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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)

(St C de: 1727)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the "**B a d**") of Hebei Construction Group Corporation Limited (河北建設集團股份有限公司) (the "**C a**") hereby announces the annual results of the Company and its subsidiaries for the year ended 31 December 2017. This announcement is in compliance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany the preliminary announcement of annual results.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement will be published on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the "**St E c a e**") at www.hkexnews.hk and the website of the Company at www.hebjs.com.cn.

The annual report of the Company for 2017 will be published and dispatched to the Company's H shareholders in due course and will be published on the aforesaid website of the HKEXnews of the Stock Exchange as well as the website of the Company.

By order of the Board
Hebe C t ct G C at L ted
LI Ba
Chairman and Executive Director

Hebei, China
26 March 2018

As at the date of this announcement, the executive Directors are Mr. LI Baozhong, Mr. SHANG Jinfeng, Ms. LIU Shuzhen and Mr. LIU Yongjian; 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.

CHAIRMAN'S STATEMENT

Dear Shareholders,

First of all, on behalf of the Board of Directors of Hebei Construction Group Corporation Limited, I would like to express my sincere gratitude to all Shareholders and the public for the concerns and support to the Company in the past year!

The year 2017 was full of exciting events and extraordinary accomplishments for the Company. Not only was it our 65th birthday, Hebei Construction Group also celebrated its 20th anniversary of corporate incorporation. During the year, we made outstanding progress and were successfully listed on the Main Board of the Hong Kong Stock Exchange. Furthermore, we accomplished all the financial performance benchmarks while maintaining rapid and steady development.

The total contract value hit the record high. Committed to the development strategy of "leading by the market", we focused on strengthening our market position. Our open-mindedness, as well as practical and pragmatic approach in changing model and restructuring, have led us to another success in market competition. In 2017, the Group's new contract value reached RMB61,300 million, representing 119% of the annual target at RMB51,615 million, up by 27% as compared with the corresponding period of the previous year. We were recognized as "National Reliable and Creditable Enterprise (國家級守合同重信用榮譽稱號)" for six

CORPORATE INFORMATION

Basic information of the Company is set out below:

Le a Na e t e C a
河北建設集團股份有限公司

E Na e t e C a
Hebei Construction Group Corporation Limited

D ect
Executive Directors
Mr. Li Baozhong *(Chairman of the Board)*
Mr. Shang Jinfeng *(President)*
Ms. Liu Shuzhen
Mr. Liu Yongjian

Non-executive Directors
Mr. Li Baoyuan *(Honorary Chairman)*
Mr. Cao Qingshe *(Vice Chairman)*

Independent Non-executive Directors
Mr. Xiao Xuwen
Ms. Shen Lifeng
Ms. Chen Xin
Mr. Chan Ngai Sang Kenny

S e
Mr. Mao Yuanli
(Chairman of the Board of Supervisors)
Mr. Liu Jingqiao
Ms. Feng Xiujian
Mr. Yue Jianming
Mr. Wang Feng

J t C a Sec eta e
Mr. Li Wutie
Ms. Wong Wai Ling *(ACIS, ACS)*

A t ed Re e e tat e
Ms. Shen Lifeng
Ms. Wong Wai Ling *(ACIS, ACS)*

B a d C ttee
Audit Committee
Ms. Shen Lifeng *(Chairman of the committee)*
Mr. Li Baoyuan
Mr. Cao Qingshe
Ms. Chen Xin
Mr. Chan Ngai Sang Kenny

Remuneration and Appraisal Committee
Ms. Chen Xin *(Chairman of the committee)*
Mr. Li Baozhong
Mr. Shang Jinfeng
Ms. Shen Lifeng
Mr. Chan Ngai Sang Kenny

Nomination Committee
Mr. Li Baozhong *(Chairman of the committee)*
Mr. Shang Jinfeng
Ms. Shen Lifeng
Ms. Chen Xin
Mr. Chan Ngai Sang Kenny

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Jingxiu District
Baoding, Hebei Province
PRC

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Jingxiu District
Baoding, Hebei Province
PRC

P c a P ace B e H K
18/F, Tesbury Centre
28 Queen’s Road East
Hong Kong

St č' S t Na e a d St č' C de
HEBEI CONS (01727)

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As to PRC law
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A d t
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Certified Public Accountants
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1 Tim Mei Avenue
Central, Hong Kong

C a ce Ad e
Central China International Capital Limited
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8 Connaught Place
Central, Hong Kong

S a c dated tate e t a c a t

	As at 31 Dece be			
	2017	2016	2015	2014
		RMB'000		
Total non-current assets	**2,163,369**	1,524,130	2,446,183	2,260,468
Total current assets	**48,595,293**	59,882,862	49,696,516	41,016,679
Total assets	**50,758,662**	61,406,992	52,142,699	43,277,147
Equity attributable to owners of the parent	**3,902,687**	2,834,235	2,080,907	1,850,630
Non-controlling interests	**408,622**	255,443	90,862	95,495
Total equity	**4,311,309**	3,089,678	2,171,769	1,946,125
Total non-current liabilities	**1,721,780**	540,280	1,489,457	1,285,695
Total current liabilities	**44,725,573**	57,777,034	48,481,473	40,045,327
Total liabilities	**46,447,353**	58,317,314	49,970,930	41,331,022
Total equity and liabilities	**50,758,662**	61,406,992	52,142,699	43,277,147

BUSINESS OVERVIEW

Pa t I: I d t O e ew

O e ew ac ec C a: In 2017, the annual nominal gross domestic product ("**GDP**") in China was RMB82,712.2 billion, representing an increase of 6.9% from last year based on comparable price. Despite the slowdown in growth, nominal GDP in China is still expected to show a CAGR of 7.9% from 2016 to 2021, reaching RMB106.3 trillion in 2021, driven by the strong potential in domestic consumption, government stimulus policy and continuous investment in fixed assets.

Construction industry plays a significant role in the development of national economy. Building construction, infrastructure construction and professional supporting services are important components of the construction industry in China. Total output value of the construction industry was RMB21,395.4 billion for 2017, representing an increase of 10.5% as compared to last year, which was higher than the national GDP growth. The national building construction area amounted to 13.17 billion sq.m., representing a year-on-year growth of 4.2%. The newly commenced construction area increased by 7.0% to 1,786.54 million sq.m., of which newly commenced residential area went up by 10.5%. In 2017, national fixed income investment (excluding farmers, the same hereafter) amounted to RMB63,168.4 billion, of which infrastructure investment was RMB14,000.5 billion, representing a growth of 19.0%. Retail amount of construction materials reached RMB322.1 billion in 2017, representing a year-on-year growth of 10.3%.

O e ew ac ec t e Be -T a -Hebe Re : The Beijing-Tianjin-Hebei Region, which is the region with the highest urbanization rate in Northern China, covers Beijing, Tianjin and 11 prefecture-level cities in Hebei Province (including Baoding, Tangshan, Langfang, Shijiazhuang, Xingtai, Handan, Hengshui, Cangzhou, Qinhuangdao, Zhangjiakou and Chengde). The coordinated development of the Beijing-Tianjin-Hebei Region aims at promoting the synergetic development of Beijing, Tianjin and Hebei. Its missions are to build a new capital-centered economic circle, to promote the innovation of regional development mechanism, and to explore effective ways of ecological civilization construction and the coordinated development of population, economy, resources and environment.

With the coordinated development of the Beijing-Tianjin-Hebei Region started in 2011, the nominal GDP in the Beijing-Tianjin-Hebei Region has been accelerating in the past few years, driven by the strong economic and policy support from the government. It is expected to keep growing at a CAGR of 3.0% and reach RMB8,337.8 billion in 2021.

On 1 April 2017, the CPC Central Committee and the State Council issued a notice to set up Xiong'an New Area in Hebei Province. Located in the hinterland of Beijing, Tianjin and Baoding, Xiong'an New Area covers the counties of Xiongxian, Rongcheng, Anxin in Hebei Province and their surrounding area. The decision is to relieve the non-capital functions of Beijing and to advance the coordinated development of the Beijing-Tianjin-Hebei Region. The establishment of Xiong'an New Area will inevitably promote the construction of infrastructure. With the proceeding of the coordinated development of the Beijing-Tianjin-Hebei Region, the investment related to infrastructure construction is likely to surge significantly, among which the investment in construction of infrastructure and rail transit will also bloom. It is estimated that the accumulated investment in the fixed assets of Xiong'an New Area will exceed RMB400 billion in the next five years from 2017 to 2021.

Pa t II: O e ew C a B e

We are a leading non-state owned construction group in China and are principally engaged in the following businesses:

- Construction contracting business. We provide construction contracting services mainly as a general contractor for building construction projects and infrastructure construction projects.

- Other businesses. We also engage in property development, property management and other businesses.

Our total revenue increased from RMB38,609.4 million in 2016 to RMB41,177.3 million in 2017, representing a year-on-year growth of 7%. Our profit for the year increased by 34% from RMB813.6 million in 2016 to RMB1,094.1 million in 2017. A substantial majority of our revenue was generated from the construction contracting business, which mainly comprises building construction business, infrastructure construction business and specialized and other construction contracting business. Of which, new contract value increased by 27% from RMB48,260.5 million in 2016 to RMB61,309.3 million in 2017, and backlog increased by 38% from RMB48,612.4 million in 2016 to RMB67,266.0 million in 2017.

Revenue from the building construction business (by region):

Yea	2016	**2017**
RMB million	39,176.1	**39,613.4**
Share of Beijing-Tianjin-Hebei	64.50%	**64.89%**
Share of Beijing	9.60%	**8.11%**
Share of Tianjin	4.70%	**5.06%**
Share of Hebei	50.20%	**51.72%**
Share of other regions	35.50%	**35.11%**

New contract value (by region):

Yea	2016	**2017**
RMB million	48,260.5	**61,309.3**
Share of Beijing	8.82%	**3.50%**
Share of Tianjin	6.24%	**4.47%**
Share of Hebei	52.35%	**48.69%**
Share of other regions	32.59%	**43.34%**

Backlog (by region):

Yea	2016	2017
RMB million	48,612.4	**67,266.0**
Beijing	12.41%	**8.40%**
Tianjin	4.12%	**3.58%**
Hebei	50.13%	**49.29%**
Other regions	33.34%	**38.73%**

(1) Building Construction Business

We provide construction contracting services for residential, public works, industrial and commercial construction projects. We undertook most of such construction projects as a general contractor. As a general contractor, we perform all the main aspects of the construction project, including building construction, foundation works, curtain wall construction, building decoration and fireproofing projects. We are also responsible for engaging subcontractors in providing construction services and the labor force for the construction project, coordinating the work of all parties, providing the major equipment and machinery, procuring raw materials and ensuring that the construction project is on schedule. In 2016 and 2017, our revenue from building construction projects was RMB23,976.9 million and RMB25,045.8 million respectively, accounting for 61.2% and 63.2% of our revenue from construction contracting business for the corresponding period respectively. New contract value was RMB30,088.4 million and RMB38,909.4 million respectively, and backlog was RMB34,354.6 million and RMB47,430.2 million respectively.

New contract value of the building construction business (by region):

Yea	2016	2017
RMB million	30,088.4	**38,909.4**
Share of Beijing	11.60%	**4.26%**
Share of Tianjin	7.37%	**5.89%**
Share of Hebei	52.36%	**43.45%**
Share of other regions	28.67%	**46.40%**

Backlog of the building construction business (by region):

Yea	2016	2017
RMB million	34,354.6	**47,430.2**
Share of Beijing	14.55%	**8.95%**
Share of Tianjin	4.80%	**4.16%**
Share of Hebei	44.38%	**47.56%**
Share of other regions	36.27%	**39.33%**

(2) *Infrastructure Construction Business*

In addition to building construction, which has been our core business, we are also providing increasing construction contracting services for municipal and transportation infrastructure projects, including facilities for water supply and treatment, gas and heating, urban pipelines, roads, bridges and airport runways. We undertook most of such construction projects as a general contractor. Our infrastructure construction customers are primarily local governments. In 2016 and 2017, our revenue from infrastructure construction projects was RMB12,198.8 million and RMB9,991.8 million respectively, accounting for 31.1% and 25.2% of our revenue from construction contracting business for the corresponding period respectively. New contract value was RMB13,078.2 million and RMB20,647.7 million, and backlog was RMB11,207.9 million and RMB15,575.7 million.

New contract value of the infrastructure construction business (by region):

Yea	2016	**2017**
RMB million	13,078.2	**20,647.7**
Share of Beijing	4.76%	**1.98%**
Share of Tianjin	3.30%	**1.41%**
Share of Hebei	59.77%	**57.51%**
Share of other regions	32.17%	**39.10%**

Backlog of the infrastructure construction business (by region):

Yea	2016	**2017**
RMB million	11,207.9	**15,575.7**
Beijing	8.74%	**8.73%**
Tianjin	2.28%	**1.11%**
Hebei	62.65%	**48.30%**
Other regions	26.33%	**41.86%**

(3) *Specialized and Other Construction Contracting Business*

We also undertake construction contracting projects by leveraging our qualifications and experience in specialized areas such as electrical and mechanical installation and construction of steel structures. Our electrical and mechanical installation works generally cover the supply, installation and maintenance of equipment for power plants, pipelines for heating and natural gas, as well as air-conditioning, mechanical ventilation and exhaust air systems. Steel structure construction generally refers to the building of the structural supporting elements comprising steel columns, girders and beams of a construction project. In 2016 and 2017, our revenue from specialized and other construction contracting business was RMB3,000.4 million and RMB4,575.8 million respectively, accounting for 7.7% and 11.56% of our revenue from construction contracting business for the corresponding period respectively.

New contract value of the specialized and other construction contracting business (by region):

Yea	2016	2017
RMB million	5,093.9	**1,752.2**
Share of Beijing	2.80%	**4.63%**
Share of Tianjin	7.06%	**9.14%**
Share of Hebei	33.47%	**61.23%**
Share of other regions	56.67%	**25.00%**

Backlog of the specialized and other construction contracting business (by region):

Yea	2016	2017
RMB million	3,049.9	**4,260.2**
Share of Beijing	0.18%	**0.99%**
Share of Tianjin	3.27%	**6.22%**
Share of Hebei	68.85%	**72.25%**
Share of other regions	27.70%	**20.53%**

Home to over 100 million people and contributing over one-tenth of China's GDP in 2016, the Beijing-Tianjin-Hebei Region has a vibrant, open and innovative economy, and is one of the key engines of China's economic growth. Rooted in Hebei Province for 65 years, we are well-positioned to benefit from PRC national strategies of the coordinated development of the Beijing-Tianjin-Hebei Region and the establishment of the Xiong'an New Area. In 2017, we ranked 366th among the "Top 500 Enterprises in China" according to the China Enterprise Confederation and the China Enterprise Directors Association, and in 2017, we ranked 20th among the "Top 80 Contractors in China" according to the Construction Times.

Our construction contracting business covers residential, public, industrial and commercial buildings, municipal and transportation infrastructure, as well as specialized construction, such as electrical and mechanical installation and steel structure. Our construction projects are generally awarded through a bidding process or by contract negotiations with our customers. Leveraging our brand name, the diverse coverage of our qualifications and a nationwide business network, we have built a successful track record in the construction contracting industry. We have undertaken the construction of hundreds of landmark projects, such as the Lee Shau-Kee Science and Technology Building of Tsinghua University, Medical Building of the Central South University Xiangya Hospital (New Medical District), expansion project of the Hohhot Baita International Airport, and the Large-Scale Products Mechanical Processing Plant Complex for China Academy of Space Technology.

While building construction has been our core business, we have continually improved our portfolio of services and identified infrastructure construction as our strategic growth areas, which has higher profit margins compared to that of building construction. China's infrastructure development has been growing at a rapid pace, and the growth is expected to continue in the near future, driven by strong economic growth and continued urbanization. Infrastructure construction is fundamental to the development of the Xiong'an New Area, which covers mostly suburban areas. Hebei Province has also planned to make significant investments in transportation infrastructure, in response to the national strategy of Beijing-Tianjin-Hebei coordinated development. Our construction contracting business mainly includes the procurement construction (PC) contracting model, the construction contracting model and the engineering, procurement and construction (EPC) contracting model. Leveraging our industry expertise, track record and enduring customer relationships, we are well-positioned to capture business opportunities in the fast-growing infrastructure industry, including PPP projects, in the Xiong'an New Area, the Beijing-Tianjin-Hebei Region and other parts of China.

Pa t III: Re ea c a d De e e t Ac e e e t a d Awa d

The Company has expanded its market to 31 provinces, municipalities and autonomous regions, as well as nearly 10 overseas countries. As of now, it has launched 21 projects and participated in 9 projects that won the Lu Ban Awards. It garnered the "Gold Award of Outstanding Contribution for Launching of Lu Ban Award Winning Construction (魯班獎工程突出貢獻金獎)" in 2012 and the title of "An Entity of Outstanding Contribution for Launching of Lu Ban Award Winning Construction (創建魯班獎工程突出貢獻單位)" in 2017. Hebei Construction Group has received the "National Quality Project Award (國家優質工程獎)", "Steel Structure Gold Award (鋼結構金獎) ", "Star of China Installation Award (安裝之星獎)" and "National Decoration Award (全國裝飾獎)", and was accredited for over 500 "Provincial Quality Construction (省優工程)" and more than 200 provincial or above "Safety Civilization Construction Sites (安全文明工地)".

The Company was awarded the "Second Prize of the National Science and Technology Progress Award (國家科技進步二等獎)", the "Innovation Achievement Award of the China Construction Industry Association (中國建築業協會創新成果獎)" and a large number of provincial-level science and technology achievements and patents. In 2017 alone, it garnered 56 "Provincial Quality Construction (省優工程)" and 21 "Provincial Science and Technology Progress Award (省級科技進步獎)".

Following the introduction of the performance excellence management model, the Company won the "National Quality Award (全國質量獎)" and two "Provincial Government Quality Awards (省政府質量獎)". Recognized by the MOHURD, it was one of the 20 recipients of the "National Excellent Project Quality Management Enterprise Award (全國工程質量管理優秀企業)". It also received the title of "National Model of Workers' Home (全國模範職工之家)" and the "National 1st May Labour Award (全國五一勞動獎狀)".

1. In 2017, the Company led or participated in the formulation of 8 sets of regulations, requirements and standards, and was in the process of preparing 14 sets of regulations, requirements and standards.

2. The "Technology Integration and Application to Secure Water Supply and Safety for Poverty Alleviation and Development of Hebei Mountainous Regions", which was completed with the cooperation of the Company, was awarded the "2017 Hebei Province Mountainous Region Entrepreneurship Award (2017年度河北省山區創業獎)" by the Hebei Provincial Department of Science and Technology. The Group had 21 achievements that won the "Hebei Province Construction System Technological Progress Award (河北省建設系統科技進步獎)" and 3 achievements that were awarded the "Baoding City Technological Progress Award (保定市科技進步獎)". The "New Huaneng Shanxi Low-Carbon Technology R&D Center Project (新建華能山西低碳技術研發中心項目)" and the "Scientific Research Laboratory Building of Tsinghua University Project (清華大學科研實驗樓項目)" passed the interim inspection of the Ministry of Construction for green construction technology model projects.

3. The Company was accredited for 18 provincial-level key process technology, 5 of which are among the top in the country.

4. In 2017, the Company submitted 81 patent applications in China, including 20 applications for invention patents, and was granted 31 patents (including 4 invention patents).

5. In 2017, the Company received the title of "An Entity of Outstanding Contribution for Launching of Lu Ban Award Winning Construction (創建魯班獎工程突出貢獻單位)" and the "Lu Ban Award (魯班獎)" from the China Construction Industry Association. It also won two National Quality Awards in Structure and Decoration and 56 provincial quality construction awards.

6. Xiaoyan Hive Co-working Space (小燕•蜂巢眾創空間), which was established by the Company, was recognized as an outstanding co-working space at the national, provincial and municipal levels and was selected as the "Baoding Innovation and Entrepreneurship Model Base (保定市雙創示範基地)" and "Baoding City Start-up Enterprises Incubator Base (保定市創業孵化基地)".

7. HCG Installment Engineering and HCG Zhuocheng Road and Bridge Engineering were accredited as national high-tech enterprises.

8. The Company continued the research on prefabricated component construction technology for industry upgrade and became one of the first to acquire a national prefabricated component construction base.

Pa t IV: O t

In 2018, the Company will continue to adopt the strategy of "foundation strengthening, business upgrade, further innovation and sustainable development". Centering on the performance excellence model and focusing on efficiency, it will pursue various goals with high-caliber talents by adopting information technology and innovation measures, while the project department will be guided by the operation manual to provide strong support. To this end, we will attach importance to the following tasks:

(I) Become a role model of listed enterprises by establishing management standards for operation compliance

Given the well-established legal system and sound regulatory framework of the financial market, we should acquire relevant knowledge and set up operation standards, so that the Company will become a listed enterprise with excellent governance structure as well as a sound internal mechanism and operating standards.

(II) Leverage the platform to pursue growth driven by financial and technology development

1. Enhance the quality and quantity of project undertaking. Harnessing the capital resources and comprehensive strengths of the Company, we will undertake more high-profile, large-scale, supreme, leading and special construction projects to upgrade the quality and technological level of new projects.

2. New involvement in the PPP sector. Based on existing PPP projects, we will select infrastructure and utility projects that have a relatively higher profit margin.

(V) *Strengthen on-site management for a positive image*

Our work sites contribute to our brand image and reflect our management capabilities, hence they are our key to win the market. We will enhance the image of work sites as the primary goal and focus on the followings:

1. Adopt standardized management for overall enhancement

2. Revive the tradition and strengthen the foundation

3. Improve quality to pursue excellence

4. Cherish lives and protect the environment

(VI) *Implement scientific management and overcome deficiencies for ongoing profitability upgrade*

In order to promote long-term profitability, we will work towards "business expansion, quantity improvement, quality enhancement and rapid development". We will control trade receivables, lower liabilities, carry out capital management and ensure safe operation. Through fund utilization evaluation, we will boost utilization efficiency.

We maintain "honesty and integrity" as a legal person, which are also the moral values upheld by legal persons and natural persons.

(VII) *Adopt innovative thinking to capture the market and facilitate the healthy development of the real estate sector*

We will seize opportunities in the emerging Xiong'an New Area. We will base in Baoding and intensely explore the Beijing-Tianjin-Hebei Region, while actively expanding to nearby markets and key regions. In particular, we will promptly make plans for entering the Laiyuan market. We will also lead the growth of the industrial real estate and healthcare real estate sectors.

(VIII) *Cultural integration for the common goal of a brighter future*

By promoting the culture of "creating a harmonious family and becoming a responsible person", we will pursue corporate development driven by the "Family•People" culture. We will also step up efforts in brand building and advertising. The Company is positioned to garner support from employees, recognition from society, love from the public and attention from customers.

Riding on our previous success, we will push forward for further achievements and aim to meet various goals under the "13th Five-Year Plan". To take Hebei Construction Group to the next level, we make it our missions to develop into a PRC leader in innovation, a model for listed companies and a successful international enterprise. The Company is set to evolve into a "people-oriented happy enterprise with vibrant and long-lasting business", so as to make more contribution to society!

Ite	2016	**2017**

Administrative expenses

Administrative expenses increased by RMB97.6 million from RMB325.7 million for 2016 to RMB423.3 million for 2017, which was mainly attributable to the increase in issuance cost, staff remuneration, benefits and social insurance, travel expenses and entertainment expenses.

Other expenses

Other expenses increased by RMB186.5 million from RMB212.9 million for 2016 to RMB399.4 million for 2017, which was mainly attributable to the increase in the impairments of trade receivables, deposits and other receivables, offset by the decrease in financial guarantee contract, penalties and compensation.

Finance costs

Finance costs mainly comprise interest expenses of bank borrowings. It decreased by RMB47.8 million from RMB230.3 million for 2016 to RMB182.5 million for 2017, which was mainly attributable to the decrease in average principal of borrowings as compared to that in 2016.

Share of profits and losses of associates

The Group recorded a loss of RMB3.6 million for 2017, as compared to a profit of RMB58.3 million for 2016, representing a decrease of RMB61.9 million. This was mainly attributable to the disposal of certain associates in 2017, which led to the decrease in share of profits as compared to the previous year.

Income tax expenses

Our income tax expenses increased by RMB240.2 million from RMB257.2 million for 2016 to RMB497.4 million for 2017, which was mainly attributable to the increase in profit before tax and increase in payment of land appreciation tax due to the delivery of a number of completed properties to owners.

Profit from discontinued operations

The Group recorded a profit of RMB26.7 million for 2017, as compared to a loss of RMB237.1 million for 2016, representing an increase of RMB263.9 million. This was mainly attributable to the profit generated by certain companies disposed of in 2017, and such companies included landscaping, BOT sewage treatment, agricultural and inspection companies.

(II) Se e t e at e t

	2016				**2017**			
			Gross profit				**G t**	
	Revenue	Cost	margin	Percentage	**Re e e**	**C t**	**a**	**Pe ce ta e**
	RMB in millions		%	%	*RMB in millions*		%	%
Building construction business	23,976.9	23,264.7	3.0	61.2	**25,045.8**	**24,162.5**	**3.5**	**63.2**
Infrastructure construction business	12,198.9	11,651.6	4.5	31.1	**9,991.8**	**9,504.0**	**4.9**	**25.2**
Specialized and other construction business	3,000.3	2,870.8	4.3	7.7	**4,575.8**	**4,309.0**	**5.8**	**11.6**
Total	39,176.1	37,787.1	3.5		**39,613.4**	**37,975.5**	**4.1**	

Building construction business

Building construction business mainly comprises residential construction, public construction, commercial construction and industrial construction. Revenue increased by RMB1,068.9 million or 4.5% in 2017 as compared to that in 2016. Gross profit increased from 3% for 2016 to 3.5% for 2017, which was primarily attributable to:

Revenue from residential construction experienced rapid growth in 2017, with the size of operation increased by RMB3,125.7 million or 27% as compared to last year. This was mainly due to the state's continuous commitment to the scale of urbanisation, the Group's undertaking of more residential construction business, and further enhancement of cost control.

Revenue from industrial construction decreased by RMB1,899.1 million in 2017 as compared to that in 2016. This was mainly attributable to the business expansion in 2016 promoted by government policy promulgated to stimulate the real economy, while in 2017, the Group was constructing projects undertaken in the previous year and did not undertake more large-scale projects in the light of capital requirements, profits and other factors.

Infrastructure construction business

Infrastructure construction business mainly comprises municipal infrastructure construction and transportation infrastructure construction. Revenue decreased by RMB2,207.1 million in 2017 as compared to that in 2016. Gross profit margin increased from 4.5% for 2016 to 4.9%. The decline in revenue in 2017 was mainly attributable to the facts that: (i) we recognised revenue based on percentage of completion of construction and service works and, in 2016, we had completed most of the construction of infrastructure projects that were concluded in 2017; and (ii) the infrastructure construction projects commenced in 2017 were at the beginning stage during the Year and only a limited amount of construction works were completed. Gross profit margin of the infrastructure construction business increased in 2017, which was mainly attributable to the higher gross profit margin of projects commenced in 2017 that drove the gross profit margin of the business.

Specialized and other construction business:

Specialized and other construction business mainly comprises electrical and mechanical installation, steel structure and other construction business. Revenue increased by RMB1,575.5 million or 52% in 2017 as compared to that in 2016. Gross profit margin increased from 4.3% for 2016 to 5.8%. The growth in revenue in 2017 was mainly attributable to the fact that:

We recognised revenue based on percentage of completion of construction and service works and projects of other construction business (mainly included decoration and reinforcement construction), which we undertook in 2016, entered the implementation stage in 2017. As such projects made a significant contribution to the revenue, the operating revenue from survey, design and reinforcement construction for 2017 increased by approximately RMB1,407.1 million or 67% as compared to 2016. The growth in gross profit margin of the specialized and other construction business in 2017 was mainly due to (i) the adoption of effective cost control measures in 2017; and (ii) higher gross profit margin of projects undertook in 2017.

(III) F a c a at

	31 Dece be 2017	31 December 2016
Current ratio (times)[1]	**1**	1
Quick ratio (times)[2]	**1**	1
Gearing ratio[3]	**82.8%**	124.8%
Return on assets[4]	**2.0%**	1.4%
Return on equity[5]	**29.6%**	30.9%

Notes:

(1) Current ratio (times) represents total current assets divided by total current liabilities as at the relevant date.

(2) Quick ratio (times) represents total current assets minus inventory divided by total current liabilities as at the relevant date.

(2) Gearing ratio represents total interest-bearing liabilities divided by equity as at the relevant date and multiplied by 100%.

(4) Return on assets represents profit for the Year divided by the average of total assets at the beginning and end of the Year and multiplied by 100%.

(5) Return on equity represents profit for the Year divided by the average of total equity at the beginning and end of the Year and multiplied by 100%.

(IV) Ca w

Our net cash and cash equivalents increased from RMB5,163.6 million for 2016 to RMB5,288.0 million for 2017, representing an increase of RMB124.4 million, which was mainly attributable to:

Net cash outflows from operating activities was RMB462.3 million for 2017, as compared to net cash inflow of RMB2,261.6 million for 2016. This was mainly due to the collection of receivables from operating activities in 2017, which accelerated the settlement of receivables from suppliers. Profit before tax from operating activities was RMB1,826.3 million, increase in net assets and liabilities from operating activities was RMB1,951.9 million and payment of enterprise income tax and land appreciation tax totalled RMB336.7 million;

Net cash inflow from investing activities was RMB943.2 million for 2017, as compared to net cash inflow of RMB6.5 million for 2016, which was mainly attributable to the cash inflow of RMB659.5 million from the disposal of discontinued operations, subsidiaries and assets portfolio to Zhongming Zhiye, a related party, and an independent third party in 2017. The disposal of part of the equity interests in two property development subsidiaries to Country Garden generated cash inflow of RMB255.2 million;

Net cash outflow from financing activities was RMB356.4 million for 2017, as compared to net cash inflow of RMB138.4 million for 2016. The Company raised net proceeds of RMB1,524.7 million (net of listing expenses) from the Listing on the Main Board of the Hong Kong Stock Exchange in 2017. It received capital injection totalling RMB300.4 million from the controlling shareholders and non-controlling shareholders to the parent and subsidiaries. It distributed dividends of RMB1,534.9 million to the controlling shareholders and non-controlling shareholders in total. Meanwhile, cash outflow from debt financing activities was RMB644.7 million.

(V) C dated tate e t a c a t

Net current assets:

	31 December 2016 *RMB in millions*	**31 Dece be 2017** *RMB in millions*	Change in amount *RMB in millions*	Percentage of change %
Current assets				
Prepaid land lease payments	0.8	**0.9**	0.1	12.5
Inventories	167.9	**77.8**	(90.1)	(53.7)
Properties under development	3,604.5	**2,574.0**	(1,030.5)	(28.6)
Completed properties held for sale	816.4	**741.4**	(75)	(9.2)
Trade and bills receivables	10,777.4	**6,137.1**	(4,640.3)	(43.1)
Prepayments, deposits and other receivables	6,666.5	**5,808.8**	(857.7)	(12.9)
Amounts due from customers	27,706.9	**27,744.6**	137.7	0.1
Pledged deposits	1,005.0	**222.6**	(782.4)	(77.9)
Cash and bank balance	4,668.8	**5,288**	619.2	13.3
Discontinued operations held for sale	4,468.7	**–**	(4,468.7)	(100.0)
Total current assets	59,882.9	**48,595.2**	(11,287.6)	(18.9)
Current liabilities				
Of which: bank borrowings	3,316.3	**1,847.4**	(1,468.9)	(44.3)
Trade payables	40,291.3	**30,849.7**	(9,441.6)	(23.4)
Amounts due to contract customers	2,810.5	**4,374.6**	1,564.1	55.7
Other payables, advances from customers and accruals	7,703.7	**7,074.0**	(629.7)	(8.2)
Tax payable	396.0	**565.6**	169.6	42.8
Estimated liabilities	20.1	**14.2**	(5.9)	(29.4)
Liabilities of discontinued operations held for sale	3,239.2	**–**	(3,239.2)	(100.0)
Total current liabilities	57,777.1	**44,725.5**	(13,051.6)	(22.6)
Net current assets	2,105.8	**3,869.7**	1,763.9	83.8

Our net current assets increased by RMB1,763.9 million from RMB2,105.8 million for 2016 to RMB3,869.7 million for 2017, which was attributable to the greater decline in current liabilities than that in current assets.

Trade and bills receivables:

	31 December 2016 *RMB in millions*	**31 Dece be 2017** ***RMB in millions***
Account receivables	11,465.6	**6,562.2**
Provision for bad debt	(434.5)	**(531.9)**

Turnover days of trade and bills receivables:

	2016	**2017**
Average turnover days of trade and bills receivables [(1)]	92	**71**

(1) Average turnover days of trade and bills receivables during the relevant period represent the average of opening and closing balance divided by revenue for the period and multiplied by 365 days.

The turnover days for 2017 were 71 days, down by 21 days or 23% from 92 days for 2016, which was mainly attributable to the faster settlement of receivables, leading to the overall significant decline in account receivables for the period.

Trade payables:

	31 December 2016 *RMB in millions*	**31 Dece be 2017** *RMB in millions*	Change in amount *RMB in millions*	Percentage of change %
Account payables	40,261.3	**30,849.7**	(9,411.6)	(23.4)
Bills payables	30.0	**–**	(30.0)	(100.0)
Total account payables	40,291.3	**30,849.7**	(9,441.6)	(23.4)

	31 December 2016 *Days*	**31 Dece be 2017 Da**	Change in amount *Days*	Percentage of change %
Account payables turnover days	368	**333**	(35)	(9.5)

In 2017, account payables decreased by RMB9,441.6 million and turnover days declined by 35 days as compared to last year, which was mainly attributable to the payment of account payables with long age by the Company due to timely settlement.

Amounts due from/to contract customers

Construction contract	31 December 2016 *RMB in millions*	**31 Dece be 2017** *RMB in millions*	Amount in change *RMB in millions*	Percentage of change %
Amounts due from contract customers	27,706.9	**27,744.6**	37.7	0.1
Amounts due to contract customers	(2,810.5)	**(4,374.6)**	(1,564.1)	55.7
	24,896.6	**23,370.0**	(1,526.4)	

Construction companies, such as the Group, have balances of amounts due from/to contract customers. A positive balance as at the end of the period indicates revenue recognised but yet to be billed while a negative balance as at the end of the period indicates amounts settled in advance. In general, there are two ways of construction settlement: 1. monthly settlement with the construction party based on a portion (e.g., 70%-80%) of the monthly output of construction work (amount of completed work); 2. settlement based on the milestone events agreed in the contract. In each case, the progress of payment is less than the actual percentage of completion. For most projects, the balance reflects the amounts due from contract customers. In 2017, amounts due from contract customers remained relatively stable and increased by approximately RMB37.7 million or approximately 0.1% as compared to the previous year. Amounts due to contract customers increased by RMB1,564.1 million or approximately 56% as compared to the previous year. The growth in amounts due to contract customers was mainly attributable to certain fast-settling construction projects which we undertook in 2017.

(VI) I debted e :

The Group's bank borrowings primarily consist of long-term and short-term borrowings from financial institutions. The balance of bank borrowings decreased by RMB287.4 for 2017, which was mainly attributable to new borrowings of RMB5,526.0 million and repayment of RMB5,813.4 million in 2017.

(VII) Ca ta e e d t e

Capital expenditure of the Group was RMB127.7 million in 2017, which mainly comprised property, plant and equipment.

(VIII) C t e t ab t e

The Group's contingent liabilities consisted of guarantees of the mortgage provided for property buyers, which decreased from RMB2,304.8 million for 2016 to RMB1,705.2 million for 2017.

(IX) A a ab e- -a e e t e t

The Group increased the investment to Baoding Commercial Bank Co., Ltd. (保定市商業銀行股份有限公司) by RMB297 million during 2017.

(X) Mate a d a

Save as the disposal of certain assets and shares to Zhongming Zhiye due to the conversion, there were no other material disposals.

(XI) R

Risks relating to the industry: The change in national policy on the construction industry plays a role in corporate decision making in terms of project undertaking, investment and financing. The Company pushes forward business transformation and upgrade, further undertakes infrastructure projects, pursues progress in EPC and PPP fields and develop new models to enhance comprehensive sustainability.

Market risks: Fluctuations in prices of raw materials, rising labor costs and other risk factors affect project revenue. The Company will improve project management and expand procurement channels to lower procurement costs and boost operating efficiency. Meanwhile, it will monitor the implementation of terms that aim at avoiding and minimizing the above risks when negotiating for and entering into contracts.

Competitive risks: The mismatch between demand and supply in the construction industry intensifies market competition. Failure to compete successfully may lead to loss in market share. The Company will explore value by optimizing resources allocation, reaching the high-end market and upgrading management of major customers to boost overall competitiveness.

Cash flow risks: Our businesses are expose to risks of cash shortage due to account receivables and cost management. In general, PPP projects have large cash expenditures and a longer settlement period, hence we may have to invest significant capital in such projects. The Company will strengthen management standards and put more emphasis on the idea that “Cash is the King.” It will implement strict cost control, enhance account receivables management, adopt centralized procurement and boost operational capability.

Risks relating to construction project management: Lack of project resources and insufficient process management may lead to greater performance risks. The Company will exercise stringent contract performance management, improve preliminary project planning, provide full-process service and conduct excellent performance evaluation.

Interest rate risk

The Group’s exposure to change in market interest rates relates primarily to its interest-bearing bank and other borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following sensitivity analysis demonstrates the effect of a reasonably possible change in interest rates, with all other variables held constant, on profit before tax (through the impact on floating rate borrowings).

A 31 Dece be 2017	**I c ea e/(dec ea e) ba t**	**I c ea e/(dec ea e) t be e ta** *RMB in millions*
Benchmark deposit and lending rate of RMB	0.10	(21.50)
Benchmark deposit and lending rate of RMB	(0.10)	21.50

Credit risk

The carrying amounts of cash and bank balance, pledged deposit, trade and bills receivables and financial assets included in prepayments, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Company's cash and cash equivalents and pledged deposits are held in major financial institutions in Mainland China which are, in the opinion of the management, of high credit quality. The Company has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the credit exposure to any single financial institution.

The Company trades only with recognised and creditworthy customers with no requirement for collateral. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Further quantitative data in respect of the exposure to credit risk arising from trade and bills receivables are disclosed in the relevant note to the financial statements set out in the annual report.

Liquidity risk

Our liquidity is primarily dependent on the ability to maintain adequate cash inflows from operations to meet debt obligations as they fall due, and the ability to obtain external financing to meet future capital expenditure.

REPORT OF THE BOARD OF DIRECTORS

The Board hereby presents the Report of the Board of Directors, annual results announcement and the consolidated financial statements of the Group for 2017, which has been prepared in accordance with the IFRSs, to the Shareholders.

C ate I at a d I t a P b c O e

The Company is a joint stock company incorporated in the PRC with limited liability on 7 April 2017. The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 15 December 2017.

Basic information of the Company is set out in “Corporate Information” on page 5 to page 6 of this announcement.

B e Re ew

The Company is a leading non-state owned construction group in China, providing integrated solutions primarily for the construction contracting of buildings and infrastructure projects. Rooted in Hebei Province for 66 years, we are well-positioned to benefit from the coordinated development of the Beijing-Tianjin-Hebei Region, a national strategy of China.

We are principally engaged in the following businesses:

- **C t ct c t act b e .** The Group provides construction contracting services mainly as a general contractor for building construction projects and infrastructure construction projects.

- **Ot e b e .** The Group also engages in property development and other businesses.

The discussion and analysis of the Group’s results and performance during the Year, major factors affecting the results and financial condition, and future development are set out in “Business Overview” on page 10 to page 18, “Management Discussion and Analysis” on page 19 to page 30, this “Report of the Board of Directors” and “Significant Events” on page 47 to page 48 of this announcement.

Details of major subsidiaries of the Company will be set out in the relevant notes to the financial statement to be included in the annual report published by the Company in due course.

The customers of the Group's property development business are mainly individuals who are purchasing residential or commercial properties. The Group conducts sales and marketing activities primarily through its own sales teams and sales agents. The Group's primary sales promotion methods are Internet advertisements, print materials, indoor exhibitions, outdoor advertisements and proactive engagement with target customers. Customers are given the option to pay the purchase price for property as a lump sum or to finance their purchase through a mortgage. In line with market practice, the Group makes arrangements with various banks to provide mortgage loans to customers, and provides guarantees for customers' mortgage loans.

The Group's procurement of raw materials and leasing of equipment and machinery are typically conducted either through a bidding process or directly from suppliers selected from a list of qualified suppliers. Since April 2016, the majority of such biddings have been conducted through Yuncai Network, a business-to-business online procurement platform developed, operated and owned by the Group. In addition, the Group's membership in the China Construction Industry Association also offers it access to a broader range of suppliers.

During the Reporting Period, the Group maintained good cooperation with major customers and suppliers. The Group kept close connection with customers and suppliers, and established a wide range of channels, including telephone, email and physical meeting to communicate with them on an ongoing basis, so as to obtain their feedbacks and suggestions.

E ee

Employees are the key to the Group's sustainable development. For details of the Group's employees, please refer to "Directors, Supervisors, Senior Management and Employees – Staff Information" on page 79 to page 80.

Ba L a a d Ot e B w

Details of bank loans and other borrowings of the Group as at 31 December 2017 will be set out in the relevant notes to the financial statement to be included in the annual report published by the Company in due course.

E t ted De t a d O e d e T e De t

As at 31 December 2017, the Group had neither entrusted deposits in financial institutions in the PRC nor had it failed to collect any time deposits upon maturity.

E te a D at

In 2017, the Company donated a total of RMB0.22 million to local charities and governments of impoverished counties.

D ect , S e a d Se Ma a e e t

Set out below are details of the Directors, Supervisors and senior management of the Company in 2017:

Na e	**P t t e C a**	**Date A t e t**
D ect		
Executive Directors		
Mr. Li Baozhong	Chairman and Executive Director	25 October 2010
Mr. Shang Jinfeng	Executive Director and President	31 March 2017
Ms. Liu Shuzhen	Executive Director, Vice President and Chief Economic Officer	20 December 2013
Mr. Liu Yongjian	Executive Director and Vice President	20 December 2013
Non-executive Directors		
Mr. Li Baoyuan	Honorary Chairman and Non-executive Director	26 October 1997
Mr. Cao Qingshe	Vice Chairman and Non-executive Director	25 October 2010
Independent Non-executive Directors		

C a e D ect , S e a d Se Ma a e e t

On 26 March 2018, as nominated by the Board of Supervisors, Mr. Yu Xuefeng was proposed to be elected as a supervisor of the first session of the Board of Supervisors, for a term commencing from the date of approval at the general meeting to the expiration of the term of the current session of the Board of Supervisors. The resignation of Mr. Mao Yuanli as a supervisor and the chairman of the first session of the Board of Supervisors shall be effective from the commencement of the term of office of Mr. Yu Xuefeng.

Save as disclosed above, there were no other change of Directors, Supervisors and senior management as at the date of this announcement.

B a e t e D ect , S e a d Se Ma a e e t

Biographies of the Directors, Supervisors and senior management of the Company are set out on page 67 to page 78 of this announcement.

Se ce C t act t e D ect a d S e

Each of the Directors and Supervisors has entered into a service contract with the Company. The principal particulars of these service contracts: (1) include the term of appointment, which commences from the date of appointment and ends on the date of expiry of the current session of the Board/Board of Supervisors; and (2) are subject to termination in accordance with the respective terms.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to enter into a service contract with any members of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than statutory compensation).

Re e at t e D ect , S e a d Se Ma a e e t

The Directors and Supervisors of the Company receive compensation in the form of fees, salaries, pension scheme contributions, discretionary bonus, housing and other allowances and benefits-in-kind.

Details of the Directors, Supervisors and the five highest paid individuals of the Group will be set out in the relevant notes to the financial statement to be included in the annual report published by the Company in due course.

During the Reporting Period, the remuneration of the senior management (except for Ms. Wong Wai Ling, one of the joint company secretaries of the Company who serves as the assistant vice president of SW Corporate Services Group Limited) whose biographies are included in “Biographies of the Directors, Supervisors and Senior Management” in this announcement is disclosed in the corporate governance report herein.

I te e t D ect a d S e T a act , A a e e t C t act

During the Reporting Period, the Group has not directly or indirectly entered into any major transactions, arrangements or contracts relating to the business of the Company, in which the Directors, Supervisors or any of their connected entities have material interests, which still remain valid during or by the end of the Year.

I te e t D ect , S e a d Se Ma a e e t C et B e e

During the Reporting Period, none of the Directors, Supervisors and their associates had any interests in any business which competes or is likely to compete directly or indirectly with the business of the Group or had any other conflicts of interest with the Group.

During the Reporting Period, none of the senior management of the Company or their associates had any interests in any business which competes or is likely to compete directly or indirectly with the business of the Group or had any other conflicts of interest with the Group.

I te e t a d S t P t D ect , S e a d C e E ec t e t e C a t e S a e , U de S a e a d Debe t e t e C a a d t A c ated C at

As at 31 December 2017, save as disclosed in "Directors, Supervisors, Senior Management and Employees" in this announcement, none of the Directors, Supervisors and Chief Executives of the Company had any interests and/or short positions in Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out under Appendix 10 to the Listing Rules ("**M de C de**") to be notified to the Company and the Stock Exchange.

R t D ect a d S e t Ac e S a e Debe t e

None of the Directors and Supervisors or their respective associates were granted by the Company or its subsidiaries any right to acquire Shares or debentures of the Company or any other body corporate, or had exercised any such rights.

F a c a , B e a d Fa Re at a D ect , S e a d Se Ma a e e t Me be

As at the date of this announcement, Mr. Li Baozhong, an executive Director, and Mr. Li Baoyuan, a non-executive Director, are brothers. Mr. Li Baoyuan, a non-executive Director, is the father of Mr. Li Wutie, who is a senior management member, and Mr. Li Baozhong is the uncle of Mr. Li Wutie. Save for disclosed above, there are no financial, business or family relationships among the Directors, Supervisors and senior management members of the Company.

I a ce D ect

As at the date of this announcement, the Company maintained valid directors insurance for its Directors.

I te e t a d S t P t S b ta ta S a e de S a e a d U de S a e

For details of shareholding of substantial shareholders in the Company, please refer to “Changes in Share Capital and Information of Shareholders-Interests and Short positions of Substantial Shareholders in the Shares and Underlying Shares of the Company” on page 51 to page 52.

P e-e t e R t a d S a e O t A a e e t

During 2017, the Company had no pre-emptive right and share option arrangements. There are no specific provisions under the PRC laws or the Articles of Association of the Company in relation to pre-emptive rights.

C a ce w t t e N -c et t U de ta b t e C t S a e de

The Company received the confirmation letters from Mr. Li Baoyuan, Zhongru Investment and Qianbao Investment, confirming that, in 2017, Mr. Li Baoyuan, Zhongru Investment and Qianbao Investment have fully complied with all undertakings given by them to the Company under the non-competition undertakings.

The principal terms of the Labor Subcontract Framework Agreement include: (1) the pricing policy (see below); (2) relevant subsidiaries or associated companies of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Labor Subcontract Framework Agreement; and (3) the Labor Subcontract Framework Agreement is valid for a term of three years from the Listing Date and can be renewed for another three years upon its expiry as agreed by relevant parties to the agreement.

In accordance with the Labor Subcontract Framework Agreement, the total subcontract fee paid by the Group to Baoding Tianli is determined based on the following pricing policy: when the Group subcontracts labor supply for the construction projects, public bidding procedures will be applied. Prior to the bidding procedures, the Group will publish announcements on its bidding invitation on public websites. There must be at least three Independent Third Party bidders attending the bidding procedures, otherwise the bidding will be canceled. The review panel for any bidding will consist of experts selected by the Group as well as the project manager, and the comparable quoted bidding prices (including subcontract service fees, labor wages and social insurance expenses, taxation, auxiliary materials and tools costs, and other fees) is an important, but not the only, factor to be considered. The review panel will also take into consideration factors including, but not limited to, the bidder's sufficient licenses and qualifications, business scale and capacities and its historical results, as well as make reference to prevailing market terms and prices. The bidder with the highest score comprehensively determined by the review panel wins, and the bidding price offered by the bidder will be implemented. Therefore, only in the event that Baoding Tianli wins the bidding with the highest score determined by the review panel, the Group will enter into business agreements with Baoding Tianli under the Labor Subcontract Framework Agreement.

Application has been made by the Company to the Stock Exchange for the waiver from compliance with the announcement and independent Directors' approval requirements under Chapter 14A of the Listing Rules in relation to the above connected transaction, with the condition that the total transaction amount of the non-exempt continuing connected transaction for each of 2017, 2018 and 2019 shall not exceed the annual caps set out in the Prospectus; the Stock Exchange has granted the above waiver.

During the Reporting Period, the waiver approved by the Stock Exchange for the total subcontract fees of the connected transaction was capped at RMB2,000 million for 2017. The actual total transaction amount under the above agreement between the Group and Baoding Tianli was RMB1,918 million for 2017.

C at b I de e de t N -e ec t e D ect

The independent non-executive Directors of the Company have reviewed the above continuing connected transaction and confirmed that the transaction was conducted in the ordinary course of business of the Group and on normal commercial terms or better, or where there were no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms to the Company no less favorable than term available to or from (as appropriate) Independent Third Parties, and the transaction was conducted in accordance with the relevant agreement governing the transactions, on fair and reasonable terms and in the interests of the Shareholders of the Company as a whole.

A d t ’ Lette

Pursuant to Rule 14A.56 of the Listing Rules, the Company has appointed Ernst & Young (“**EY**”) as the auditor to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. Based on the works performed, EY has issued the letter to the Board confirming that, in respect of the continuing connected transaction disclosed above:

(a) nothing has come to EY’s attention that causes it to believe that the disclosed continuing connected transaction has not been approved by the Board;

(b) nothing has come to EY’s attention that causes it to believe that the transaction was not, in all material respects, conducted in accordance with the pricing policies of the Group;

(c) nothing has come to EY’s attention that causes it to believe that the transaction was not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(d) in connection with the total amount of the continuing connected transaction disclosed above, nothing has come to EY’s attention that causes it to believe that such continuing connected transaction has exceeded the annual cap set by the Company.

Save as disclosed above, the Company and its connected parties did not enter into any other non-exempt connected transactions during the Reporting Period.

A d t C ttee

The Audit Committee of the Board has reviewed the annual results of the Company for 2017 and the consolidated financial statements for the year ended 31 December 2017 prepared under the IFRSs.

Sc e W Me . E t & Y

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 have been agreed by the Company’s auditors to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditors on this preliminary results announcement.

Acc t P c

The critical accounting policies adopted by the Company in the preparation of the consolidated financial statements for 2017 are the same as those adopted for the consolidated financial statements for the year ended 31 December 2016.

A d t

Zhongxingcai Guanghua Certified Public Accountant LLP was the auditor of the Company for the annual financial statements for 2015 and 2016 under the CASBE.

In January 2017, the Board decided to appoint Ernst & Young as the reporting accountant for the Listing of the Company.

In November 2017, the Board decided to appoint Ernst & Young as the auditor of the Company for 2017 under the IFRSs and Ernst & Young Hua Ming LLP as the auditor of the Company for the audit of the annual financial report for 2017 under the CASBE. The proposed appointments were approved at the ninth extraordinary general meetings for 2017 of the Company and became effective.

In March 2018, the Board proposed to appoint Ernst & Young as the auditor of the Company for 2018 under the IFRSs and Ernst & Young Hua Ming LLP as the auditor of the Company for the audit of the annual financial report for 2018 under the CASBE for a term commencing from the date of conclusion of the 2017 general meeting to the date of conclusion of the 2018 general meeting. The proposed appointments shall become effective upon approval at the 2017 general meeting of the Company.

By order of the Board
Hebe C t ct G C at L ted
L Ba
Chairman

REPORT OF BOARD OF SUPERVISORS

In 2017, the Board of Supervisors of the Company adhered to the principle of good faith, diligently performed its supervisory duties and effectively safeguarded the legitimate rights and interests of the Company, the Shareholders and employees based on the principle of accountability to all Shareholders of the Company, in strict compliance with relevant rules and regulations such as the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors. The work report of the Board of Supervisors is as follows:

1. MEETINGS

On 31 March 2017, the first meeting of the first session of the Board of Supervisors was convened onsite at the headquarters of the Company by the Board of Supervisors of the Company. 5 Supervisors were entitled to attend the meeting and 5 Supervisors were present. The procedures for convening and holding the meeting were in compliance with the provisions of the Articles of Association and the Rules of Procedure of the Board of Supervisors. The meeting considered and approved the "Resolution on Election of Chairman of the First Session of the Board of Supervisors of Hebei Construction Group Corporation Limited".

On 5 June 2017, the first meeting of the first session of the Board of Supervisors was convened onsite at the headquarters of the Company by the Board of Supervisors of the Company. 5 Supervisors were entitled to attend the meeting and 5 Supervisors were present. The procedures for convening and holding the meeting were in compliance with the provisions of the Articles of Association and the Rules of Procedure of the Board of Supervisors. The meeting considered and approved the "Resolution on Review of the Rules of Procedure of the Board of Supervisors (Draft) Applicable after Overseas Public Offering of Shares and Listing of the Company".

2. ATTENDANCE OF IMPORTANT MEETINGS

In 2017, the Supervisors attended 10 general meetings as required and were present at 22 Board meetings as non-voting delegates. By attending these important meetings, the Supervisors not only developed insights into the operation and management of the Company, but also actively participated in the consideration and discussion of resolutions and put forward their opinions and suggestions in a responsible manner, thus effectively supervised the procedures for convening these meetings and the discussion of proposals.

3. ROUTINE INSPECTIONS AND RESEARCHES

In 2017, the Board of Supervisors continually monitored the compliance of the Company's operation to ensure that the internal operation was in line with regulations and listing requirements.

4. INDEPENDENT OPINIONS AND SPECIAL EXPLANATIONS

(1) Having monitored the performance of duties of the Directors and senior management members of the Company and the legal compliance of the operation of the Company, the Board of Supervisors was of the view that the Board of the Company was able to make decisions according to the laws and in strict compliance with various requirements such as the Company Law and the Articles of Association and the major business decision-making procedures of the Company were lawful

and valid; that the Company further optimized and improved various internal management systems and internal control mechanisms; that the Company disclosed significant information about the Company in a timely manner pursuant to the securities regulatory requirements such that the information disclosure was in compliance with regulations and the securities trading system for the informed parties of insider information was in place properly; that the Directors and senior management members were able to implement diligently and thoroughly relevant laws and regulations, the Articles of Association and the resolutions of the general meetings and the Board during the performance of the duties for the Company in a faithful, pioneering and ambitious manner; and that no Directors or senior management members of the Company were found to have violated the laws, regulations or the Articles of Association or harmed the interests of the Company and the rights and interests of the Shareholders when performing their duties.

(2) By communicating with the accounting firms in charge of the audit and review services for the Company, the Board of Supervisors examined the Company's financial statements, considered its periodic reports and the audit report of the accounting firm, regularly listened to the report of the internal audit department of the Company on the progress of internal audit work, and carried out effective supervision and inspection on the Company's financial management and operation through on-site inspection, research, etc. The Board of Supervisors was of the view that the Company had a sound financial system, regulated management practices and reasonable spending of fees during 2017.

(3) The Board of Supervisors monitored the utilization of the proceeds by the Company. It was of the view that the Company was able to manage and utilize the proceeds in accordance with national laws and regulations as well as the commitments made in the Prospectus. The Board of Supervisors will continue to oversee and inspect the utilization of the proceeds.

(4) The Board of Supervisors monitored the related party transactions and connected transaction conducted by the Company. It was of the view that such transactions were conducted in accordance with the Company Law, the Hong Kong Listing Rules as well as the Company's Articles of Association and the Rules Governing Connected Transactions, and that the pricings of these related party transactions and connected transaction were fair, without violating the principles of openness, fairness and impartiality, and did not harm the interests of the Company and its minority Shareholders.

(5) The Board of Supervisors made a special explanation of the Company's internal control. It was of the view that in 2017, the internal control system of the Company underwent continuous enhancement, the evaluation of the internal control was effectively implemented and the internal control continued to improve as a whole, hence it was able to provide a reasonable assurance regarding the achievement of the internal control objective.

SIGNIFICANT EVENTS

C e t e 2017 A a Ge e a Meet

The 2017 annual general meeting of the Company will be convened at 9:00 a.m. on Monday, 25 June 2018 at No. 329 Wusixi Road, Jingxiu District, Baoding City, Hebei Province, the PRC. The notice and circular of convening the 2017 annual general meeting will be despatched in due course.

C e Re te Me be

In order to ascertain the entitlements of the Shareholders to attend and vote at the 2017 annual general meeting, the register of members of the Company will be closed from Saturday, 26 May 2018 to Monday, 25 June 2018 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to attend and vote at the 2017 annual general meeting, all properly executed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 22, 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, 25 May 2018.

Ma L t at , A b t at a d I e Ge e a Q e t ed b t e Med a

During the Reporting Period, the Group was not involved in any major litigation, arbitration and issues generally questioned by the media. The Directors were also not aware of any pending or potential significant litigations or claims.

M a at F d a d Sett e e t P e D T e Re t Pe d

During the Reporting Period, the Company was not involved in any misappropriation of funds and settlement progress.

Ba tc a d Re t ct

During the Reporting Period, the Company did not engage in any bankruptcy and restructuring.

TRANSACTIONS OF ASSETS AND MERGERS OF ENTERPRISES

During the Reporting Period, the Company was not involved in any transactions of assets and mergers of enterprises.

EQUITY INCENTIVES SCHEME OF THE COMPANY AND ITS IMPACT

During the Reporting Period, the Company did not have any equity incentives scheme.

MATERIAL CONTRACTS

During the Reporting Period, the Company entered into the following material contracts with the controlling shareholders and their subsidiaries, details of which were set out in the Prospectus:

(1) the reorganization agreement dated 5 January 2017 entered into between the Company, Zhongru Investment, Qianbao Investment and Zhongming Zhiye in relation to the reorganization of the Group;

(2) the underwriting agreement dated 4 December 2017 relating to the Hong Kong public offering of the Company and entered into by, among others, the Company, the controlling shareholders and the Hong Kong underwriters as set out in the Prospectus; and

(3) the underwriting agreement dated 9 December 2017 relating to the international public offering of the Company and entered into by, among others, the Company, the controlling shareholders and the international underwriters as set out in the Prospectus.

Save as disclosed above and disclosed in "Report of the Directors – Connected Transactions" in this announcement, the Company or any of its subsidiaries had not entered into any material contracts with the controlling shareholders or any of their subsidiaries other than the Group, and the Group did not have any material service contracts with the controlling shareholders or any of their subsidiaries other than the Group.

EQUITY RIGHTS HELD IN OTHER LISTED COMPANIES

During the Reporting Period, the Company did not hold any equity rights in other listed companies.

DEALINGS IN THE SHARES OF OTHER LISTED COMPANIES

During the Reporting Period, the Company did not deal in the shares of other listed companies.

EXPOSURE TO RISKS OF SUSPENSION AND TERMINATION OF LISTING

During the Reporting Period, the Company was not involved in any circumstances which may lead to suspension or termination of Listing, nor involved in any detailed arrangement and planning of investor relations management as a result of suspension or termination of Listing.

SIGNIFICANT SUBSEQUENT EVENTS

On 5 January 2018, the Over-allotment Option stated in the Prospectus was partially exercised for 28,049,500 additional H Shares, representing approximately 6.47% of the offer shares initially offered for subscription under the global offering, to cover over-allocations in the international offering of the Company. As at the date of this announcement, the total share capital of the Company was RMB1,761,383,500, divided into 1,761,383,500 Shares with a nominal value of RMB1.00 each.

The revised Articles of Association, which were passed and adopted by the Company on 10 November 2017, came into effect on 12 January 2018.

Save as disclosed in this announcement, from 1 January 2018 to the date of this announcement, there were no significant subsequent events.

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

S a e Ca ta

The overseas listed foreign shares of the Company (H Shares) were listed on the Main Board of the Stock Exchange on 15 December 2017, with a total share capital of 1,733,334,000 Shares. On 5 January 2018, the over-allotment options as stated in the Prospectus were partially exercised for the allotment of 28,049,500 H Shares. As a result, the share capital increased to 1,761,383,500 Shares.

As at the date of this announcement, the registered share capital of the Company was RMB1,761,383,500, divided into 1,761,383,500 ordinary Shares with a nominal value of RMB1.00.

I te e t a d S t P t D ect , S e a d C e E ect t e t e S a e , U de S a e Debe t e t e C a a d t a c ated c at

As at 31 December 2017, the interests and short positions of the Directors, the Supervisors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

L t t e S a e t e C a

Na e t e D ect ,

I S a e A c ated C at t e C a

Na e t e D ect , S e a d C e E ec t e	Na e a c ated c at	Ca act	N be a d c a a e te e ted	Nat e te e t	A ate e ce ta e ed a e ca ta a c ate c at a at 31 Dece be 2017
Mr. Li Baoyuan[1]	Qianbao Investment[2]	Beneficial owner	45,000,000 shares	Long position	90.00%
	Zhongru Investment[3]	Interest in controlled corporation	231,000,000 shares	Long position	100.00%
Mr. Li Baozhong	Qianbao Investment[2]	Beneficial owner	5,000,000 shares	Long position	10.00%
Mr. Cao Qingshe	Zhongru Investment[3]	Beneficial owner	5,000,000 shares	Long position	2.16%
Mr. Shang Jinfeng	Zhongru Investment[3]	Beneficial owner	1,000,000 shares	Long position	0.43%
Ms. Liu Shuzhen	Zhongru Investment[3]	Beneficial owner	2,000,000 shares	Long position	0.86%
Mr. Liu Yongjian	Zhongru Investment[3]	Beneficial owner	2,000,000 shares	Long position	0.86%
Mr. Mao Yuanli	Zhongru Investment[3]	Beneficial Owner	997,920 Shares	Long Position	0.43%
Mr. Liu Jingqiao	Zhongru Investment[3]	Beneficial Owner	498,960 Shares	Long Position	0.22%
Mr. Yue Jianming	Zhongru Investment[3]	Beneficial Owner	498,960 Shares	Long Position	0.22%

1. Mr. Li Baoyuan directly holds 90% of the equity interests in Qianbao Investment, which directly holds 43.63% of the equity interests in Zhongru Investment. In addition, each of the 119 individuals holding in aggregate the remaining 56.37% of the equity interests in Zhongru Investment have respectively undertaken that they have followed since the establishment of Zhongru Investment or when they became a shareholder of Zhongru Investment, and will continue to follow Qianbao Investment in exercising their voting powers at shareholders' general meetings and all other rights of shareholders of Zhongru Investment. Therefore, Mr. Li Baoyuan, through Qianbao Investment, is deemed to be interested in 100% of the equity interests, or 231,000,000 shares, in Zhongru Investment.

2. The total share capital of Qianbao Investment is 50,000,000 shares.

3. The total share capital of Zhongru Investment is 231,000,000 shares.

Save as disclosed above, so far as any Directors, Supervisors or chief executives of the Company are aware, as at 31 December 2017, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

R t D ect a d S e t Ac e S a e Debe t e

As at 31 December 2017, none of the Directors or Supervisors or their respective spouses or children under the age of 18 was granted any rights to acquire benefits by means of acquisition of Shares or debentures of the Company, nor exercised any such rights. The Company or any of its subsidiaries did not make any arrangement to enable the Directors or their respective spouses or children under the age of 18 to acquire such rights from any other body corporate.

I te e t a d S t P t S b ta ta S a e de t e S a e a d U de S a e t e C a

As at 31 December 2017, the following persons (not being the Directors, Supervisors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would be required to be recorded in the register under Section 336 of the SFO:

Na e S a e de	Ca ac t	N be S a e te e ted	C a S a e	Nat e te e t	A ate e ce ta e a e d t e ee a t c a S a e a at 31 Dece be 2017	A ate e ce ta e a e d t ta ed a e ca ta t e C a a at 31 Dece be 2017
Zhongru Investment	Beneficial owner	1,202,500,000	Domestic Shares	Long position	92.50%	69.37%
Qianbao Investment[1]	Interest in controlled corporation	1,202,500,000	Domestic Shares	Long position	92.50%	69.37%
	Beneficial owner	97,500,000	Domestic Shares	Long position	7.50%	5.62%
China Create Capital Limited	Beneficial owner	69,260,000	H Shares	Long position	15.98%	4.00%
China International Capital Corporation Hong Kong Securities Limited	Beneficial owner	74,569,000	H Shares	Long position	17.21%	4.30%
		65,000,000	H Shares	Short position	15.00%	3.75%
China International Capital Corporation (Hong Kong) Limited [2]	Interest in controlled corporation	74,569,000	H Shares	Long position	17.21%	4.30%
		65,000,000	H Shares	Short position	15.00%	3.75%
China International Capital Corporation Limited [2]	Interest in controlled corporation	74,569,000	H Shares	Long position	17.21%	4.30%
		65,000,000	H Shares	Short position	15.00%	3.75%
Hwabao Trust Co., Ltd	Trustee	79,294,500	H Shares	Long position	18.30%	4.57%
Juli Group	Beneficial owner	68,107,000	H Shares	Long position	15.72%	3.93%
PanHou Capital Management Limited	Beneficial owner	41,704,000	H Shares	Long position	9.62%	2.41%
State Frontier Limited	Beneficial owner	41,793,500	H Shares	Long position	9.64%	2.41%

Na e S a e de	Ca ac t	N be S a e te e ted	C a S a e	Nat e te e t	A ate e ce ta e a e d t e ee a t c a S a e a at 31 Dece be 2017	A ate e ce ta e a e d t ta ed a e ca ta t e C a a at 31 Dece be 2017
Sino Wealthy Limited [3]	Beneficial owner	24,887,500	H Shares	Long position	5.74%	1.44%
Rentian Technology Holdings Limited [3]	Interest in controlled corporation	24,887,500	H Shares	Long position	5.74%	1.44%
[illegible]estments Limited [4]	Beneficial owner	24,887,500	H Shares	Long position	5.74%	1.44%
Carnival Group International						
Interest in controlled						

1.44%

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the period from the Listing Date to 31 December 2017 (the "**Re e a t Pe d**").

Throughout the Relevant Period, the Company has complied with the code provisions (the "**C de P**") of the Corporate Governance Code (the "**CG C de**") set out in Appendix 14 to the Listing Rules. It has proposed corporate governance rules and recommendations with respect to Board composition, Board diversity policy, duties and procedures, remuneration structure of the Directors and senior management and appraisal of the Board, internal control and audit, joint company secretaries and communication between the Company and Shareholders.

In particular, the Chairman assumes the major responsibility for ensuring that sound corporate governance practices and procedures are in place. The Company has adopted a corporate governance policy, which sets out terms of reference for the Board, including but not limited to: formulation and review of the corporate governance policy and practices of the Company; review and monitoring of the training and continuous professional development of the Directors and senior management; review and monitoring of the policies and practices of the Company in relation to compliance with laws and regulatory requirements; formulation, review and monitoring of compliance by staff and Directors with the code of conduct and compliance manual; and review of the compliance of the Company with the CG Code.

C ate G e a ce P act ce

The Company recognizes the vital importance of good corporate governance to its success and sustainability. The Company studied relevant regulations thoroughly pursuant to the guidelines as stipulated in the Listing Rules, and introduced corporate governance practices appropriate for business operation and growth.

The H Shares of the Company commenced trading on the Stock Exchange with effect from 15 December 2017, therefore, the CG Code has been applicable to the Company since the Listing Date. The Board is of the view that the Company has adopted, applied and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules since the Listing.

B a d

Responsibilities

The Board is responsible for overall management and control of the Company. The Board's main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value. All Directors carry out their duties in good faith and in compliance with the applicable laws and regulations, and act in the interest of the Company and its Shareholders at all times.

All Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries and senior management, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations.

The Board may make decisions on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

Directors have full and timely access to independent consultation with the senior management. Any Director and committee under the Board may request independent professional advice in appropriate circumstances at the Company's expense, upon making reasonable request to the Board.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Company to the management. The respective functions of the Board and management of the Company were established and will be reviewed from time to time as appropriate. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee (together as the "**B a d C ttee**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

B a d C t

As at the date of this announcement, the Directors were as follows:

Executive Directors
Mr. Li Baozhong [1]
Mr. Shang Jinfeng
Ms. Liu Shuzhen
Mr. Liu Yongjian

Non-executive Directors
Mr. Li Baoyuan[2]

Each of the independent non-executive Director has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors have brought a wide range of valuable business experience, knowledge and expertise to the Board for its effective functioning. Moreover, through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on the committees under the Board, all non-executive Directors make various contributions to the effective leadership of the Company.

I d ct a d C t P e a De e e t

All Directors are encouraged to participate in continuous professional development programs to sharpen and update their knowledge and skills. The Company has participated in continuous professional development through seminars and/or reading materials to develop and refresh its knowledge and skills. All Directors have provided training records to the Company.

For the year ended 31 December 2017, all Directors have been given relevant guideline materials and attended training regarding the duties and responsibilities of the Directors, relevant laws and regulations applicable to the Directors, and the disclosure of interest and business obligations of the Group, including:

	T a a	**Date**	**O a a t**	**T a**
1.	Compliance training for Hong Kong listed companies	January 2018	Clifford Chance	1 hour
2.	Major domestic regulatory requirements of corporate governance and standardised operation of the three board committees	January 2018	Hebert Smith Freehills	1 hour
3.	Compliance requirements of the directors and supervisors of listed companies and the recent regulatory environment in Hong Kong	November 2017	Hebert Smith Freehills	1 hour
4.	Training on responsibilities of directors, supervisors and senior management of Hong Kong listed companies and corporate compliance	June 2017	Clifford Chance	1 hour
5.	Training on listing compliance	January 2017	Clifford Chance	1 hour
6.	Training on connected transitions	January 2017	Clifford Chance	1 hour

C a a d P e de t

The positions of the Chairman and the President are held separately. The role of Chairman is held by Mr. Li Baozhong, and the role of President is held by Mr. Shang Jinfeng. The Chairman provides leadership and governance for the Board so as to create the conditions required for effective performance of the Board as a whole and effective contribution by individual Director. He also ensures that the Board performs its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner. The President has the delegated power to manage the Company and to oversee the activities of the Company on a day-to-day basis.

The division of responsibilities between the Chairman and President is clearly established and set out in writing.

A t e t a d Re-e ect D ect

Pursuant to the Articles of Association, Directors (including executive Directors, non-executive Directors and independent non-executive Directors) shall be subject to election at the general meetings with a term of office of three years and may be re-elected. However, an independent non-executive Director shall not serve more than nine years consecutively. The Company has implemented a set of effective procedures for the appointment of new Directors. The Nomination Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, taking into account the actual situations of the Company, consider the selection criteria, selection procedures and terms of office of the Directors of the Company, and record and submit the resolutions to the Board for approval. All newly nominated Directors are subject to election and approval at the general meetings. On 23 November 2017, each of the Directors has entered into a service contract with the Company for a term of three years commenced from the Listing Date (i.e., 15 December 2017).

B a d C ttee

Audit Committee

The Company has established the Audit Committee on 15 December 2017, with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee include:

1. to review significant financial policies of the Company and their implementation, and supervise the financial activities of the Company;

2. to review the financial information and relevant disclosures of the Company;

3. to consider and approve the risk management and internal control evaluation proposal of the Company, and supervise and evaluate the risk management and internal control of the Company;

4. to consider and approve the audit budget, remuneration of staff and appointment and dismissal of key senior officers of the Company, supervise and evaluate the internal audit of the Company and formulate the medium-to-long-term audit plan, annual working plan and structure of the internal audit system of the Company as authorized by the Board, and report to the Board;

5. to propose the appointment or dismissal of the external accounting firm, supervise the work of the external accounting firm, and evaluate the report of the external accounting firm to ensure that the external accounting firm undertakes its audit responsibilities;

6. to facilitate communications and monitor the relationship between the internal audit department and the external accounting firm;

7. to monitor the non-compliance of the Company in respect of financial reporting and risk management and internal control; and

8. other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the Board.

The Audit Committee currently consists of five non-executive Directors, three of whom are independent non-

The Nomination Committee currently consists of two executive Directors and three independent non-executive Directors. The members of the Nomination Committee are currently Mr. Li Baozhong, Mr. Shang Jinfeng, Ms. Shen Lifeng, Ms. Chen Xin and Mr. Chan Ngai Sang Kenny. It is currently chaired by Mr. Li Baozhong, the Chairman of the Board.

As the Company was listed on the Stock Exchange on 15 December 2017, no Nomination Committee meeting was held during the Relevant Period. However, up to the date of this announcement, the Nomination Committee held a meeting on 26 March 2018 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and the diversity of the Board.

Board Diversity Policy

With a view to achieving sustainable and balanced development, the Company considers increasing diversity at the Board level as an essential element in achieving strategic objectives and sustainable development. All Board appointments are based on meritocracy and candidates are considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Company is committed to selecting the best candidates for the Board. The selection of candidates are based on a wide range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merit of the candidates and the contribution that they will bring to the Board.

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee on 15 December 2017, with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration and Appraisal Committee include:

1. to organize and formulate the remuneration policy and plan of the Directors and senior management and submit to the Board for approval, and propose the remuneration distribution plan according to the performance evaluation of the Directors and senior management and submit to the Board for approval; and

2. other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the Board.

The Remuneration and Appraisal Committee currently consists of two executive Directors and three independent non-executive Directors. The members of the Remuneration and Appraisal Committee are currently Ms. Chen Xin, Mr. Li Baozhong, Mr. Shang Jinfeng, Ms. Shen Lifeng and Mr. Chan Ngai Sang Kenny. It is currently chaired by Ms. Chen Xin, an independent non-executive Director.

As the Company was listed on the Stock Exchange on 15 December 2017, no Nomination Committee meeting was held during the Relevant Period. However, up to the date of this announcement, the Remuneration and Appraisal Committee held a meeting on 26 March 2018 to review and make recommendations to the Board on the policies of the remuneration of the Directors and senior management and other related matters.

C ate G e a ce F ct

The Board recognizes that corporate governance should be the collective responsibility of the Directors and their corporate governance duties include:

(a) to formulate, review and improve the corporate governance system and the implementation of the Company;

(b) to review and supervise the training and continuous professional development of the Directors and senior management;

(c) to review and supervise the compliance of the Company's policies with laws and relevant regulations of the securities regulatory authority where the Shares are listed and to make the relevant disclosure;

(d) to formulate, review and monitor the code of conduct and compliance manual applicable to the employees and Directors; and

(e) to review the Company's compliance with the CG Code and the disclosure in the Corporate Governance Report.

During the year ended 31 December 2017, the above corporate governance function was performed and executed by the Board and the Board has reviewed the Company's compliance with the CG Code.

Meet a d B a d C ttee Meet

The Board intends to hold Board meetings regularly at least four times a year at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

As the Company was listed on the Stock Exchange on 15 December 2017, no Board meeting was held during the Relevant Period. However, subsequent to the end of the Relevant Period and up to the date of this announcement, the Board held a meeting on 26 March 2018 to approve, among others, the annual results of the Group for the year ended 31 December 2017 and review the operation and compliance of the Company.

As stated above, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee held a meeting on 26 March 2018.

C a ce w t t e N -C et t U de ta

Each of Mr. Li Baoyuan, Zhongru Investment and Qianbao Investment (the controlling shareholders of the Company as defined in the Listing Rules) has confirmed to the Company and declared that he/it has complied with the non-competition undertakings given to the Company on 23 November 2017 during the year ended 31 December 2017. The independent non-executive Directors have reviewed the status of compliance and enforcement of the non-competition undertakings and confirmed that all the undertakings thereunder have been complied with for the period from 23 November 2017 (i.e., the date of the non-competition undertakings) to 31 December 2017.

Re e at t e Se Ma a e e t

Details of remunerations of the Directors will be set out in the relevant notes to the financial statement to be included in the annual report published by the Company in due course. Remunerations paid to a total of three senior management (excluding the Directors) by bands for the year ended 31 December 2017 are set out below:

Re e at ba d	N be d d a
RMB500,000 to RMB1,000,000	2
RMB200,000 to RMB500,000	1

Sec t e T a act b D ect a d S e

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors. Based on specific enquiry made to all Directors, each of them has confirmed that he/she has complied with the required standards as set out in the Model Code for the period from the Listing Date to 31 December 2017.

The Company has also formulated and adopted the code of conduct for dealing in securities by the Supervisors and employees on terms no less exacting than the Model Code.

The Company is not aware of any non-compliance with the Model Code by the Directors, Supervisors or employees for the period ended 31 December 2017.

R Ma a e e t a d I te a C t

The Company has established the Inspection and Auditing Department to assist in supervision of the performance of headquarters functions and implementation of basic operating procedure and oversee the internal operation and implementation of basic work system of subsidiaries of the Group.

In particular, the Board acknowledges its responsibilities for overseeing the risk management and internal control system of the Group. It also supervises and inspects the works and the risk management and internal control of the Company through the Audit Committee, and reviews the effectiveness at least annually.

Based on the "Basic Standard of Corporate Internal Control" and its implementation guidelines, and with reference to the requirements of the SFC and the actual conditions of the Company, the Company formulated the "Internal Control Appraisal Management System of Hebei Construction Group 《河北建設集團內部控制評價管理制度》" and "Articles of the Risk Management Committee of Hebei Construction Group 《河北建設集團風控委員會章程》". This facilitated the establishment of a more comprehensive internal control and risk management system aiming at upgrading the operation management and risk management capabilities of the Company, promoting the sustainability of the Company and safeguarding the legal interest of the investors. The "internal control" of such systems refers to the business systems and operating processes of the Board, Board of Supervisors, management and all staff of the Company for attaining goals of internal control. Business systems under such systems include all individual business units of the Group managed with the top-down approach, such as the marketing system, human resources system and financial management the Company, while the supervision and audit department evaluates the construction and implementation of the internal control system. Based on the internal control and risk management system, the Company organises risk assessment on a yearly basis to collect information on risks for rectification. In 2017, the Company performed more relatively comprehensive risk assessment and internal control, which covered the headquarters and the subsidiaries of the Group. It also prepared the 2017 Risk and Internal Control Report. The Board and the senior management of the Company attach great importance to the problems and risks identified and carried out rectification and improvement, which ensured compliant and efficient business operation of the Company.

In view of the above, the Company has a complete internal control structure in place, and an appropriate set-up for the internal audit department and staff, which effectively ensure the supervision and implementation of internal control procedures. The internal control and evaluation of the Company give a full and fair view of the actual situation and play an important role in supporting the compliant operation of the Company in the long run.

J t C a Sec eta e

Mr. Li Wutie (“**M . L** ”) and Ms. Wong Wai Ling (“**M . W** ”) were appointed as the joint company secretaries by the Board, effective from 15 December 2017.

Mr. Li is the Board secretary and the assistant to the President of the Company. He is mainly responsible for assisting the President in dealing with various affairs, acting as the contact person of the Company with the Stock Exchange, and handling information disclosures and investor management as well as corporate governance affairs of the Company.

Ms. Wong Wai Ling, the other joint company secretary of the Company, is the assistant vice president of SW Corporate Services Group Limited. She assists Mr. Li in his performance of duties as the joint company secretary of the Company. Ms. Wong’s primary corporate contact person at the Company is Mr. Li.

For the year ended 31 December 2017, each of Mr. Li and Ms. Wong has taken no less than 15 hours of the relevant professional training on review of the Listing Rules and other compliance requirements.

D ect ’Re b t e ect t e F a c a State e t

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2017 in accordance with statutory requirements and applicable accounting standards.

The Board is accountable to the Shareholders for a clear and balanced assessment on the Company’s financial position and prospects. The management of the Company provides all relevant information and records to the Board, which enables it to prepare the accounts and perform the above assessments.

The Audit Committee has reviewed and recommended to the Board to adopt the accounts for the year ended 31 December 2017. The Board is not aware of any material uncertainties relating to the events or conditions that may undermine the Company’s ability to continue as a going concern.

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A d t

Ernst & Young has been appointed as the auditor of the Company for the year ended 31 December 2017. It shall retire at the 2018 annual general meeting and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Ernst & Young as the auditor of the Company will be proposed at the 2018 annual general meeting.

The remuneration paid to Ernst & Young in respect of the audit services rendered for the year ended 31 December 2017 was RMB6.8 million. Ernst & Young did not provide any non-audit services to the Company for the year ended 31 December 2017.

C cat w t S a e de a d I e t Re at

The Shareholders' communication policy of the Company aims to maintain transparency and provide timely information of the major development of the Group to Shareholders and investors. General meetings of the Company are formal channels for communication between Shareholders and the Board. The Chairman of the Board and the chairman of the committees under the Board (or, in their absence, other members of the respective committees) will make themselves available at the general meetings to have direct communication with the Shareholders.

Shareholders may also send their enquiries and concerns to the Board by addressing them to the investor relations department of the Company at the following address:

Address:	No. 329 Wusixi Road, Baoding City, Hebei Province, the PRC
Email:	hebeijianshe@hebjs.com.cn

S a e de ' R t

Convening Extraordinary General Meeting by Shareholders

In accordance with Article 70 to the Articles of Association, a Shareholder alone or the Shareholders together holding at least 10 percent of the Company's Shares shall have the right to make a request to the Board in writing that it call an extraordinary general meeting. The Board shall, in accordance with laws and the Articles of Association, give a written response on whether or not it agrees to call such meeting within 10 days after receipt of the request.

If the Board agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant shareholder(s) is required for any changes to be made in the notice to the original proposal.

If the Board does not agree to call such meeting, or fails to give a response within 10 days after receipt of the request, the Shareholder alone or Shareholders together holding at least 10 percent of the Shares shall have the right to propose to the Board of Supervisors in writing in order to call the extraordinary general meeting.

If the Board of Supervisors agrees to call the extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant Shareholder(s) is required for any changes to be made in the notice to the original request.

If the Board of Supervisors fails to issue the notice of the general meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a Shareholder alone or Shareholders together holding at least 10 percent of the Shares of the Company for at least 90 days in succession may himself/herself/themselves convene and preside over such meeting.

In accordance with Article 71 to the Articles of Association, Shareholders requesting the convening of a class meeting shall do so by the procedure set forth below:

(I) two or more Shareholders holding in aggregate at least 10 percent of the Shares carrying the voting right at the meeting to be held may sign one or more written requests of identical form and content requesting that the Board convene a class meeting and stating the topics to be discussed at the meeting. The Board shall convene the class meeting as soon as possible after having received the aforementioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made.

(II) if the Board fails to issue a notice to convene such meeting within 30 days after having received the aforementioned written request, the Shareholders who made such request may themselves convene the meeting within four months after the Board received the request. The procedure for the Shareholders to convene such meeting shall, to the extent possible, be identical to the procedure for the Board to convene the general meetings.

If Shareholders convene and hold a meeting themselves because the Board failed to hold such meeting pursuant to the request as mentioned above, the reasonable expenses incurred by such Shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent Directors.

P tt F wa d P a at Ge e a Meet

In accordance with Article 76 to the Articles of Association, when the Company is to hold an annual general meeting, the Board, the Board of Supervisors and a Shareholder alone or Shareholders together holding 3 percent or more of the Company's Shares shall be entitled to propose motions to the Company.

A Shareholder alone or Shareholders together holding at least 3 percent of the Shares of the Company may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore motion within two days after receipt of the motion, and submit such extempore motion to the general meeting for consideration. The contents of such extempore motion shall fall within the authority of the general meeting, and contain a clear topic and a specific resolution.

C t t t a D c e t

The following changes regarding the Articles of Association have taken place for the year ended 31 December 2017 and up to the date of this announcement:

1. The new Articles of Association, which were passed and adopted by the Company on 5 June 2017, came into effect on 15 December 2017 (i.e., the Listing Date).

2. The revised Articles of Association, which were passed and adopted by the Company on 10 November 2017, came into effect on 12 January 2018.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

D ect , S e a d Se Ma a e e t

The table below sets forth certain information on the Directors:

Na e	**A e**	**P t**	**Ma d t e**
E ec t e D ect			
Mr. Li Baozhong	48	Chairman of the	

The following table below sets forth certain information on the Supervisors of the Company, the scope of which is in compliance with the Articles of Association:

Na e	**A e**	**P t**	**Ma d t e**
Mr. Mao Yuanli	60	Chairman of the Board of Supervisors and Shareholder Supervisor	Presiding over the Board of Supervisors and monitoring the operation risks and financial activities of the Company as well as the performance of the Directors and senior management
Mr. Liu Jingqiao	56	Employee Supervisor	Monitoring the operation and financial activities of the Company as well as the performance of the Directors and senior management
Ms. Feng Xiujian	40	Shareholder Supervisor	Same as above
Mr. Yue Jianming	45	Employee Supervisor	Same as above
Mr. Wang Feng	38	Shareholder Supervisor	Same as above

The following table below sets forth certain information on the senior management of the Company, the scope of which is in compliance with the Articles of Association:

Na e	**A e**	**P t**	**Ma d t e**
Mr. Shang Jinfeng, please refer to the above.			
Ms. Liu Shuzhen, please refer to the above.			
Mr. Liu Yongjian, please refer to the above.			
Mr. Gao Qiuli	60	Vice President and Chief Engineer	Responsible for, among others, technology quality and risk control of the Group
Mr. Zhao Wensheng	49	Chief Accountant and Director of Finance	Responsible for the overall financial and capital management of the Group
Mr. Li Wutie	31	Board Secretary and Assistant to the President	Assisting the President to deal with various affairs; Acting as the contact person of the Company with the Stock Exchange; Responsible for information disclosures and investor management as well as corporate governance affairs of the Company

M . S a J e (商金峰), aged 41, is an executive Director and the President of the Company since 31 March 2017. Mr. Shang is also a member of the Nomination Committee and the Remuneration and Appraisal Committee under the Board of the Company. Mr. Shang also serves as a director of HCG Tianchen Construction Engineering and Hebei Lvjian Investment Company (河北綠建投資股份公司), and the general manager of Baoding Mancheng District Zhongbao Investment Co., Ltd. (保定市滿城區中寶投資有限公司). Mr. Shang has over 20 years of experience in the construction engineering industry and corporate management. His previous primary work experience includes: serving as a technician, the person in charge of technology

Ms. Liu obtained a bachelor's degree of science in mechanics from the Mathematics Department of Hebei University in Baoding, the PRC in July 1988 and a master's degree of engineering in structural engineering from Tianjin University in Tianjin, the PRC in March 2003. Ms. Liu was awarded the qualification of national certified constructor (in construction engineering major) by the Ministry of Construction of the PRC in January 2008 and the title of senior engineer by the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2008. Ms. Liu received the 2005, 2006, 2007 and 2010 "Excellent Corporate Manager in Construction Industry of Hebei Province" in 2006, 2007, 2008 and 2011, respectively, and the "2014 Excellent Management of Engineering, Economy and Technology in Baoding (保定市2014年度優秀工程經濟技術管理工作者)" in 2015. Ms. Liu is currently the vice president of China Tendering & Bidding Association (中國招投標協會) and a council member of the China Concession Specialized Committee (中國招投標協會特許經營專業委員會).

M .L Y a (劉永建), aged 54, is an executive Director of the Company since 20 December 2013 and a vice President of the Company since 17 January 2008. Mr. Liu also serves as a director of HCG Decoration Engineering and Hebei Zhiping Construction Equipment Leasing Co., Ltd. (河北治平建築設備租賃有限公司), respectively. Mr. Liu is also an external postgraduate tutor in the Institute of Urban and Rural Construction of Agricultural University of Hebei and an adjunct professor at the College of Civil Engineering and Architecture of Hebei University. Mr. Liu has more over 33 years of experience in the construction engineering industry and corporate management. His previous primary work experience includes: serving as a technician, quality inspection technician of Engineering Division I of No. 1 Construction Engineering Company of Hebei Province and project manager of the Company from July 1985 to December 2000; a vice manager and the manager of the First Branch of the Company from January 2001 to December 2010; and a vice President (non-standing) of the Company from January 2008 to December 2010.

Mr. Liu obtained a technical secondary school diploma in industrial and civil construction from Hebei Institute of Architecture and Civil Engineering in Zhangjiakou, China in July 1985, an academic diploma from a post-secondary course for construction engineering (through correspondence course) from Hebei University of Architecture in Zhangjiakou, the PRC in June 2001, a master of engineer degree in water conservancy and hydropower engineering from Agricultural University of Hebei Province in Baoding, the PRC in June 2002 and a doctor's degree of engineering in structural engineering from Tianjin University in Tianjin, the PRC in June 2012. Mr. Liu obtained the qualifications of national certified constructor (in construction engineering major) from the Ministry of Construction of the PRC in January 2008 and senior engineer from the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in June 2009. Mr. Liu was selected as a third-level candidate of the "New Century Triple Talents Project of Hebei Province" (河北省新世紀"三三三人才工程") by the Leading Group of New Century "Triple Talents Project" of Hebei Province (河北省"三三三人才工程"領導小組) in December 2007; the "2008 Young and Middle-aged Experts with Outstanding Contribution to Hebei Province (河北省有突出貢獻中青年專家)" by the People's Government of Hebei Province in August 2008.

Non-Executive Directors

M . L Ba a (李寶元), aged 67, is the honorary Chairman of the Board and a non-executive Director of the Company since 22 December 2015. Mr. Li is also a member of the Audit Committee under the Board of the Company. Mr. Li also serves as the chairman of the board of directors of Zhongru Investment and Hebei Baocang Expressway Co., Ltd. (河北保滄高速公路有限公司), an executive director and the general manager of Qianbao Investment, and a director of Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司) and Zhongming Zhiye. Mr. Li is a vice president of China Construction Industry Association. Mr. Li has over 47 years of experience in corporate management and the construction engineering industry. His previous primary work experience includes: serving as a trainee, budget planner, vice subsection chief of the planning subsection of Division I, a deputy head of Team 2 of Division I and the head of Team 2 of Division I of No. 1 Construction Engineering Company of Hebei Province from 1970 to 1984; the head of Team 2 of Division I, the head of the 101 Engineering Team (formerly Team 2 of Division I), the director of Working Area I, the manager and an assistant to the manager of the Fourth Branch of No. 1 Construction Engineering Company of Hebei Province from October 1986 to September 1991; a vice manager of the No. 1 Construction Engineering Company of Hebei Province from September 1991 to August 1995; the general manager and secretary to the Party Committee of No. 1 Construction Engineering Company of Hebei Province from August 1995 to October 1997; the Chairman of the Board from October 1997 to December 2015 and the honorary Chairman of the Board and a non-executive Director of the Company since December 2015; the President of the Company from October 1997 to January 2006; and the secretary to the Party Committee of the Company since October 1997. Mr. Li was elected as a representative of the ninth, tenth and eleventh sessions of the National People's Congress from March 1998 to March 2013.

Mr. Li obtained an academic diploma from a post-secondary course for Party and government cadres from Hebei Radio and TV University in Shijiazhuang, the PRC in July 1986, an undergraduate degree in economics and management (through correspondence course) from the Correspondence College of the Party School of the Central Committee of C.P.C. (中共中央黨校函授學院) in Beijing, the PRC in December 1998. He also obtained a PhD degree in business administration from International East-West University in the United States in May 2009. Mr. Li obtained the qualifications of senior economist from the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2006. Mr. Li was granted a special government allowance and the certificate by the State Council in April 2007. He was awarded the title of "Outstanding Pioneer in Corporate Reform of Hebei Province (河北省企業改革標兵)" by the People's Government of Hebei Province in December 1998, the "Model Worker of Hebei Province (河北省勞動模範)" by the People's Government of Hebei Province in April 1999, the "National Model Worker (全國勞動模範)" by the State Council in April 2000 and "Excellent Enterprise Director (河北省優秀企業家)" by the People's Government of Hebei Province in June 2001. He received the "Hebei Province Special Quality Award (河北省質量特別獎)" from the People's Government of Hebei Province in December 2003 and the title of "Young and Middle-aged Expert with Outstanding Contributions in Hebei Province" by the People's Government of Hebei Province in April 2005.

Mr. Li is the brother of Mr. Li Baozhong, the Chairman and executive Director of the Company, and the father of Mr. Li Wutie, the Board secretary and assistant of the President of the Company.

M . Ca Q e (曹清社), aged 53, is a vice Chairman of the Board and a non-executive Director of the Company since 31 March 2017. Mr. Cao is also a member of the Audit Committee under the Board of the Company. Mr. Cao also serves as an executive director and the general manager of Zhongming Zhiye, the general manager of Zhongru Investment, and a director of Zhongcheng Real Estate, Shenxian Mountain Tourism Development Co., Ltd. (神仙山旅遊發展有限公司) and Feihu Tourism Development Co., Ltd. (飛狐旅遊發展有限公司), respectively. Mr. Cao has over 31 years of experience in corporate management and the construction engineering industry. His previous primary work experience includes: serving as a vice manager and the manager of the Instalment Branch of No. 1 Construction Engineering Company of Hebei Province (河北省第一建築工程公司安裝分公司) from September 1996 to December 2004; a vice President of the Company from June 2001 to December 2004; a standing vice President of the Company from January 2005 to December 2005; and the President of the Company from January 2006 to March 2017.

Mr. Cao obtained a bachelor's degree of engineering in heating ventilation from the Urban Construction Department of Hebei University of Architecture (河北建築工程學院) in Zhangjiakou, the PRC in July 1987 and a master's degree of engineering in architecture and civil engineering from Tianjin University in Tianjin, the PRC in March 2003. Mr. Cao obtained the qualification of senior engineer from the Professional Technician Management Division of the Hebei Provincial Department of Human Resources and Social Security (河北省人力資源和社會保障廳專業技術人員管理處) in December 2003 and the qualification of national certified constructor from the Ministry of Construction of the PRC in January 2008, respectively. Mr. Cao was awarded the first session of "Top Ten Excellent Youth (十大傑出青年)" jointly by China Communist Youth League Baoding Committee (共青團保定市委員會) and other authorities in September 1995, the "Model Worker of Baoding City for years 1998 to 2000 (保定市1998-2000年勞動模範)" by the People's Government of Baoding City in April 2001; "Excellent Worker for Urban Construction for 2011 (2001年度城市建設先進工作者)" by the People's Government of Baoding City in March 2002; "Excellent Individual for Construction of Lu Ban Award (創建魯班獎工程先進個人)" by China Construction Industry Association in December 2012; and "National Excellent Worker in Construction Industry (全國建築業先進工作者)" by China Construction Industry Association in October 2016. He also obtained the "First-class Award for Technology Improvement (科技進步一等獎)" from the Ministry of Construction of Hebei Province in April 2003 for the Experiment and Device Development Project of Biofilm Filtering Reactor for Recycling of Urban Sewage (

Independent Non-Executive Directors

M . Xa X we (肖緒文), aged 65, is an independent non-executive Director of the Company since 15 December 2017. Mr. Xiao also serves as consulting chief engineer of the technology center of China State Construction Engineering Corporation Ltd (中國建築股份有限公司) (a listed Company on the Shanghai Stock Exchange, stock code: 601668). Mr. Xiao is a vice president of China Construction Industry Association, a standing vice president of China Construction Industry Association Branch of Green Building and Construction (中國建築業協會綠色建造與施工分會) and a standing vice head of the Construction Engineering Technology Expert Committee of China Construction Industry Association (中國建築業協會建築工程技術專家委員會). Mr. Xiao has more than 40 years of experience in the construction engineering industry (especially specializing in research and development of construction engineering technologies) and corporate management. His previous primary work experience includes: consecutively serving in various positions of China Construction Eighth Division (中國建築第八工程局) from May 1983 to January 2008, including as a technician, a designer, the head of the Design Institute, a vice chief engineer (at division level) and the chief engineer, and serving as the general manager of the Technology Department of China State Construction Engineering Corporation Ltd from January 2008 to June 2012.

Mr. Xiao graduated from Tsinghua University in Beijing, the PRC in January 1977, majoring in industry and civil construction. Mr. Xiao obtained the qualification of senior engineer (professor level) from China State Construction Engineering Corporation (中國建築工程總公司) in December 2000. Mr. Xiao obtained the Second Prizes of the National Science and Technology Progress Award (國家科學技術進步獎二等獎) from the State Council for Research on Construction Technology of Modern Stadiums (現代化體育場施工技術研究), Research and Application of Construction Technology on Prestressing Force of Long-span Space Steel Structure (大跨空間鋼結構預應力施工技術研究與應用) and Key Technology and Application of Super High and Complicated High-rise Architecture Structures (超高及複雜高層建築結構關鍵技術與應用) in February 2007, November 2010 and December 2013, respectively.

M . S e L e (申麗鳳), aged 52, is an independent non-executive Director of the Company since 15 December 2017. Ms. Shen is also the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration and Appraisal Committee under the Board of the Company. Ms. Shen also serves as chief director in charge of PRC businesses of Chong & Partners LLP. Ms. Shen is a standing committee member of the Federation of Industry and Commerce of Hebei Province (河北省工商業聯合會) and a vice president of the General Chamber of Commerce of Hebei Province (河北省總商會). Her term ended on 31 December 2017. Ms. Shen is a founding arbitrator of the Arbitration Committees of Shijiazhuang and Langfang, respectively. Ms. Shen has more than 28 years of experience in law, investment and financing management and corporate management. Her previous primary work experience includes: serving as a teaching assistant in the Department of Law of Hebei University from September 1987 to October 1989; the director of the legal department, an assistant to the general manager and a vice general manager of Hebei Textiles Import and Export (Group) Company (河北省紡織品進出口(集團)公司) from October 1989 to May 2006; a standing vice general manager and a member of the discipline-inspection committee of Shenglun International Industrial Group Co., Ltd. (聖侖國際實業集團股份有限公司), responsible for the reorganization and restructuring of the SOE from May 2006 to December 2007; and an executive director and the general manager of Shaanxi Kunzheng Mining Co., Ltd. (陝西坤正礦業股份有限公司) from September 2008 to August 2014.

Ms. Shen obtained a bachelor of law degree from the Department of Law of Hebei University in Baoding, the PRC in July 1987, graduated from the Department of Economics of Hebei University in Baoding, the PRC in May 1999 and obtained a master's degree of economics in world economy, obtained a doctor of law degree in civil and commercial law from the School of Law of Peking University in Beijing, the PRC in June 2005 and a master's degree in Buddhist studies from the Faculty of Arts of the University of Hong Kong in Hong Kong in November 2015. Ms. Shen obtained the qualifications of lawyer from the Lawyer's Qualification Review Committee of the Ministry of Justice (司法部律師資格審查委員會) in June 1998 and senior economist from the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in November 1998, respectively. Ms. Shen was accredited the 2004 "Top Ten Excellent Youth of Hebei (河北十大傑出青年)" and the first-class merit for individuals (個人一等功) by the China Communist Youth League Committee of Hebei Province (共青團河北省委員會) and Hebei Provincial Department of Human Resources and Social Security and the "Top Ten Excellent Youth of Enterprises contributed by Hebei SASAC (河北省國資委所出資企業十大傑出青年)" by Hebei SASAC in 2005, respectively. Ms. Shen was also elected and served as the representative of the sixth and seventh sessions of the Party Congress of Hebei Province.

M . C e X (陳欣), aged 35, is an independent non-executive Director of the Company since 15 December 2017. Ms. Chen is also the chairman of the Remuneration and Appraisal Committee and a member of the Audit Committee and the Nomination Committee and under the Board of the Company. Ms. Chen is currently the director of human resources consultant of Talentpool (HK) Limited. Ms. Chen has more than 10 years of experience in corporate management. Her previous primary work experience includes: serving as a financial advisor and accountant assistant in the financial department, and a deputy manager of the personnel unit in administration & personnel department of COSCO (HK) Industry & Trade Holdings Ltd. from February 2008 to February 2016; and the head of HR and administration department of Zhongrong International Securities Co., Ltd. from February 2016 to May 2016. Ms. Chen was the Hong Kong director of human resources of Fortune Fountain Capital Limited in 2017.

Ms. Chen obtained a bachelor's degree in accounting and finance from University of Southampton in Southampton, the United Kingdom in June 2006, and a master's degree in international management from member of the Hong Kong Institute of Certified Public Accountants. From 2009 to 2010, he served as the District Governor of Lions Clubs International District 303 – Hong Kong & Macao. From 2012 to 2015, he was the president of the Hong Kong Branch of the International Institute of Certified Public Accountants. He has been a member of the Youth Programme Co-ordinating Committee of Commission on Youth since April 2015, and was president of the Hong Kong Youth Cultural & Arts Competition, sponsored by the Home Affairs Department of the Hong Kong Special Administrative Region since 2016. He was awarded the certificate of Commendation by the secretary for Home Affairs of the Hong Kong Special Administrative Region in 2016.

Supervisors

M . Ma Y a (毛元利), aged 60, is the Chairman of the Board of Supervisors and a shareholder Supervisor of the Company since 31 March 2017. Mr. Mao also serves as the chairman of board of directors of Hebei Qianyuan Agricultural Technology Development Co., Ltd. (河北乾元農業科技開發有限公司) and a director of Datang Baoding Heat Supply Co., Ltd. (大唐保定供熱有限公司) and HCG Garden Engineering, respectively, and a supervisor of Zhongru Investment and Zhongming Zhiye. Mr. Mao's previous primary work experience includes: serving as a worker in the general factory of No. 1 Construction Engineering Company of Hebei Province from December 1974 to November 1975; a plumbing technician of the fourth division of No. 1 Construction Engineering Company of Hebei Province from October 1977 to June 1985; the person in charge of technology of the boiler ventilation equipment installation group of No. 1 Construction Engineering Company of Hebei Province from July 1985 to June 1991; a vice manager of the equipment installation branch of No. 1 Construction Engineering Company of Hebei Province from February 1991 to January 1994; an assistant to general manager of No. 1 Construction Engineering Company of Hebei Province and the manager of its Instalment Branch from June 1994 to July 1996; a vice general manager of No. 1 Construction Engineering Company of Hebei Province from August 1996 to December 1997; a standing vice general manager and a director of the Company from January 1998 to December 2000; the chairman and the general manager of HCG Tianchen Construction Engineering from January 2001 to January 2005; a vice President of the Company from January 2005 to December 2010; a director of the Company from April 2005 to March 2017; the deputy secretary of the Party Committee of the Company from May 2011 to January 2018, the chairman of the trade union of the Company from May 2011 to March 2018, and the secretary of the disciplinary committee of the Company from March 2014 to January 2018.

Mr. Mao obtained an academic diploma from a post-secondary course for heating and ventilation from Zhangjiakou Construction Engineering Institute of Hebei Province (河北省張家口建築工程學校, currently known as Hebei University of Architecture) in Zhangjiakou, the PRC in September 1977. Mr. Mao obtained the qualification of national certified constructor from the Ministry of Construction of the PRC in January 2008 and the qualification of senior engineer from the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2005, respectively. Mr. Mao was awarded the "Excellent Individual in the Wenchuan Earthquake Post-disaster Reconstruction (汶川地震災後恢復重建先進個人)" by the Ministry of Human Resources and Social Security, National Development and Reform Commission and People's Liberation Army General Political Department in October 2011 and the "National Excellent Worker for the Labor Union (全國優秀工會工作者)" by All-China Federation of Trade Union in December 2015.

M . L J a (劉景喬), aged 56, is an employee Supervisor of the Company since 31 March 2017. Mr. Liu also serves as the director of the Office of Party and Administration of the Company, the chairman of board of directors of Yuncai Network Technology Co., Ltd. (雲采網絡技術有限公司), Shenxian Mountain Tourism Development Co., Ltd. (神仙山旅遊發展有限公司) and Feihu Tourism Development Co., Ltd. (飛狐旅遊發展有限公司), respectively and a director of Hebei Qianyuan Agricultural Technology Development Co., Ltd. (河北乾元農業科技開發有限公司). Mr. Liu's previous primary work experience includes: serving as an employee of the health system of Fuping County of Hebei Province from August 1981 to August 1986; the head of the reporting group of the publicity department of the Party committee of Fuping County of Hebei Province and an organizer (at deputy division level) of the organization department of the Party Committee of Fuping County of Hebei Province; a secretary of the Company from September 1994 to January 2001; a deputy director of the office of the Party Committee and the Board secretary of the Company from January 2001 to December 2012; a deputy office director of the Company from April 2002 to February 2009; an office director of the Company, a director of the General Management Office, a deputy head of the Security Department and the secretary to the Party Committee of the Company from February 2009 to December 2012; and the Board secretary of the Company from November 2010 to April 2017.

Mr. Liu obtained an undergraduate academic diploma in law (through correspondence course) from Open College of the Central Party School of C.P.C. (中共中央黨校函授學院) in Beijing, the PRC in December 2001.

M . Fe X a (馮秀健), aged 40, is a shareholder Supervisor of the Company since 23 January 2013. Ms. Feng also serves as a vice Chief Accountant and the head of Finance Management Department of the Company and a supervisor of Zhongcheng Real Estate, Hebei Zhiping Construction Equipment Leasing Co., Ltd. (河北治平建築設備租賃有限公司), Yuncai Network Technology Co., Ltd. (雲采網絡技術有限公司), Hebei Zhongru Software Technology Co., Ltd. (河北中儒軟件科技股份有限公司), Hebei Lvjian Investment Company (河北綠建投資股份公司) and Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司), respectively. Ms. Feng's previous primary work experience includes: serving as an accountant of the Steel Structures Branch of the Company from September 2000 to August 2004; a deputy head and the head (at division level) of the Finance Division of Concrete Branch of the Company from August 2004 to May 2009; and a deputy head of the Finance Management Department of the Company from June 2009 to December 2009.

Ms. Feng obtained a bachelor's degree in accounting from Hebei University of Economics and Business in Shijiazhuang, the PRC in July 2000. Ms. Feng obtained the qualification of senior accountant from the Office of Qualification Reform Leading Group of Hebei Province (河北省職稱改革領導小組辦公室) in December 2008.

M . Y e J a (岳建明), aged 45, is an employee Supervisor of the Company since 31 March 2017. Mr. Yue also serves as the head of the Legal Affairs Department of the Company, and a supervisor of HCG Tianchen Construction Engineering, HCG Zhuocheng Road and Bridge Engineering, HCG Installment Engineering and HCG Garden Engineering, respectively. He is also a consultation expert of National Development and Reform Commission, a mediator of Mediation Centre of China Construction Industry Association, an arbitrator of China International Economics and Trade Arbitration Commission and Shanghai Arbitration Commission, a consultant expert of Hebei Urban Construction Investment & Financing Association, an editor of textbook for the National Grade I Practising Qualification Certificate Constructor Examination, a vice director committee member of the Real Estate and Construction Engineering Law Profession Committee of China Legal Consulting Centre (中國法律諮詢中心房地產與建築工程法律專業委員會), an expert in the NDRC expert pool (國家發改委PPP專家庫), a council member of China Experts Association (中國專家學者協會), an adjunct professor at the College of Political Science and Law of Hebei University, a researcher of Real Estate Law Research Centre of China University of Political Science and Law, a member of the Legal Expert Consulting Committee of the People's Government of Baoding (保定市人民政府法制專家諮詢委員會) and a researcher of the China Behavior Law Association and Joint Major and Difficult Cases Research Centre (中國行為法學會及法聯重大疑難案件研究中心). Mr. Yue's previous primary work experience includes: serving as the legal counsel of the Company from September 1995 to March 2006; and a deputy head of the Economic Contract Department of the Company from April 2006 to March 2009.

Mr. Yue obtained a master's degree in law from China University of Political Science and Law in Beijing, the PRC in July 2015. Mr. Yue obtained the qualifications of senior economist from Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2013. He also obtained the qualification of corporate legal counsel jointly issued by the Ministry of Personnel, National Economics and Trade Commission and the Ministry of Justice in June 1999, the legal profession qualification from the Ministry of Justice in February 2006, and the qualification of construction project manager from China Construction Industry Association in June 2010.

M . Wa Fe (王豐), aged 38, is a shareholder Supervisor of the Company since 31 March 2017. Mr. Wang also serves as the head of the Inspection and Auditing Department of the Company, and a supervisor of HCG Tianchen Construction Engineering, HCG Decoration Engineering, HCG Zhuocheng Land and Road Engineering, HCG Installment Engineering and HCG Garden Engineering, respectively. Mr. Wang's previous primary work experience includes: serving as a teacher at No.10 Middle School of Dalad Qi, Inner Mongolia from September 2003 to August 2004, an information commissioner of the office of the Party Committee of Dalad Qi, Inner Mongolia from September 2004 to August 2005, the human resource manager of Aishengya (Baoding) Package Company Limited (愛生雅(保定)包裝有限公司) from September 2008 to June 2010, the human resource manager of Baoding International Paper Package Company Limited (保定國際紙業包裝有限公司) from September 2010 to December 2013, and the secretary to the vice Chairman of the Board of the Company from January 2014 to September 2014.

Mr. Wang obtained an academic diploma from a post-secondary course for computer and application from Inner Mongolia University of Technology in Hohhot, the PRC in July 2003, and an academic diploma of undergraduate course in English language from Hebei University in Baoding, the PRC in April 2009. Mr. Wang obtained the qualification of constructor from the Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in September 2016.

Senior Management

M . S a J e (商金峰). For biography of Mr. Shang, please refer to "Director – Executive Director" above.

M . L S e (劉淑珍). For biography of Ms. Liu, please refer to "Director – Executive Director" above.

M . L Y a (劉永建). For biography of Mr. Liu, please refer to "Director – Executive Director" above.

M . Ga Q (高秋利), aged 60, is a vice President and the Chief Engineer of the Company since 22 July 2001. Mr. Gao also serves as the chairman of the board of directors of Hebei Lvjian Investment Company (河北綠建投資股份公司) and a director of HCG Installment Engineering, Hebei Zhongru Software Technology Co., Ltd (河北中儒軟件科技股份有限公司) and Hebei Tianbo Construction Technology Co., Ltd. (河北天博建設科技有限公司), respectively. Mr. Gao has over 37 years of experience in the construction engineering industry and technical and quality management. His previous primary work experience includes: serving as a technician and the person in charge of technology of No. 1 Construction Engineering Company of Hebei Province from July 1981 to December 1988; the head in charge of technology and the head of No. 1 Construction Engineering Company of Hebei Province from January 1988 to November 1994; a deputy head and the head (at division level) of the quality and technology division of No. 1 Construction Engineering Company of Hebei Province from December 1994 to November 1997; a vice chief engineer and a vice general manager of No. 1 Construction Engineering Company of Hebei Province from December 1997 to December 1998; and the chief engineer and a vice general manager of No. 1 Construction Engineering Company of Hebei Province from January 1999 to June 2001.

Mr. Gao obtained an academic diploma of undergraduate course in architecture engineering (through correspondence course) from Harbin University of Civil Engineering and Architecture (currently known as Harbin Institute of Technology) in Harbin, the PRC in July 1997, a master's degree in architecture and civil engineering from Tianjin University in Tianjin, the PRC in March 2002, and a doctor's degree of engineering in architecture technology and management from Tianjin University in Tianjin, the PRC in June 2011. Mr. Gao obtained the qualification of senior engineer from Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2002 and the qualification of national certified constructor from the Ministry of Construction of the PRC in January 2008, respectively. Mr. Gao was awarded the National Advanced Construction Technology Individual for the "Tenth Five-year Period" by the Ministry of Construction of the PRC in June 2006 and received the Second-class Award for Technology Improvement from the People's Government of Hebei Province in December 2007 and December 2014 respectively. He obtained the National Quality Award for Individuals from the General Administration of Quality Supervision, Inspection and Quarantine of the PRC in September 2011 and the Second-class Award for National Technology Improvement Award from the State Council of the PRC in December 2011.

M . Z a We e (趙文生), aged 49, is the Chief Accountant and the Director of Finance of the Company since 23 January 2013. Mr. Zhao also serves as the chairman of the board of supervisors of HCG Zhuocheng Road and Bridge Engineering, HCG Installment Engineering, HCG Decoration Engineering and Zhongji United Investment Holdings Co., Ltd. (中冀聯合投資控股有限公司), and a supervisor of HCG Tianchen Construction Engineering, Zhongcheng Real Estate, Baoding Mancheng Zhongbao Investment Co., Ltd. (保定市滿城區中寶投資有限公司), Hebei Lvjian Investment Company (河北綠建投資股份公司), Hebei Tianbo Construction Technology Co., Ltd. (河北天博建設科技有限公司) and Hebei Construction Group Qianqiu Management Co., Ltd. (河北建設集團千秋管業有限公司), Zhuocheng Road and Bridge, respectively. Mr. Zhao is also a standing member of China Construction Accounting Institute (中國建設會計學會) and a vice president of Hebei Institute of Construction Accounting (河北省建設會計協會). Mr. Zhao's previous primary work experience includes: serving as an accountant of No. 1 Construction Engineering Company of Hebei Province from July 1989 to January 1997; the head of finance department of HCG Decoration Engineering from January 1997 to July 2005; a deputy head of the Financial Audit Department of the Company from June 2005 to April 2006; and the head of Financial Management Department of the Company from April 2006 to January 2013.

Mr. Zhao obtained a bachelor's degree in management majoring in accounting (self-study) from Hebei University of Economics and Business in Shijiazhuang, the PRC in June 2004. Mr. Zhao obtained the qualification of senior accountant from Qualification Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in June 2009.

M . L W t e (李武鐵), aged 31, is the Board secretary of the Company since 31 March 2017 and the assistant to the President of the Company since January 2015. Mr. Li's previous primary work experience includes working at the Inspection and Audit Department and Market Operation Department of the Company from July 2013 to December 2014.

Mr. Li obtained a Bachelor of Science (economics) degree in financial and business economics from Royal Holloway and Bedford New College of University of London in London, the United Kingdom in August 2011, and a Master of Science degree in accounting, accountability and financial management from King's College of London in London, the United Kingdom in December 2012.

Mr. Li is the son of Mr. Li Baoyuan, the Honorary Chairman and non-executive Director of the Company, and nephew of Mr. Li Baozhong, the Chairman and executive Director of the Company.

Joint Company Secretaries

M . L W t e (李武鐵). For biography of Mr. Li, please refer to "Senior Management" above.

M . W Wa L (黃慧玲), is one of the joint company secretaries of the Company. Ms. Wong has more than 13 years of experience in corporate secretarial affairs. Ms. Wong is the assistant vice president of SW Corporate Services Group Limited and is responsible for assisting listed companies in professional company secretarial work. Prior to joining SW Corporate Services Group Limited, she worked in a corporate service provider and the company secretarial department of an international accounting firm. Ms. Wong obtained a Bachelor of Arts degree in marketing and public relations from the Hong Kong Polytechnic University and a Master's degree in corporate governance from the Open University of Hong Kong. Ms. Wong has been an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators in the United Kingdom.

Sta I at

Staff Composition

As at 31 December 2017, the Group had 5,884 full-time employees. Set out below is a breakdown of the number of staff by function:

E ee	**N be e ee**
The Company	3,909
The subsidiaries of the Company	1,975
Total	5,884

Sta I ce t e

The Group has established a comprehensive performance appraisal system. Through the combination of quarterly appraisal on KPI indicators and yearly all-round appraisal, it linked annual operating goals with the performance appraisal of all departments and staff. The appraisal system combined objective appraisal, indicator appraisal, appraisal based on letter of commitment to objectives at the management level, quantitative appraisal on KPI indicators, quarterly appraisal and yearly all-round appraisal, building the comprehensive performance appraisal system covering the Company, departments, subsidiaries and individuals. Tasks were broken down level by level for full coverage of key indicators and level-by-level management was adopted for attaining goals. The Company aligns business operation with individual incentive by a number of measures and means, for the purpose of boosting creativity of the organisation and individuals. It pursues long-term corporate development in a manner responsible to the Shareholders and society.

Sta T a

The Group attaches great importance to building a sound corporate culture, strives to improve the overall quality of employees and actively conducts comprehensive staff training at different levels. During the Reporting Period, it has pushed forward the development of systems, training courses, trainer qualification and training management in accordance with corporate strategy and arrangement of key undertakings of the year, and with the support of the Company's training system. On that basis, it coordinated and planned company-level training programs for different departments and subordinate companies. As at 31 December 2017, the Group has provided training for a total of 23,300 employees in 64,335 days and total training expenditure amounting to approximately RMB316.85 million.

E ee E a at a d Re e at

Taking into account the human resources strategy, the Group has established a remuneration system for different job levels based on individual performance and competence, with reference to the prevailing rates of relevant enterprises in the same region and same industry. This competitive remuneration system provided great support to the Company in talent recruitment, retention and motivation, and the implementation of human resources strategy.

Pe Sc e e

A total of 79 employees of the Company retired in 2017. Such employees are entitled to the social pension insurance scheme approved by local labour and social security authorities.

Further details of employment policy of the Company will be set out in the "Environmental, Social and Governance Report" published within three months from the date of the annual report for 2017 of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**2017**	2016
		RMB'000	*RMB'000*
CONTINUING OPERATIONS			
Revenue	*5*	**41,177,335**	38,609,402
Cost of sales		**(38,946,373)**	(36,726,588)
Gross profit		**2,230,962**	1,882,814
Other income and gains	*5*	**381,914**	201,751
Selling and distribution expenses		**(39,300)**	(65,955)
Administrative expenses		**(423,257)**	(325,698)
Other expenses		**(399,368)**	(212,882)
Finance costs		**(182,537)**	(230,343)
Share of (losses) and profits of:			
associates		**(3,559)**	58,264
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**1,564,855**	1,307,951
Income tax expense	*7*	**(497,449)**	(257,220)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**1,067,406**	1,050,731
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations		**26,722**	(237,128)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,094,128**	813,603
Attributable to:			
Owners of the parent		**1,052,246**	768,178
Non-controlling interests		**41,882**	45,425
		1,094,128	813,603
Ea e a e att b tab e t d a e t de t e a e t:			
Basic *(expressed in RMB per share)*	*9*		
– For profit for the year		**0.80**	0.64
– For profit from continuing operations		**0.78**	0.85

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2017**	2016
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**434,229**	369,149
Investment property		**135,439**	133,370
Prepaid land lease payments		**36,495**	37,397
Investments in associates		**318,650**	79,091
Available-for-sale investments		**488,500**	148,500
Deferred tax assets		**255,925**	250,219
Trade receivables	*13*	**451,853**	506,404
Receivables under service concession arrangements		**42,278**	–
Total non-current assets		**2,163,369**	1,524,130
CURRENT ASSETS			
Prepaid land lease payments		**863**	824
Inventories		**77,782**	167,883
Amounts due from contract customers	*10*	**27,744,640**	27,706,939
Properties under development	*11*	**2,574,039**	3,604,501
Completed properties held for sale	*12*	**741,447**	816,426
Trade and bills receivables	*13*	**6,137,059**	10,777,375
Prepayments, deposits and other receivables		**5,808,804**	6,666,539
Pledged deposits		**222,640**	1,004,991
Cash and cash equivalents		**5,288,019**	4,668,807
		48,595,293	55,414,285
Assets of disposal groups classified as held for sale		**–**	4,468,577
Total current assets		**48,595,293**	59,882,862
CURRENT LIABILITIES			
Trade and bills payables	*14*	**30,849,740**	40,291,307
Amounts due to contract customers	*10*	**4,374,621**	2,810,472
Other payables, advances from customers and accruals		**7,074,032**	7,703,676
Interest-bearing bank and other borrowings		**1,847,362**	3,316,260
Tax payable		**565,644**	396,049
Financial guarantee contracts		**14,174**	20,104
		44,725,573	54,537,868
Liabilities directly associated with the assets classified as held for sale		**–**	3,239,166
Total current liabilities		**44,725,573**	57,777,034

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (c t ed)

	2017	2016
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**3,869,720**	2,105,828
TOTAL ASSETS LESS CURRENT LIABILITIES	**6,033,089**	3,629,958
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**1,721,780**	540,280
Total non-current liabilities	**1,721,780**	540,280
Net assets	**4,311,309**	3,089,678
EQUITY		
E t att b tab e t w e t e a e t		
Share capital	**1,733,334**	1,200,000
Reserves	**2,169,353**	1,634,235
	3,902,687	2,834,235
Non-controlling interests	**408,622**	255,443
Total equity	**4,311,309**	3,089,678

1. CORPORATE INFORMATION

4. OPERATING SEGMENT INFORMATION (c t ed)

Yea e ded 31 Dece be 2017

	C t ct c t act *RMB'000*	Ot e *RMB'000*	T ta *RMB'000*
Se e t e e e:			
Sales to external customers	**38,909,449**	**2,267,886**	**41,177,335**
Intersegment sales	**703,958**	**39,546**	**743,504**
T ta e e e	**39,613,407**	**2,307,432**	**41,920,839**
Reconciliation:			
Elimination of intersegment sales			**(743,504)**
Revenue from continuing operations			**41,177,335**
Se e t e t	**1,425,341**	**320,137**	**1,745,478**
Reconciliation:			
Elimination of intersegment results			**(180,623)**
Profit before tax from continuing operations			**1,564,855**
Se e t a et	**58,236,561**	**7,450,735**	**65,687,296**
Reconciliation:			
Elimination of intersegment receivables			**(12,915,633)**
Total assets			**52,771,663**
Se e t ab t e	**53,550,490**	**6,116,163**	**59,666,653**
Reconciliation:			
Elimination of intersegment payables			**(11,206,299)**
Total liabilities			**48,460,354**
Ot e e e t at :			
Depreciation	**31,070**	**8,763**	**39,833**
Amortisation	**–**	**863**	**863**
Provision for impairment of trade receivables, deposits and other receivables	**351,464**	**24,166**	**375,630**
Share of losses of associates	**122**	**3,437**	**3,559**
Capital expenditure*	**75,486**	**52,165**	**127,651**

* Capital expenditure consists of additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION (c t ed)

Yea e ded 31 Dece be 2016

	Construction contracting *RMB'000*	Others *RMB'000*	Total *RMB'000*
Se e t e e e:			
Sales to external customers	37,713,767	895,635	38,609,402
Intersegment sales – continuing	889,377	8,884	898,261
Intersegment sales – discontinued	572,960	–	572,960
T ta e e e	39,176,104	904,519	40,080,623
Reconciliation:			
Elimination of intersegment sales – continuing			(898,261)
Elimination of intersegment sales – discontinued			(572,960)
Revenue from continuing operations			38,609,402
Se e t e t	1,204,862	(182,778)	1,022,084
Reconciliation:			
Elimination of intersegment results – continuing			(45,210)
Elimination of intersegment results – discontinued			331,077
Profit before tax from continuing operations			1,307,951
Se e t a et	59,143,973	9,044,919	68,188,892
Reconciliation:			
Elimination of intersegment receivables			(11,250,477)
Assets related to disposal groups classified as held for sale			4,468,577
Total assets			61,406,992
Se e t ab t e	56,133,705	8,310,989	64,444,694
Reconciliation:			
Elimination of intersegment payables			(9,366,546)
Liabilities directly associated with the assets classified as held for sale			3,239,166
Total liabilities			58,317,314
Ot e e e t at :			
Depreciation	38,199	7,645	45,844
Amortisation	205	798	1,003
Provision for impairment of trade receivables, deposits and other receivables	118,579	3,366	121,945
Share of profits and losses of associates	(58,631)	367	(58,264)
Capital expenditure*	102,349	91,555	193,904

Ge a ca at

The Group has derived substantially all of its business in the PRC.

I at ab t a c t e

The Group has a large number of customers, and no single customer from which the revenue accounted for more than 10% of the Group's total revenue for the year ended 31 December 2017.

5. REVENUE, OTHER INCOME AND GAINS

Revenue mainly represents: an appropriate proportion of contract revenue from construction contracting net of related tax; the gross proceeds from the sale of properties, net of additional tax; and gross rental income received and receivable from investment properties, net of additional tax during the year.

An analysis of the Group's revenue, other income and gains from continuing operations is as follow:

	2017	2016
	RMB'000	*RMB'000*
Re e e		
Construction contracting	**38,909,449**	37,713,767
Sale of properties	**2,154,976**	857,731
Rental income and others	**112,910**	37,904
	41,177,335	38,609,402
Ot e c e		
Interest income	**176,102**	171,155
Dividend income from available-for-sale investments	**30,009**	13,997

6. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	2017	2016
	RMB'000	*RMB'000*
Cost of construction contracting (including depreciation)	**37,299,983**	36,018,125
Cost of others	**1,646,390**	708,463
Total cost of sales	**38,946,373**	36,726,588
Depreciation of items of property, plant and equipment	**39,833**	45,844
Amortisation of prepaid land lease payments	**863**	1,003
Total depreciation and amortisation	**40,696**	46,847
Research and development costs	**29,600**	28,104
Impairment of trade receivables and deposits and other receivables	**375,630**	121,945
Auditors' remuneration	**6,800**	622
Employee benefit expenses (including directors' and supervisors' remuneration):	**227,731**	213,608
– Wages, salaries and allowances	**180,073**	168,906
– Social insurance	**38,135**	35,765
– Welfare and other expenses	**9,523**	8,937
Interest income	**(176,102)**	(171,155)
Gain on disposal of items of property, plant and equipment, and prepaid land lease payments	**(39,980)**	(6,558)
Change in fair value of an investment property	**(2,069)**	161
Dividend income from available-for-sale investments	**(30,009)**	(13,997)
Gain on disposal of subsidiaries	**(107,069)**	(7,946)
Gain on disposal of assets and liabilities of disposal groups classified as held for sale	**(22,674)**	–

7. INCOME TAX EXPENSE

Provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporation Income Tax Law which was approved and became effective on 1 January 2008 (the "**New C ate I c e Ta Law**").

According to the requirements of the Provisional Regulations of the PRC on land appreciation tax ("**LAT**") effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

7. INCOME TAX EXPENSE (c t ed)

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

	2017	2016
	RMB'000	*RMB'000*
Current income tax	**441,353**	376,324
LAT	**61,802**	6,150
Deferred income tax	**(5,706)**	(125,254)
Tax charge for the year from continuing operations	**497,449**	257,220
Tax credit for the year from discontinued operations	**8,908**	(22,385)
	506,357	234,835

A reconciliation of the income tax expense applicable to profit before tax using the statutory income tax rate applicable in Mainland China to the income tax expense at the Group's effective income tax during the year, are as follows:

	2017	2016
	RMB'000	*RMB'000*
Profit before tax from continuing operations	**1,564,855**	1,307,951
Profit/(loss) before tax from discontinued operations	**35,630**	(214,743)
	1,600,485	1,093,208
Income tax charge at the statutory income tax rate	**400,121**	273,302
Impact resulting from elimination between continuing operations and discontinued operations	**–**	(51,473)
Income not subject to tax	**(7,502)**	(3,499)
Expenses not deductible for tax purposes	**14,669**	1,530
Tax losses utilised from previous years	**–**	(1,107)
Tax losses not recognised	**20,473**	16,955
Others	**32,245**	(5,485)
LAT	**61,802**	6,150
Tax effect of LAT deductible for PRC Corporate Income Tax ("**CIT**")	**(15,451)**	(1,538)
Tax charge for the year at the Group's effective rate	**506,357**	234,835
Tax charge from continuing operations at the Group's effective rate	**497,449**	257,220
Tax charge/(charge) from discontinued operations at the Group's effective rate	**8,908**	(22,385)

8. DIVIDENDS

The dividends during the year are set out below:

	2017	2016
	RMB'000	*RMB'000*
Dividends declared to owners of the parent	**1,651,400**	14,850

The rates of distribution are not presented as the dividends during the years are declared prior to the listing of the Company's shares and this information is not meaningful for the purpose of this report.

The board of the directors of the Company does not recommend the declaration of final dividend for the year ended 31 December 2017.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,309,315,000 (2016: 1,200,000,000) in issue during the year, as adjusted to reflect the rights issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years.

The calculations of basic earnings per share are based on:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	**1,025,524**	1,017,768
From discontinued operations	**26,722**	(249,590)
	1,052,246	768,178

	N be a e	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,309,315,000**	1,200,000,000

In January 2017, the number of ordinary shares increased by 100,000,000, as a result of injection by shareholders of the Company.

In April 2017, the Company was converted to a joint stock company, total 1,300,000,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion to ordinary shares with par value of RMB1 each is applied retrospectively for the year ended 31 December 2016 for the purpose of computation of basic earnings per share.

In December 2017, the Company issued 433,334,000 H shares through IPO in the Main Board of the Stock Exchange of Hong Kong.

10. AMOUNTS DUE FROM/ (TO) CONTRACT CUSTOMERS

C t ct c t act

	2017	2016
	RMB'000	*RMB'000*
Gross amounts due from contract customers	**27,744,640**	27,706,939
Gross amounts due to contract customers	**(4,374,621)**	(2,810,472)
	23,370,019	24,896,467
Contract costs incurred plus recognised profits less recognised losses	**208,994,086**	167,198,147
Less: Progress billings	**(185,624,067)**	(142,301,680)
	23,370,019	24,896,467

11. PROPERTIES UNDER DEVELOPMENT

	2017	2016
	RMB'000	*RMB'000*
Carrying amount at 1 January	**3,604,501**	3,182,608
Decrease in relation to the disposal of subsidiaries	**(974,975)**	–
Additions	**1,646,225**	1,139,339
Transferred to completed properties held for sale	**(1,701,712)**	(717,446)
	2,574,039	3,604,501

As at 31 December 2017, certain of the Group's properties under development with a net carrying amount of approximately RMB125,566,000 (2016: RMB1,227,427,000) were pledged to secure bank facilities granted to the Group.

12. COMPLETED PROPERTIES HELD FOR SALE

	2017	2016
	RMB'000	*RMB'000*
Carrying amount at 1 January	**816,426**	773,463
Decrease in relation to the disposal of subsidiaries	**(254,882)**	–
Transferred from properties under development	**1,701,712**	717,446
Transferred to cost of properties sold	**(1,521,809)**	(674,483)
	741,447	816,426

13. TRADE AND BILLS RECEIVABLES

Trade receivables mainly represented receivables from construction contracting services. The payment terms are stipulated in relevant contracts. The Group's trading terms with its debtors are mainly on credit, except for new debtors, where payment in advance is normally required. The credit period offered by the Group is generally one to three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue

13. TRADE AND BILLS RECEIVABLES (c t ed)

Retention receivables held by contract debtors arose from the construction work business and are settled within a period ranging from 2 years to 5 years after the completion of the construction work, as stipulated in the construction contracts. The due settlements of the Group's retention receivables as at the end of the reporting period are as follows:

Rete t ece ab e

	2017	2016
	RMB'000	*RMB'000*
Due within one year	**160,103**	156,548
Due after one year	**451,853**	506,404
	611,956	662,952

The movements in provision for impairment of trade receivables are as follows:

	2017	2016
	RMB'000	*RMB'000*
At beginning of the year	**434,542**	327,271
Impairment losses recognised	**97,376**	116,255
Assets included in assets of disposal groups classified as held for sale	**–**	(8,984)
At end of the year	**531,918**	434,542

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of RMB278,891,000 (2016: RMB237,107,000), with an aggregate carrying amount before provision of RMB278,891,000 (2016: RMB237,107,000).

As at 31 December 2017, certain trade and bills receivables of the Group with a net carrying amount of approximately RMB38,876,000 (2016: RMB210,766,000) were pledged to secure certain bank facilities granted to the Group.

The individually impaired trade receivables relate to debtors that were in default in principal payments or were in financial difficulties and nil of the receivables is expected to be recovered.

An ageing analysis of the trade receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**611,956**	662,952

Receivables that were neither past due nor impaired relate to a large number of diversified debtors for whom that was no recent history of default.

Included in the Group's trade and bills receivables is the amount due from the Group's associates and fellow subsidiaries of RMB16,342,000 (2016: RMB23,037,000) which is repayable on credit terms similar to those offered to the major debtors of the Group.

13. TRADE AND BILLS RECEIVABLES (c t ed)

T a e ed a c a a et t at a e t de ec ed t e e t et

The Group endorsed certain bills receivable accepted by banks in Mainland China (the "**E d ed B**") with a carrying amount of RMB307,073,000 (2016: RMB146,319,000) as at 31 December 2017, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**E d e e t**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of trade payables settled by the Endorsed Bills during the period to which the suppliers have recourse was RMB307,073,000 (2016: RMB146,319,000) as at 31 December 2017.

T a e a c a a et t at a e de ec ed t e e t et

The Group endorsed certain bills receivable accepted by banks in Mainland China (the "**De ec ed B**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB155,915,000 (2016: RMB35,107,000) as at 31 December 2017. The Derecognised Bills have a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "**C t I e e t**"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has not recognised any gain or loss on the date of transfer of the recognised bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables, as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 6 months	**15,763,858**	20,487,989
6 months to 1 year	**7,946,332**	14,385,480
1 to 2 years	**5,459,279**	3,040,337
2 to 3 years	**1,215,519**	1,729,461
Over 3 years	**464,752**	648,040
	30,849,740	40,291,307

The trade and bills payables are non-interest-bearing.

Included in the trade and bills payables are trade payables of RMB532,967,000 (2016: Nil) due to associates.

"Company" or "Hebei Construction Group"	Hebei Construction Group Corporation Limited, a joint stock company incorporated in the PRC with limited liability on 7 April 2017, whose H Shares of which were listed on the Main Board of the Hong Kong Stock Exchange on 15 December 2017 (Stock Code: 1727). Unless the context otherwise requires, it shall include its predecessor, Hebei Construction Group Co., Ltd. (河北建設集團有限公司) (a limited liability company established under the laws of the PRC on 29 September 1997)
"Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People's Congress on 27 October 2005 and effective on 1 January 2006, as amended, supplemented or otherwise modified from time to time, which was further amended on 28 December 2013 to take effective on 1 March 2014
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules, unless the context requires otherwise
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules and as at the date of this announcement refers to Mr. Li Baoyuan, Qianbao Investment and Zhongru Investment
"Corporate Governance Code"	the corporate governance code set out in Appendix 14 Corporate Governance Code and Corporate Governance Report of the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"Domestic Shares"	ordinary Share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"EIT"	PRC Enterprise Income Tax
"Group" or "we" or "us"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require), or (as the context may require) in respect of the period before the Company becomes the holding company of its present subsidiaries, such subsidiaries as if they were the Company's subsidiaries at that time

"H Shares"	overseas listed foreign Shares in the ordinary Shares of the Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Hong Kong Stock Exchange
"H Share Registrar in Hong Kong"	Tricor Investor Services Limited
"HCG Tianchen Construction Engineering"	Hebei Construction Group Tianchen Construction Engineering Co., Ltd. (河北建設集團天辰建築工程有限公司), a limited liability company incorporated in the PRC on 26 December 1997, which was owned as to 86.96% and 13.04% by the Company and Baoding Zhongcheng, a subsidiary of the Company, respectively, as at the date of this announcement
"HCG Garden Engineering"	Hebei Construction Group Garden Engineering Co., Ltd. (河北建設集團園林工程有限公司), a limited liability company incorporated in the PRC on 26 December 2006, which is an indirect wholly-owned subsidiary of the controlling shareholder of the Company as at the date of this announcement, thus a connected person of the Company
"HCG Installment Engineering"	Hebei Construction Group Installment Engineering Co., Ltd. (河北建設集團安裝工程有限公司), a limited liability company incorporated in the PRC on 10 August 2004, which was owned as to 61.11% and 38.89% by the Company and Baoding Zhongcheng, a subsidiary of the Company, respectively, as at the date of this announcement
"HCG Zhuocheng Road and Bridge Engineering"	Hebei Construction Group Zhuocheng Road and Bridge Engineering Co., Ltd. (河北建設集團卓誠路橋工程有限公司), a limited liability company incorporated in the PRC on 6 January 1998, and owned as to 95.24% and 4.76% by the Company and Baoding Zhongcheng, a subsidiary of the Company, respectively, as at the date of this announcement
"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
"Hong Kong Stock Exchange" or "Stock Exchange"	the Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board (IASB)

"Independent Third Party(ies)"	party(ies) not connected with the Company within the meaning of the Hong Kong Listing Rules as far as the Directors are aware after having made all reasonable enquiries
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	15 December 2017, the date on which the Company's overseas listed foreign Shares (H Shares) were listed on the Main Board of the Stock Exchange
"Lu Ban Award"	the Lu Ban Award for Construction Engineering in China (中國建設工程魯班獎), the highest and most prestigious award given by the MOHURD for construction quality excellence
"Macau"	the Macau Special Administrative Region of the PRC
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHURD"	the Ministry of Housing and Urban-rural Development of the PRC (中華人民共和國住房和城鄉建設部), formerly known as the Ministry of Construction
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the Nomination Committee of the Board
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"Prospectus"	the prospectus of the Company dated 5 December 2017
"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC

"Qianbao Investment"	Qianbao Investment Co., Ltd. (乾寶投資有限責任公司) (previously known as Baoyuan Investment Co., Ltd. (寶元投資有限責任公司)), a company incorporated in the PRC on 19 April 2010 with limited liability. As at the date of this announcement, Qianbao Investment directly and indirectly through Zhongru Investment held approximately 73.8% equity interest of the Company in aggregate and is a controlling shareholder of the Company
"Remuneration and Appraisal Committee"	the Remuneration and Appraisal Committee of the Board
"Reporting Period" or "2017" or "the Year"	the year beginning from 1 January 2017 and ending on 31 December 2017
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"senior management"	senior management of the Company
"SFC"	the Securities and Futures Commission of Hong Kong
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholders(s)"	holder(s) of the Share(s) of the Company
"SME(s)"	small and medium enterprise(s)
"SOE(s)"	state-owned enterprise(s)
"Special Committee(s)"	collectively, the Remuneration and Appraisal Committee, the Audit and Risk Management Committee and the Nomination Committee
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)

"State Council"	State Council of the People's Republic of China (中華人民共和國國務院)
"State"	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities thereof or, where the context requires, any of them
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules, unless the context requires otherwise
"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules, unless the context requires otherwise
"Supervisor(s)"	supervisors of the Company
"Board of Supervisors"	the Board of Supervisors of the Company
"Xiong'an New Area"	established in Hebei Province in April 2017, as part of PRC government's measures to advance the coordinated development of the Beijing-Tianjin-Hebei Region. This New Area currently spans three counties of Xiongxian, Rongcheng and Anxin
"Zhongming Zhiye"	Zhongming Zhiye Co., Ltd. (中明置業有限公司), a company incorporated on 1 December 2016 with limited liability. As at the date of this announcement, Zhongming Zhiye was owned as to 92.5% and 7.5% by Zhongru Investment and Qianbao Investment, the Controlling Sharehol BDC BT0 Tw 10 0 0Tng (en-GB)/MCID 5830 BDC BT0.0

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this announcement in connection with the Group and its business. These terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"BOT"	Build-Operate-Transfer, a project model whereby, pursuant to a concession agreement entered into by an enterprise and the government, the government grants to the enterprise the rights to undertake the financing, design, construction, operation and certain of wastewater treatment or water supply facilities in a concession period, during which the enterprise can charge service fees based on the service to cover its costs of investment, operation and maintenance and obtain reasonable returns, while, upon the expiration of the concession period, the relevant facilities will be transferred back to the government at nil consideration
"CAGR"	compound annual growth rate
"contract value"	final negotiated or proposed price of a contract before tax
"curtain wall"	an outer covering of a building in which the outer walls are non-structural, designed to handle all loads imposed on it as well as keep air and water from penetrating the building envelope
"electrical and mechanical installation"	generally cover the supply, installation and maintenance of equipment for power plants, pipelines for heating and natural gas, as well as air-conditioning, mechanical ventilation and exhaust air systems
"EPC"	engineering, procurement and construction, a common form of contracting model whereby the contractor is commissioned by the project owner to carry out such project work as survey, design, procurement, construction testing and commissioning of an engineering project, or any combination of the above, either through the contractor's own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project
"m^2" or "sq.m."	square meters
"output value"	the total amount of pecuniary investment by project owners in a construction project (excluding land price and including other construction works subcontracted to other parties of the same construction project)

"PC"	procurement construction, a common form of contracting model whereby the contractor is commissioned by the project owner to carry out project work such as procurement, construction and trial operations, or any combination of the above, either through the contractor's own labor or by subcontracting part or all of the project work, and expected to be responsible for the quality, safety, timely delivery and cost of the project
"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 projects or providing certain public goods and services
"prefabricated component construction"	constructions assembled with prefabricated parts at sites, including, among others, prefabricated concrete component, prefabricated steel structure construction and prefabricated wooden structure construction
"steel structure"	structural supporting elements comprising steel columns, girders and beams of a construction project
"VAT"	value-added tax