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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2020-029



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG . CORP. LTD

Announcement on Resolutions of the 19th Meeting of the 2nd Session of the Board of Supervisors

The Board of Directors of the Company and each member of the Board of Directors guarantee that the contents of the public announcement contain no false or misunderstanding statements or major omission, and they are jointly and severally liable for the truthfulness, accuracy and completeness of the said contents.

China State Construction Engineering Corporation Limited (hereinafter referred to as "the Company") held the 19th meeting of the 2nd session of the Board of Supervisors (hereinafter referred to as "the Meeting"). Notification and meeting materials were delivered to all supervisors on April 14, 2020 and the meeting was held on April 24, 2020. Upon consent from all supervisors, a written vote was held by supervisors. The Meeting was held legally and effectively in compliance with the *Company Law of the People's Republic of China*, *Articles of Association of China State Construction Engineering Corporation Limited* and *Rules of Procedure of the Board of Supervisors of China State Construction Engineering Corporation Limited*. Five supervisors of the Company participated in the voting in the principle of independence and fairness, and unanimously adopted the following resolutions:

I. Deliberated on and Adopted the 2019 Working Report of the Board of Directors of China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Working Report of the Board of Directors of China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

II. Deliberated on and Adopted the 2019 Working Report of Independent Directors of China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Working Report of Independent Directors of China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

III. Deliberated on and Adopted the 2019 Working Report of the Board of Supervisors of China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Working Report of the Board of Supervisors of China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

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This Proposal needs to be submitted to the general meeting for deliberation.

IV. Deliberated on and Adopted the 2019 Report on the Performance of Duties of the 2nd Session of Auditing Committee of the Board of Directors for China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Report on the Performance of Duties of the 2nd Session of Auditing Committee of the Board of Directors for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

V. Deliberated on and Adopted the 2019 Working Report of Presidents of China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Working Report of Presidents of China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

VI. Deliberated on and Adopted the 2019 Debriefing of Senior Management of China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Debriefing of Senior Management of China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

VII. Deliberated on and Adopted the Proposal on 2019 Financial Settlement Report for China State Construction Engineering Corporation Limited

All supervisors deliberated on and unanimously adopted the *2019 Proposal on Financial Settlement Report for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

VIII. Deliberated on and Adopted the Proposal on 2019 Profit Distribution Plan for China State Construction Engineering Corporation Limited

The net profit attributable to shareholders of listed companies in 2019 is RMB 41.88 billion. The Company intends to distribute cash dividends of RMB 1.85 (tax included) to all shareholders for every 10 shares. The total proposed cash dividend is about RMB 7.76 billion. The Company's cash dividends this year accounted for approximately 18.53% of shareholders' net profit of the parent Company on the consolidated statement.

Upon review, the Board of Supervisors believed that the profit distribution plan and its decision-making procedures were in compliance with laws and regulations, the Articles of Association and the internal management requirements. The profit distribution plan comprehensively considers expectations of the capital market, overall cash flow arrangements and the impact of the epidemic. It not only enables investors to obtain a reasonable return on investment, but also takes into consideration the Company's production and operation in the interest of long-term development for the Company and all shareholders.

All supervisors reviewed and unanimously adopted the *Proposal on 2019 Profit Distribution Plan for China State Construction Engineering Corporation Limited*,

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signing a written confirmation opinion, and agreeing to submit the proposal to the Annual General Meeting of Shareholders for deliberation.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

IX. Deliberated on and Adopted the *Proposal on Special Report on Changes in Accounting Policies in 2019 for China State Construction Engineering Corporation Limited*.

In 2017, the Ministry of Finance issued the revised *Accounting Standard for Business Enterprises No. 14 - Revenue* (referred to as the New Revenue Standard), *Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, *Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets*, *Accounting Standard for Business Enterprises No. 24 - Hedging Accounting*, and *Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments* (collectively referred to as New Financial Instruments Standards). In 2019, the revised *Accounting Standard for Business Enterprises No. 7 – Exchange of Non-monetary Assets* and *Accounting Standard for Business Enterprises No. 12 – Debt Restructuring* were issued. In 2019, the *Notice on Revising and Issuing the Format of General Corporate Financial Statements 2019* (MOF [2019] No. 6) was issued. In accordance with the requirements of the Ministry of Finance, the Company deliberated on and adopted the proposal on changing accounting policies at the 18th and 27th meetings of the second session of the Board of Directors in 2019, and adopted the above-mentioned accounting standards and amendments when preparing the 2019 financial statements.

The Board of Supervisors believed that the special report objectively, completely and accurately reflected the impact of the implementation of new financial instrument standards, new revenue standards, new non-monetary asset exchanges, new debt restructuring standards and financial statement adjustment formats of the Company's financial statements and financial reports. The accounting policies upon changes could objectively and fairly reflect the Company's operating results and financial status, and there is no circumstance when interests of the Company and shareholders, especially minority shareholders, are compromised.

All supervisors deliberated on and unanimously adopted the *Proposal on Special Report on Changes in Accounting Policies in 2019 for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

X. Deliberated on and Adopted the *Proposal on 2019 Annual Report for China State Construction Engineering Corporation Limited*

Upon review, the Board of Supervisors believed that the preparation and review procedures of the Company's 2019 annual report is in compliance with relevant laws and regulations, the Company's Articles of Association and the internal management requirements; the content and format of the report abide by the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange; the report is objective, truly and fully reflecting the Company's operating results and financial status in 2019; no false records, misleading statements or major omissions were found. Before the Board of Supervisors issued this resolution, no violation of confidentiality and regulations by personnel involved in the preparation and review of the report was found.

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All members of the Board of Supervisors deliberated on and approved the *Proposal on 2019 Annual Report for China State Construction Engineering Corporation Limited* and agreed to submit the proposal to the general meeting for deliberation.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XI. Deliberated on and Adopted the *Proposal on 2019 Internal Control Evaluation Report for China State Construction Engineering Corporation Limited*

Upon review, the Board of Supervisors believed that the *2019 Internal Control Evaluation Report* comprehensively, objectively and truly reflected the actual situation of the corporate establishment, operation and improvement of the Company's internal control system.

All members of the Board of Supervisors deliberated on and approved the *Proposal on 2019 Internal Control Evaluation Report for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

XII. Deliberated on and Adopted the *Proposal on 2019 Sustainability Report for China State Construction Engineering Corporation Limited*

All members of the Board of Supervisors deliberated on and unanimously adopted the *Proposal on 2019 Sustainability Report for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

XIII. Deliberated on and approved the *Proposal on 2020 Financial Budget Report for China State Construction Engineering Corporation Limited*

All supervisors deliberated on and unanimously adopted the *Proposal on 2020 Financial Budget Report for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XIV. Deliberated on and Adopted the *Plan of Daily Related Party Transactions of China State Construction Engineering Corporation Limited in 2020*

All supervisors deliberated on and unanimously adopted *Plan of Daily Related Party Transactions of China State Construction Engineering Corporation Limited in 2020*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XV. Deliberated on and Adopted the *Proposal on Changing the Auditor for Internal Control in 2020 for China State Construction Engineering Corporation Limited*

Upon review, Ernst & Young Hua Ming LLP (special & general partnership) is legally certified and qualified to conduct internal control and auditing business on the Mainland China, and in other countries and regions. It has the ability to provide internal control and auditing services to listed companies, and could meet the financial requirements of the corporate internal control and auditing. Change of internal control and auditing agency is made in accordance with the provisions of the

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SASAC on the audit service period of accounting firms. The decision-making process abides by laws and regulations, the Articles of Association and the Company's internal management requirements, and will not harm interests of the Company and shareholders, especially minority shareholders.

All supervisors deliberated on and approved the *Proposal on Changing the Auditor for Internal Control in 2020 for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XVI. Deliberated on and Adopted the *Proposal on 2020 Investment Budget Report for China State Construction Engineering Corporation Limited*

All supervisors deliberated on and unanimously adopted the *2020 Proposal on Investment Budget Report for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XVII. Deliberated on and Adopted the *Proposal on Proposed Additional Financing Guarantee in 2020 for China State Construction Engineering Corporation Limited*

All supervisors deliberated on and approved the *Proposal on Proposed on Additional Financing Guarantee in 2020 for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XVIII. Deliberated on and Adopted the *Proposal on Domestic Corporate Bond Issuance Quota Reserve for China State Construction Engineering Corporation Limited*

All members of the Board of Supervisors deliberated on and unanimously adopted the *Proposal on Domestic Corporate Bond Issuance Quota Reserve for China State Construction Engineering Corporation Limited*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

XIX. Deliberated on and Adopted the *Proposal on Purchasing Liability Insurance for Board Directors, Supervisors and Senior Managers in 2020 for China State Construction Engineering Corporation Limited and its Subsidiaries*

Upon review, the Board of Supervisors believed that the Company's purchase of liability insurance for Directors, Supervisors and senior managers together with its subsidiaries will help improve the Company's overall risk management and help prevent and dissolve risk of liability for Directors, Supervisors and senior managers together with its subsidiaries. It is conducive to improving the corporate governance system. The decision-making process of the Proposal complies with laws and regulations, the Articles of Association and the Company's internal management requirements.

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All members of the Board of Supervisors deliberated on and unanimously adopted the *Proposal on Purchasing Liability Insurance for Board Directors, Supervisors and Senior Managers in 2020 for China State Construction Engineering Corporation Limited and its Subsidiaries*.

Voting result: 5 votes in favour, 0 vote in objection, and 0 abstention vote.

This Proposal needs to be submitted to the general meeting for deliberation.

The above is hereby announced.

The Board of Supervisors of China State Construction Engineering Corporation Limited

April 24, 2020