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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)

PROFIT WARNING

This announcement is made by Hebei Construction Group Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Due to the rise in provision for individual losses of certain property developers such as Evergrande Group, the provision for individual losses of trade receivables, notes receivable and contract assets as well as expected credit losses increased. The board of directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 and the information currently available, it is expected that the net profit of the Group for the year ended 31 December 2021 would record a decline by not less than 90% as compared with the net profit of the previous year of approximately RMB752 million, or even record a loss.

Notwithstanding the above, the Board would like to emphasise that there is no cancellation of major contracts of the Group as of the date of this announcement. The operation of the Group remains stable with healthy liquidity position. With the aim of seeking progress while maintaining stability, the Group will be based in Beijing-Tianjin-Hebei region and focus on key areas including the five biggest metropolitan areas, while closely following the national strategy and constantly promoting steady development.

The Group will strengthen its risk control management and strictly control market entry. The Group will step up efforts to undertake projects with guaranteed profits and stable cash flow; continue to optimise the business structure, and focus on special debt projects and EPC projects; actively undertake urban renewal and rural revitalisation projects; continuously maintain traditional advantages in the fields of airport runway and medical education; proactively explore new infrastructure, new energy, new urbanisation, ecological restoration, carbon neutrality and carbon peak emission projects in order to drive the new business growth of the Group, while strengthening the collection of accounts receivable and strictly controlling projects with advance funds.

Details of the financial information for the year ended 31 December 2021 will be subject to the disclosure of audited annual results announcement of the Company. Such information may be different from the information set out above.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hebei, the People's Republic of China
25 March 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.