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Stock Code: 601668

Abbreviation: CSCEC

**China State Construction Engineering  
Corporation Limited**  
**Report for 3<sup>rd</sup> Quarter of 2020**

## I. Important Notes

The Company's Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management guarantee that information contained in the Quarterly Report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility thereof.

All the Company's Directors deliberated on the Quarterly Report at the board meeting.

Zhou Naixiang, Head of the Company; Wang Yunlin, Head of Accounting (Chief Financial Officer); and Xiesong, Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial report set out in this Quarterly Report is true, accurate and complete.

The Company's 2020Q3 quarterly report is unaudited.

## II. Key financial data and change of shareholders

### 2.1 Key financial data

Unit: '000 yuan Currency: RMB

	As of the end of current reporting period	At the end of 2019	Change (%)
Total assets	2,199,762,052	2,034,451,929	8.1%
Net assets attributable to shareholders of the Company	289,788,312	277,197,681	4.5%
	Reporting Period (Jan.- Sep.)	Same period of last year (Jan.- Sep.)	Change YoY (%)
Net cash flow from operating activities	-88,413,042	-106,674,662	/
	Reporting Period (Jan.- Sep.)	Same period of last year (Jan.- Sep.)	Change YoY (%)
Operating income	1,076,106,209	973,599,119	10.5%
Total profit	62,855,872	56,966,660	10.3%
Net profit	47,036,116	44,053,692	6.8%
Net profit attributable to shareholders of the Company	31,136,838	29,980,121	3.9%
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	29,706,380	28,110,764	5.7%
Weighted average return on net assets (%)	11.23	11.23	/
Basic earnings per share (RMB/share)	0.74	0.68	8.8%
Diluted earnings per share (RMB/share)	0.73	0.68	7.4%
Net asset per share attributable to ordinary shareholders (RMB/share)	6.67	5.81	14.8%

Explanation on the key accounting data and financial indicators of the Company

① When calculating earnings per share, the restricted shares that have not yet met the unlocking conditions and become invalid are deducted from the weighted average number of ordinary shares issued by the Company.

② According to relevant accounting requirements, when calculating earnings per share, the dividends or interests of other equity instruments such as preference shares and perpetual bonds and restricted shares shall be excluded from the net profit attributable to shareholders of the Company.

③ The net assets per share attributable to ordinary shareholders are the net assets attributable to shareholders of the parent company deducting other equity instruments, and then divided the balance by the total number of issued shares as at the end of the Reporting Period.

#### Statement of Non-Recurring Profit or Loss

√Applicable    □ N/A

Unit: '000 yuan Currency: RMB

Item	Amount of current reporting period (Jul.- Sep.)	Amount from Jan. to Sep. 2020	Remarks
Gain/loss on disposal of non-current assets	18,942	31,705	/
Government grants recognized through profit or loss, except government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity.	26,235	81,471	Recorded in non-operating income
Profit and loss arising from contingent events irrelevant to the Company's normal business operations	721	68,177	/
In addition to the normal operation of the Company's effective hedging business, income/losses arising from changes in fair value and from disposal/redemption of the financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	42,683	346,455	/
Reversal of the provision on receivables and contract assets for impairment on an individual basis	14,543	864,386	/
Non-operating income and expenses other than the above items	146,764	579,358	/
Investment income from disposal of subsidiaries	0	18,104	
Impact on non-controlling interests (after tax)	-17,356	-132,587	/
Impact on income tax	-58,451	-426,611	/
<b>Total</b>	<b>174,081</b>	<b>1,430,458</b>	<b>/</b>

2.2 Total number of shareholders, and shareholding of top 10 shareholders and top 10 holders of circulating shares (or holders of shares not subject to trading moratorium) as at the end of the Reporting Period

Unit: Share

Total number of shareholders		557,821				
Shareholding of top 10 shareholders						
Name of shareholder (Full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of Shareholder
				Status	Number	

China State Construction Engineering Corporation	23,630,695,997	56.31	0	Nil	0	State-owned corporate entity
Dajia Life Insurance Co., Ltd. – Universal Product	1,498,513,572	3.57	0	Nil	0	Other
Hong Kong Securities Clearing Company Limited	1,347,514,659	3.21	0	Nil	0	Other
China Securities Finance Corporation Limited	1,258,300,998	3.00	0	Nil	0	Other
Central Huijin Asset Management Company Limited	596,022,420	1.42	0	Nil	0	State-owned corporate entity
GICPRIVATELIMITED	285,891,362	0.68	0	Nil	0	Foreign corporate entity
Bank of Communications - E Fund 50 Index Securities Investment Fund	156,642,126	0.37	0	Nil	0	Other
ICBC – SSE 50 Open-end Index Equity Fund	151,502,923	0.36	0	Nil	0	Other
Abu Dhabi Investment Authority	95,812,626	0.23	0	Nil	0	Foreign corporate entity
National Social Security Fund - 106 Portfolio	74,788,813	0.18	0	Nil	0	Other

## Shareholdings of the top 10 holders of circulating shares not subject to trading moratorium

Name of shareholder	Number of circulating shares not subject to trading moratorium	Class and number of shares	
		Class	Number
China State Construction Engineering Corporation	23,630,695,997	RMB ordinary shares	23,630,695,997
Dajia Life Insurance Co., Ltd. – Universal Product	1,498,513,572	RMB ordinary shares	1,498,513,572
Hong Kong Securities Clearing Company Limited	1,347,514,659	RMB ordinary shares	1,347,514,659
China Securities Finance Corporation Limited	1,258,300,998	RMB ordinary shares	1,258,300,998
Central Huijin Asset Management Company Limited	596,022,420	RMB ordinary shares	596,022,420
GICPRIVATELIMITED	285,891,362	RMB ordinary shares	285,891,362
Bank of Communications - E Fund 50 Index Securities Investment Fund	156,642,126	RMB ordinary shares	156,642,126
ICBC – SSE 50 Open-end Index Equity Fund	151,502,923	RMB ordinary shares	151,502,923
Abu Dhabi Investment Authority	95,812,626	RMB ordinary shares	95,812,626
National Social Security Fund - 106 Portfolio	74,788,813	RMB ordinary shares	74,788,813

Descriptions on the related relationship or acts in concert of the above shareholders	There is no related relationship or action in concert between China State Construction Engineering Corporation, the largest shareholder of the Company, and any other shareholder mentioned above. The Company is not aware of any related relationship among the above shareholders, or whether they are parties acting in concert.
Descriptions on the preference shareholders with voting rights restored and number of shares held	N/A

2.3 Total number of preference shareholders, and shareholding of top 10 holders of preference shares and top 10 holders of preference shares not subject to trading moratorium as at the end of the Reporting Period

Applicable     N/A

### III. Earnings Results for the Reporting Period

The Chinese economy remained stable overall and recovered steadily during the first three quarters of 2020, despite the severe impacts of the Covid-19 and increasingly complex and tough conditions in the country and abroad. In the first three quarters, the national GDP rose by 0.7% yoy to RMB 72.3 trillion, and Q3 alone registered GDP growth of 4.9% yoy. Fixed asset investment nationwide grew by 0.8% yoy to RMB 43.7 trillion, and infrastructure investment, in particular, increased by 0.2% yoy. Real estate investment rose by 5.6% yoy to RMB 10.4 trillion. Commercial housing sales in terms of floor area plunged by 1.8% yoy to 1,170 million sqm., and sales value rose by 3.7% to RMB 11.6 trillion.

In the first three quarters of 2020, the Company duly enforced the decisions and arrangements made by the Party Central Committee and the State Council and the working requirements set by the State-owned Assets Supervision and Administration Commission (SASAC), systematically coordinated epidemic prevention and control efforts and production and business operations, resolutely ensured the "six priorities" and "stability in six areas", and adopted the new development ideals on a comprehensive scale focusing on the fulfillment of strategic goals dubbed "one creation and five aspects of strength". Our production and business performance continued to improve, and earnings growth has rebounded to a relatively high multi-year level across the main financial indicators. Overall, the following characteristics can be observed:

**1. Steady progress in operating performance.** Newly executed contracts totaled RMB 2,228.6 billion, up 9.3% yoy; operating income came in at RMB 1,076.1 billion, up 10.5%; net profit was RMB 47.04 billion, up 6.8% yoy - these growth rates are 4.1 ppt, 4.3 ppt and 4.3 ppt higher than the records for 2020H1, respectively. During the first three quarters, the Company registered a net profit attributable to shareholders of the Company of RMB 31.14 billion, up 3.9% yoy, which is 6.2 ppt higher than the negative growth rate recorded in H1; the basic EPS rose by 8.8% yoy to RMB 0.74. Net assets per share attributable to ordinary shareholders came in at RMB 6.67, up 14.8% yoy.

**2. Consistent improvement in quality of development.** During the reporting period, the Company continued to press ahead with the "deleveraging" campaign, and the asset-liability ratio was 75.1% as of the end of the period, down 0.9 ppt yoy, or 0.8 ppt qoq. Furthermore, the Company tightened cost control further during the period. Administrative, financial and marketing expenses totaled RMB 31.93 billion. The total expenses increased by 9.6% yoy, but the growth rate was 0.9 ppt lower than the revenue growth rate over the same period, and 8.1 ppt lower relative to 2020H1. In the meanwhile, R&D expenses grew by 1.37-fold to RMB 13.71 billion. Boasting a sound business strategy and robust fundamentals across the core businesses, the three

leading international rating agencies - Standard & Poor's, Moody's and Fitch - reiterated their credit ratings (A, A2 and A) for the Company, with the "stable" outlook assigned. The Company remained the highest rated construction company worldwide.

**3. Acted in national interests.** During the reporting period, the Company actively implemented the regional coordinated development strategy tapping into the local competitive advantages of its subsidiaries, and got deeply involved in investment and construction projects in high-priority regions such as Beijing-Tianjin-Hebei, the Yangtze River Economic Belt, and the Guangdong-Hong Kong-Macau Greater Bay Area, with relevant new contracts topping RMB 1,291.1 billion, accounting for 58% the total value of newly executed contracts. Specifically, the value of new contracts executed in Beijing-Tianjin-Hebei, Yangtze River Economic Belt, and the Guangdong-Hong Kong-Macau Greater Bay rose by 1.4%, 5.6% and 20.4% yoy to RMB 179.5 billion, 756.9 billion (accounting for 34% of the total), and 288.4 billion, respectively.

**4. Concrete progress achieved in reforms and innovations.** The Company kicked off the three-year action plan for reform of State-owned enterprises, with phase-by-phase progress achieved with respect to key reform tasks. The Second Construction Co., Ltd. of China Construction First Group introduced a "professional manager" system with characteristics unique to CSCEC; China Construction Science and Industry Corporation Ltd and China Construction Science & Technology Co., Ltd. made effective efforts to innovate the existing governance system and mechanisms, promote market-oriented recruitment and talent selection, and stimulate interest in technology innovations. In addition, the Company supported the compilation of the "14<sup>th</sup> Five-Year Plan" through systematic coordination, and drafted the "CSCEC Special Report on 'One Creation and Five Aspects of Strength'" to provide guidance for developing the "14<sup>th</sup> Five-Year Plan". Benchmarked against the world's highest standards, we completed nine high-priority tasks including strategic management arrangements, and drew up an implementation plan for improving management. Furthermore, we selected some highly competitive subsidiaries as pilot units to lead efforts aimed at establishing CSCEC as a world-class company.

**5. Core businesses developed steadily.**

① **Building construction business continued to consolidate.** The total value of newly executed building construction contracts rose by 7.7% yoy to RMB 1,548.5 billion; operating income realized came in at RMB 676.6 billion, up 12.4 yoy; and gross margin increased by 0.8 ppt yoy to 6.3%. The Company has made unremitting efforts in the field of super high-rise buildings and large public buildings, and has successively bid for a large number of super-high-rise projects such as the general contracting project for the construction of the Shenzhen Shimao Festival City (Phase II) and the Greenland V-Island Star City Light Tower project in Changsha. In addition, several super high-rise projects including the Suzhou IFS, have passed acceptance checks, with smooth progress made with the construction of the Winter Olympics venues and the Business Service Center of the Xiong'an New Area. During the reporting period, the Company increased applications of Green Building, BIM technology and new materials leveraging our competitive advantage in the building construction market, provided customers with high-tech and value-added services, and ramped up quality and cost control efforts as well as the management of construction period and safety to ensure effective contract performance management and control, with steady growth achieved in the operating income from the building construction business.

② **Infrastructure business grew rapidly.** The total value of newly executed infrastructure contracts rose by 22.0% yoy to RMB 392.6 billion; operating income realized came in at RMB 238.6 billion, up 8.0% yoy; and gross margin increased by 0.9 ppt yoy to 8.8%. The Company seized market opportunities by cementing strategic partnerships, boosting investment and integrating related resources. The infrastructure

business maintained a rapid pace of growth. During the reporting period, the Company won the bids for the Phase II (north extension) of Shenzhen Metro Line 13, double-tracking Chongqing-Hunan Expressway, and the new terminal section of the Hohhot Airport, contributing greatly to broadening the growth potential of related cities and improving inter-city traffic connections.

③ **Real estate business grew steadily.** Real estate sales fell by 2.8% yoy to RMB 277.6 billion, with contractual sales in terms of floor area plunging 5.8% yoy to 14.77 million sqm. During the reporting period, newly acquired land reserve came in at ~15.85 million sqm., making a total area of land reserve of 126.01 million sqm. as of the end of the reporting period. Realized revenues came in at RMB 158.0 billion, up 9.0% yoy; and gross margin fell by 5.2 ppt yoy to 26.8%. During the Reporting Period, the Company adhered to the strategy of “prudent land acquisition, high turnover, and capital protection”, and the real estate business continued to achieve sound development. Thanks to effective epidemic control in China, land supply has started to accelerate in Chinese cities, and supplies of premium land parcels in popular cities have increased steadily. Have adapted itself to the macro-level regulatory policy of “stabilizing land prices, housing prices and expectations”, the Company kept abreast of the latest market trends, responded to the changes combining long-term and short-term development targets, and stepped up property destocking efforts to ensure the achievement of the full-year sales and collection targets, sticking to the principle that “houses are for living in, not speculation”.

④ **Prospecting and design business bottomed out.** The total value of newly executed prospecting and design contracts rose by 14.7% yoy to RMB 9.8 billion; income realized came in at RMB 6.3 billion, tying the record for the same period of 2019; and gross margin decreased by 1.0 ppt yoy to 16.3%. During the reporting period, the prospecting and design segment saw stabilizing and recovering patterns of business development, and the Company was contracted to design resettlement properties for a “local specialty town” in Anzhou, Sichuan province, and water treatment facilities along the Leitan River in Gansu.

⑤ **Overseas business developed amid the crisis.** The total value of new overseas contracts rose by 10.5% yoy to RMB 120.3 billion, but operating income realized was adversely affected by the Covid-19 pandemic and came in at RMB 56.5 billion, down 11.5% yoy, which is 8.0 ppt lower than the record for 2020H1. During the reporting period, the Company persevered with its efforts to revamp its business structures on foreign markets, and won contracts in four new national markets, i.e. Madagascar, El Salvador, Peru and Chile, thereby further growing its market footprint in Africa and the Americas. We have also pushed for restarting production facilities based on well-coordinated epidemic control operations, so as to ensure satisfactory performance of contracts in foreign countries. The extension of Sri Lanka's Southern Expressway, which is dubbed the transportation and economic artery of the country, was completed ahead of schedule; considerable headway has been made with the development of the central business district (CBD) project in Egypt's new capital, and structural roofing has been completed at two high-rise buildings in the CBD.

**6. New breakthroughs achieved in technology innovation.** During the reporting period, the Company continued to build on its capacities on core technologies related to prefabricated construction. Through scientific research and engineering applications, we have played a leading role in the development of new and efficient “dry” assembly technologies, and successfully developed a Prestress Precast Efficient Fabricated Frame system (the “PPEFF” system); the 10,000-ton Multifunctional Experimental System has been constructed and put into trial operation - it is recognized as the world's only six degree-of-freedom engineering structure experimental facility with a vertical loading capacity of over 10,000 tons. As a major breakthrough in the

development of a core technology, it resolves the issue of "scale effect" among engineering experimental facilities in China. The Company won another six Zhan Tianyou awards - the most prestigious Chinese civil engineering award - at the 17<sup>th</sup> Zhan Tianyou Award Presentation Ceremony, making a total of 84 Zhan Tianyou awards received by it.

**7. Effective fulfillment of social responsibility.** During the reporting period, the Company built more than 100 high-quality emergency facilities such as the Huoshenshan and Leishenshan hospitals in Wuhan, providing strong support for the nationwide anti Covid-19 campaigns. President Xi Jinping specifically mentioned the construction of the two hospitals and mobile cabin hospitals in his speech delivered at the National Commendation Conference on the Fight against the Coronavirus, which greatly inspired all employees at the Company. Combining "blood transfusion" and "blood making", the Company continued to implement the "CSCEC Model" of targeted poverty alleviation through industry, employment, education, consumption and Party-building, and made every effort to solve the significant problems to help local people have "No Worry about Food and Clothing with Compulsory Education, Basic Medical Care and Housing Guaranteed". The "CSCEC Model" of targeted poverty alleviation has been included in several consecutive editions of the "Blue Book on Corporate Poverty Alleviation" jointly released by the State Council Leading Group Office of Poverty Alleviation and Development and the Chinese Academy of Social Sciences, and has been commended as an "Excellent Case of Enterprise Poverty Alleviation". We published the English version of regular reports for the first time to boost business internationalization, provide investment reference materials for global investors, and foster a brand image of the Company being a responsible internationalized corporate.

Going forward, in accordance with the decisions and arrangements made by the CPC Central Committee and the State Council, the Company will actively support the implementation of national strategies while striking a balance between routinized epidemic prevention and control efforts and production and business activities, step up the development of domestic and international markets, make active efforts to integrate ourselves into the new development pattern of "mutually facilitating dual circulations",

coordinate the normalized epidemic prevention and control and production and operation work, implement the "166" strategic measures<sup>1</sup> focusing on the achievement of the annual targets, ensure effective reforms and risk control across-the-board, bolster confidence among staff members, thus laying the groundwork for achieving the strategic goals of "one creation and five aspects of strength".

## IV. Important Matters

### 4.1 Significant changes in key accounting items or financial indicators and causes

Applicable     N/A

Significant changes in key accounting items and the causes:

Unit: '000 yuan Currency: RMB

<sup>1</sup> The "166" strategy refers to the "One Improvement, Six Transformations, and Six Special Initiatives" strategies. Specifically, "One Improvement" refers to the strategy of further improving the political stance; "Six Transformations" refers to the strategy of accelerating the transformations toward high-quality development, innovation-driven development, eco-friendly development, optimized business development, digital development and toward "mega security" development; "Six Special Initiatives" refers to the in-depth development of the six special initiatives, i.e. deep-level inspection and rectification, clean-up of inefficient and ineffective assets, basic management improvement, technological innovation, information technology development, enforcement of work safety responsibilities, and system governance.



Item	9/30/2020	12/31/2019	Change (%)	Remarks
Financial assets held for trading	252,404	902,072	-72.02	Main reason: disposal of investments in debt instrument.
Accounts receivables financing	5,597,260	3,674,166	52.34	Main reason: some owners increased bill payments in relation to the total payment amount, in order to ease cash flow pressure and accelerate capital turnover.
Contractual assets	182,101,767	150,975,326	20.62	Main reason: the Covid-19 led to delays in payment settlement among owners; construction progress has accelerated as the epidemic abated to catch up with the original schedule, but the transactions remained unsettled, resulting in a spike in contractual assets.
Non-current assets maturing within 1 year	88,839,421	57,463,704	54.60	Main reason: an increase in long-term receivables and contractual assets maturing within 1 year.
Other current assets	107,056,320	87,980,288	21.68	Main reason: an increase in deductible input tax.
Other debt investments	405,041	612,106	-33.83	Main reason: part of the balances were reclassified as non-current assets maturing within 1 year.
Investments in other equity instruments	6,092,197	8,069,043	-24.50	Main reason: disposal of investments in unlisted equity instruments.
Intangible assets	20,585,478	16,409,157	25.45	Main reason: an increase in franchise rights obtained from PPP projects.
Short-term borrowings	63,339,179	28,498,331	122.26	Main reason: financing has increased due to the epidemic to meet the routine funding needs of related projects.
Notes payable	9,193,008	7,030,414	30.76	Main reason: the amount of payments settled by bills has increased to ease the funding pressure on projects.
Advance payments	599,834	449,953	33.31	Main reason: an increase in pre-paid rentals.
Accrued payroll	5,630,931	7,757,862	-27.42	Main reason: payment of the staff wages accrued at the end of last year in 2020.
Deferred tax liabilities	6,748,307	4,655,710	44.95	Main reason: an increase in the fair value of business combinations made through multiple transactions that do not involve entities under common control.
Other equity instruments	10,000,000	20,975,410	-52.33	Main reason: redemption of matured preferred shares and perpetual bonds.

Item	(Jan.-Sep.) 2020	(Jan.-Sep.) 2019	Change (%)	Remarks
Taxes and surcharges	8,737,335	12,538,004	-30.31	Main reason: a decrease in land VAT during the reporting period.
Selling and distribution expenses	3,235,536	2,889,072	11.99	Main reason: the Company increased pre-sale marketing investment for the real estate business, resulting in sharp rises in spendings on advertising,

				marketing, service charges and sales commissions.
General and administrative expenses	20,139,264	18,655,027	7.96	Main reason: management staff and business activities have increased in line with the business expansion, and expenses have also increased accordingly.
R&D expenses	13,711,816	5,774,784	137.44	Main reason: an increase in R&D expenses as a result of the Company's decision to increase R&D inputs.
Finance expenses	8,556,363	7,600,403	12.58	Main reason: an increase in interest expenses resulting from a rise in interest-bearing liabilities during the reporting period.
Investment income	5,444,517	3,238,706	68.11	Main reason: an increase in investment income from joint ventures and associates.
Credit impairment loss	-3,082,120	-1,381,201	123.15	Main reason: an increase in accounts receivable, contractual assets, etc., leading to a rise in impairment provisions accrued in accordance with the Company's accounting policy.
Net cash flow from operating activities	-88,413,042	-106,674,662	/	Main reason: an increase in cash received from sales of goods and rendering of services.
Net cash flows from investing activities	-13,893,565	-18,045,275	/	Main reason: a decrease in cash paid for investments and other investment-related activities.
Net cash flows from financing activities	66,079,605	34,648,258	90.72	Main reason: an increase in cash received from investors or through borrowing.

#### 4.2 Analysis of progress made with respect to the important matters, the impacts thereof, and solutions adopted

Applicable     N/A

The "Proposal on the Nomination of Candidates for Supervisor of China State Construction Engineering Corporation Limited" was reviewed and passed at the 23<sup>rd</sup> meeting of the Company's second Board of Supervisors and the 2020 Second Extraordinary General Meeting on July 29, 2020 and August 21, 2020, respectively. The Chairman of the Company's Board of Supervisors, Mr. Gao Lieyang, applied to resign as a Supervisor due to adjustments made to his job responsibilities, and Mr. Shi Zhiping was elected as a supervisor of the Company's second Board of Supervisors. The "Proposal on the Election of Chairman of the Second Session of the Board of Supervisors of China State Construction Engineering Corporation Limited" was approved at the 25<sup>th</sup> meeting of the second Board of Supervisors dated August 24, 2020, and Supervisor Shi Zhiping was elected as Chairman of the Company's second Board of Supervisors. His term of office lasts from the date of approval made by the Board of Supervisors to the expiry date of the second Board of Supervisors.

The "Proposal on Appointment of Ms. Shan Guangxiu as Vice President of China State Construction Engineering Corporation Limited" was approved at the 44<sup>th</sup> meeting of the Company's second Board of Directors on September 11, 2020. With the nomination of Mr. Zheng Xuexuan, Director and President of the Company, Ms. Shan Guangxiu was appointed to serve as the Vice President of China State Construction Engineering Corporation Limited, after a review and suggestions made by the Personnel and Remuneration Committee under the second Board of Directors, and

with the exemption from compliance with restrictions on concurrent holding of multiple positions by senior managers granted by the China Securities Regulatory Commission.

The "Proposal on the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited (Draft) and a Summary Thereof" and the "Proposal on the Implementation and Performance Appraisal Measures for the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited" were passed at 45<sup>th</sup> meeting of the Company's second Board of Directors and the 27<sup>th</sup> meeting of the second Board of Supervisors on September 17, 2020. On October 13, 2020, the Company's controlling shareholder, China State Construction Engineering Corporation, received the "Reply and Approval of China State Construction Engineering Corporation Limited's Implementation of the Phase IV Restricted A Share Incentive Scheme" (Guo Zi Kao Fen [2020] No. 527) from SASAC, approved the implementation of the Phase IV Restricted A Share Incentive Scheme in principle.

4.3 Commitments that were not completely fulfilled within the reporting period.

Applicable     N/A

4.4 Warnings of projected negative net profit for the period between the beginning of the year and the end of the next reporting period, or significant changes in the net profit relative to the record for the same period of the previous year, and explanations therefor

Applicable     N/A

Company name	China State Construction Engineering Corporation Limited
Legal representative	Zhou Naixiang
Date	October 28, 2020