize the Board to determine the detailed issuance proposal, including but not limited to:
1. the class and numbers of the Shares proposed to be issued;
 2. pricing method and/or issue price (including the range of pricing);
 3. the first and last date of the issuance;
 4. use of proceeds;
 5. other information needed to be included in the detailed issuance proposal as required by the relevant laws and regulations and other regulatory documents, relevant regulatory authorities and the stock exchange of the place of listing.

LETTER FROM THE BOARD

- (ii) to authorize the Board to deal with the matters related to the increase of the registered capital of the Company to include the Shares authorized to be issued by the Company under this resolution and to make such amendments as it deems appropriate and necessary to the clauses related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and processes which are necessary for increasing the registered capital of the Company.

III. AGM AND METHODS OF VOTING

A notice convening the AGM of the Company to be held at Meeting Room No. 1, 3/F, No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC at 9:00 a.m. on Tuesday, 8 June 2021 is set out on pages 17 to 19 of this circular. A form of proxy for use at the AGM is attached below and is also published on the website of the Stock Exchange and the website of the Company.

Whether or not you intend to attend the AGM, you are requested to complete the form of proxy attached below in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares of the Company), or to the Company's registered office in the PRC at No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC (for holders of Domestic Shares of the Company), as soon as practicable and in any event not later than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. no later than 9:00 a.m. on Monday, 7 June 2021). Completion and return of the form of proxy will not preclude you from attending in person and voting at the AGM or any adjourned meeting should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions set out in the notice of AGM will be taken by way of poll. Vote can be cast in person or by proxy.

To the best of the knowledge, information and belief of the Directors after having made all reasonable inquiries, no Shareholder will be required to abstain from voting at the AGM regarding the relevant resolutions as at the Latest Practicable Date.

IV. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (both days inclusive), during which period no transfer of Shares of the Company will be registered. In order to qualify for attending and voting at the AGM, holders of H Shares of the Company shall deliver all duly completed and signed transfer documents together with the relevant share certificates to the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 2 June 2021.

LETTER FROM THE BOARD

In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Tuesday, 15 June 2021 to Thursday, 17 June 2021 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to receive the proposed final dividend, all duly completed and signed share transfer documents together with relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by holders of H Shares no later than 4:30 p.m. on Friday, 11 June 2021.

V. RECOMMENDATIONS

The Board of Directors believe that the proposals mentioned above are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommend that Shareholders vote in favor of the resolutions at the AGM.

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

NOTICE OF 2020 ANNUAL GENERAL MEETING



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)

NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 annual general meeting (the “**AGM**”) of Hebei Construction Group Corporation Limited (the “**Company**”) will be held at Meeting Room No. 1, 3/F, No. 125 Lugang Road, Jingxiu District, Jingxiu District, Baoding City, Hebei Province, the People’s Republic of China (the “**PRC**”) at 9:00 a.m. on Tuesday, 8 June 2021 to consider and, if thought fit, approve, among others, the following resolutions (with or without modification).

ORDINARY RESOLUTIONS

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

NOTICE OF 2020 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

11. Issuance of Debt Financing Instruments in 2021
12. General Mandate to Issue Shares

Details of the above resolutions are set out in the circular of the Company dated 10 May 2021.

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

Hebei, the PRC, 10 May 2021

Notes:

- (1) The register of members of the Company will be closed from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 8 June 2021 will be eligible to attend the AGM. In order to qualify for attending and voting at the AGM, holders of H Shares of the Company shall deliver all duly completed and signed transfer documents together with the relevant share certificates to the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 2 June 2021.

The register of members of the Company will be closed from Tuesday, 15 June 2021 to Thursday, 17 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all duly completed and signed share transfer documents together with relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by holders of H Shares of the Company no later than 4:30 p.m. on Friday, 11 June 2021.

- (2) Shareholder entitled to attend and vote at the AGM can complete the proxy form provided by the Company to appoint one or more person to attend and vote on his/her/its behalf at the AGM. A proxy need not be a shareholder of the Company. For shareholder who appoints more than one proxy, his/her/its proxies can only exercise the voting right in a poll.
- (3) A shareholder shall appoint his/her/its proxy by an instrument in writing under the hand of the shareholder or of his/her/its attorney duly authorized in writing. If the shareholder is a corporation, the instrument in writing shall be either under its common seal or under the hand of its authorized representative or an attorney duly authorized. If the instrument in writing is signed by an attorney of the shareholder, the power of attorney authorizing the attorney to sign, or other authorization documents must be notarized.
- (4) In order to be valid, the proxy form and the related notarized power of attorney (if any) and other authorization documents (if any) referred in note (3) above must be lodged to the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares of the Company), or to the Company's registered office in the PRC at No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC (for holders of Domestic Shares of the Company), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be) (i.e. no later than 9:00 a.m. on Monday, 7 June 2021). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting in person should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

NOTICE OF 2020 ANNUAL GENERAL MEETING

- (5) Shareholders or their proxy(ies) should produce identification documents when attending the AGM. If the shareholder is a corporation, its authorized representative or the person authorized by its board of directors or other authorities shall produce the copy of the authorization documents appointing him/her to attend the meeting issued by the board of directors or other authorities of such corporate shareholder.
- (6) The AGM is expected to last for no more than half day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.
- (7) Contact information of the Board office is set out below:

Address: No. 125 Lugang Road, Jingxiu District, Baoding City, Hebei Province, the PRC
Post code: 071000
Contact person: Li Wutie
Tel: (86) 312 331 1028
Fax: (86) 312 301 9434

As of the date of this notice, 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.