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Stock Code: 601668.SH

Abbreviation: CSCEC

China State Construction Engineering Corporation Limited
Summary of Annual Report 2020

April 16, 2021

I. Important Notes

- 1 Information contained in the Summary of Annual Report is extracted from the full text of the annual report 2020. Investors are advised to carefully read the full text of the report published on the website of Shanghai Stock Exchange and other media outlets designated by China Securities Regulatory Commission (CSRC), to acquire a thorough understanding of the Company's business performance, financial status and future development plans.
- 2 The Company's Board of Directors, Board of Supervisors, Directors, Supervisors and Senior Managers guarantee that information contained in the Annual Report is authentic, accurate, complete and does not contain any false representations, misleading statements or material omissions, and assume individual and joint legal liability for the Report.
- 3 This Annual Report was passed at the 53rd meeting of the second session of the Board of the Company, at which all the Directors of the Company had attended.
- 4 Ernst & Young Hua Ming LLP (Special General Partnership) issued a standard unqualified audit report to the Company.
- 5 Profit distribution plan or the conversion plan of reserves to share capital for the Reporting Period considered by the Board of Directors

Taking the Company's 41,948,167,844 shares as of the date of disclosure, the Company plans to pay out RMB 2.147 (before tax) per 10 shares in cash dividend to all the common stockholders, and the ratio of the annual cash dividend payout to net profit attributable to shareholders of the listed company is 20.04%. The Company proposes to keep the equity per share ratio unchanged, and adjust the total amount distributed accordingly, in the event of a change in its total equity prior to the record date for equity distribution. Details of the adjustments made will be separately announced. The profit distribution plan was adopted at the 53rd meeting of the second Board of Directors and will be implemented subject to the approval of the 2020 annual general meeting of Shareholders.

II. Basic Information of the Company

1 Company profile

Overview of stocks				
Type	Stock Exchange	Abbreviation	Stock Code	Original ticker
A-share	Shanghai Stock Exchange	CSCEC	601668	N/A

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2 Main Businesses Operated by the Company during the Reporting Period

(1) Core businesses and operating model

As a market leader in housing construction, infrastructure construction and investment, and real estate development, investment, design and survey, China State Construction Engineering Corporation Ltd. (in short: CSCEC) is China's most integrated investment and construction conglomerate with the longest professional and market-based operation history and the largest scale in the world. Meanwhile, CSCEC ranked 18th in Fortune Global 500 (2020). The Company ranked among the three largest companies in the Fortune 500 List of Chinese companies for eight consecutive years, and topped the list of the 2020 Top 250 International Contractors published by Engineering News-Record (ENR). CSCEC has been rated as Grade A by the SASAC of the State Council for 15 times. The leading global rating agencies i.e. S&P Global Ratings, Moody's Investors Service and Fitch Ratings affirmed CSCEC's ratings as A/A2/A (respectively) with "Stable" outlook, the highest credit ratings among the global industry peers.

CSCEC stands as one of the most competitive investment companies in China, specializing in real estate development, financing and investment construction and general urban facility construction. Featuring a "four in one" business model integrating planning and design, investment and development, infrastructure and housing construction, it provides turnkey solutions covering all aspects, elements and operations of urban development projects, with priority given to internal resource integration and synergistic business development.

Tapped into more than 100 countries and regions, CSCEC, as the largest engineering contractor in the world, specializes in a broad range of businesses covering all aspects related to urban development and each stage throughout construction projects. The Company is well equipped with the capabilities of comprehensive design, construction and real estate development, and is well positioned to compete relying on its complete industry chain of construction products ranging from R&D on technology of products, prospecting and design, real estate development, construction contracting, equipment manufacturing and asset operation to property management. Among most ultra-high-rise buildings with a height of 300 meters or above in China, those technically sophisticated and structurally complicated are built by CSCEC.

Among the 10 model enterprises selected by SASAC for the "World-class Enterprises Campaign", CSCEC is the only company engaged in a "perfectly competitive market". The Company further strengthened the scientific connotation of the strategic objectives of "one creation and five aspects of strength"¹ and clarified the great significance of proposing the strategic goal of "one creation and five aspects of strength". Furthermore, the Company comprehensively benchmarked world-class leaders in the industry, and focused on enhancing technological innovation, improving governance efficiency, deepening the reform as a SOE, integrating into national strategies, enhancing international operations, and accelerating digital transformation, promoting green development, cultivating and expanding new business, and enhancing the guidance of party building.

¹"One creation" refers to the goal of establishing CSCEC as a world-class company with strong global competitiveness. "Five Strengths" refer to the goal of gaining strong capability to create value, strong capability to lead innovation, strong brand influence, strong international competitiveness, and strong soft power of culture. "Five aspects of strength" refer to strong capability in value creativity, innovation leadership, brand influence, international competitiveness, and cultural soft power.

To make deepening reform and innovation its driving force, CSCEC benchmarked the world's outstanding enterprises in and out of the industry, steadily boosted the "Two-hundred Campaign" reform, "mixed-ownership pilot campaign", and "Innovative Technology Reform Demonstration Enterprise", and continuously improved the corporate governance mechanism and modern enterprise system. The reform of "Two-hundred Campaign" achieved remarkable results. The Second Construction Co., Ltd. of China Construction First Group promoted the reform in an all-round way, actively introduced strategic investors, completed capital increase and share expansion, changed from single shareholder to dual-class shareholder, introduced the first batch of professional managers, and simultaneously boosted the reform of "three systems", namely, personnel, labor and distribution. CSCEC comprehensively promoted labor marketization, implemented full coverage of performance appraisal, established a performance culture that advocates value creation and a salary distribution mechanism, set up and improved diversified incentive mechanisms, including Restricted Share Incentive Scheme, stock options incentive, dividend incentive and tenure incentive, stimulating the vitality of enterprises. Guided by marketization and contractualization, CSCEC implemented the reform of a professional manager system at its seven subsidiaries and pushed a tenure system and contractual management for the members of management at "Innovative Technology Reform" and "mixed-ownership reform" enterprises, promoting in-depth development of the "three systems" reform.

CSCEC followed the guidance to "implement the new development concepts and adhere to high-quality development" in order to promote the adjustment of corporate structure, transformation and upgrading. The Company took the "one creation and five aspects of strength" strategic goal as its guidance of the 14th Five-Year Plan in a bid to unify the thinking and lead the future, adhering to marketization, high-quality development, reform and innovation, green development, being people-oriented, security development, internationalized development and other philosophies. Focused on the creation of a world-class enterprise with global competitiveness and deepening the reform of SOEs, the Company accelerated the implementation of the "166" strategy measures², in line with its commitment to establishing CSCEC as a leading global conglomerate with strong capability in value creativity, innovation leadership, brand influence, international competitiveness, and cultural soft power.

Housing construction: Positioned as a competitive player in the entire construction industry chain, CSCEC is committed to providing Chinese and foreign clients with one-stop services from design, construction to implementation of major high-profile, cutting-edge, difficult and special construction projects. To this end, CSCEC implemented a series of measures, including tapping our potential, strictly controlling over construction quality and costs, and improving client satisfaction. Meanwhile, CSCEC adhered to a marketing strategy oriented toward "High-end Market, High-end Customer, High-end Project" and an operations strategy prioritizing "low cost competition, high quality management". CSCEC has constructed a large number of extremely challenging landmark projects ranging from skyscrapers, large public buildings, clean plants, hotels, hospitals to schools in the civilian, public and industrial construction sector, representing the highest standard of building construction in China, which established CSCEC as a leader in the Chinese and global housing construction markets. As a trendsetter in the industry, the

² The "166" strategy measures refers to the "One Improvement, Six Devotions, and Six Special Initiatives" strategies. The specific content is as follows: The "One Improvement" refers to further improving the political stance; The "Six Devotions" refer to devoting itself to achieving high-quality development, driving development by innovation, serving the national strategy, deepening the reform of SOEs, accelerating transformation and upgrading, and integrating Party leadership into corporate governance. The "Six Special Initiatives" refer to the special actions of deepening inspection and rectification, strengthening technological innovation, cleaning up inefficient and invalid assets, improving basic management, promoting information construction, and paying close attention to safe production.

Company seeks to enhance the standards of ecological civilization and green development, reduce energy consumption, and create an excellent living environment for the public through industrialized, eco-friendly and intelligent construction, reinforcing people's sense of gain, spiritual well-being and security.

Infrastructure construction and investment: Placing equal emphasis on construction and investment operations, CSCEC completed many high-profile domestic and international infrastructure projects ranging from urban rail transit, high-speed rail, extra-large bridges, motorways, municipal roads, urban utility tunnels, ports and waterways, electricity, mining, metallurgy, petrochemical, airport, Nuclear Power Plant, leveraging our technical, talent and management advantages. On the other hand, the Company has solid financial strengths and ranks among the best Chinese infrastructure financiers and investors. Recognized as one of the most trusted investors for BT (Build-Transfer), BOT (Build-Operate-Transfer) and PPP (Public-Private Partnership) projects, CSCEC invested in numerous key national and regional projects, with long-term infrastructure investment and construction partnerships established with most provincial governments and dozens of major Chinese cities. Furthermore, infrastructure facilities built by us can also be found in dozens of foreign countries and regions worldwide, including North America, Central America, Hong Kong, Macao, Southeast Asia, North Africa, Central and West Africa, South Africa, Middle East, Central Asia. As an important driver for economic growth and effective implementation of national strategies, the infrastructure industry bolsters areas of weakness at the grassroots level to foster the public's well-being, and serves as the main vehicle for driving development along the "Belt and Road" and for strengthening interconnection between China and countries covered by the Belt and Road Initiative (BRI). As a strong supporter of national strategies caring for the needs of people's livelihood, CSCEC will continue to broaden its infrastructure business with the aim of improving people's livelihood, bolstering areas of weakness to promote the public's well-being, and setting the development direction for emerging industries.

Real estate development and investment: China Overseas and CSC Land are the two real estate brands owned by CSCEC. China Overseas encompasses all real estate business of COHL, and has always ranked among the most valuable property brands in China, with strong business presence in the Guangdong–Hong Kong–Macao Greater Bay Area (GBA), the Yangtze River Delta, the Beijing-Tianjin-Hebei Region and dozens of economically dynamic cities across the country. It boasts a well-established and balanced nationwide strategic business network. CSC Land is the brand used in the property business of the Company's branches. Its main businesses are mid-end real estate projects in first- and second-tier cities, and localized management of real estate projects in third- and fourth-tier cities. CSCEC has stepped up synergy between internal resources integration and business development, devoted itself to the vertical integration of a wide variety of operations ranging from investment, property development, design and construction to property operation and services. With excellent construction technology, advanced real estate development concepts and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate field, which has formed a unique industrial chain competitive advantage. In addition, the Company has actively innovated products and business models, made a series of major breakthroughs focusing on the public's housing needs, and has been closely involved in the "New Urbanization" campaign to expand a happy living environment and build a more beautiful China.

Prospecting and design: The prospecting and design business arm of CSCEC mainly consists of seven top-rated major prospecting and design service providers and affiliated design entities, with business covering architectural design, urban planning, engineering survey, public

utility design, etc. The Company has established itself as a market leader in the construction of ultra-high-rise buildings, airports, hotels, sports facilities and exhibition venues and ancient architects. It currently has over 20,000 high-end technical professionals specializing in construction engineering and design, public utility engineering, engineering survey and geotechnical engineering, outranking all other market players. The Company has made outstanding contributions to development of the sector in terms of design originality, technology innovation and industry standards development.

Overseas operations: CSCEC is one of the earliest companies that conducted international engineering contracting business in China, and has always upheld the operating philosophy of “going global”. After continuous overseas market development and operation over the decades, the Company has established strong business presence in global markets, with foreign engineering contracting business covering housing construction, manufacturing, energy, transportation, water conservancy, industry, petrochemical, hazardous substance treatment, telecommunications and sewage/waste treatment projects, while exploring and successfully completing overseas real estate projects. In terms of project operation, apart from the traditional general contracting model, the Company actively explored other project operating models, such as financing and investment channels to give an impetus to such project business models as general contracting, DB (Design-Build), EPC (Engineering-Procurement-Construct), BOT and PPP. Meanwhile, the Company has accelerated capital operations such as mergers and acquisitions to boost quality and efficiency of its businesses overseas. Adhering to the guiding principle of “prioritizing overseas markets”, the Company has strengthened localized business management focusing on integration of resources, and has developed overseas business development strategies from a loftier vantage point and with a strong sense of responsibility to promote business globalization, in line with the objectives of the BRI.

(2) Overview of the industry

As an important pillar industry of national economy, the construction industry has a close relationship with the development of national economy and the improvement of the people’s livelihood. Over the recent years, China’s construction industry has continued to develop rapidly, with an expanding industrial scale and enhancing construction capacity. In 2020, the growth of China’s construction sector decelerated amid an increase in market concentration. Sticking to the proactive fiscal policy, the state government has actively expanded effective investments, increased investment in strategic emerging industries and accelerated a boost to building industrialization, digitization and intelligentized upgrading so as to build the “Built in China” brand with international competitiveness, with a shift of the focus to innovation and application of technologies toward the BIM, Industrial Internet, 5G, artificial intelligence (AI), Internet of Things (IoT), big data, cloud computing, robots, building machines and others. Adhering to the “green development” strategy, the government has worked out a scientific and sound urbanization plan focusing on improving the ecological environment, developed eco-friendly planning, design and construction standards, and is fully committed to building Smart Cities to promote harmony between people and nature, leveraging digitalized construction, IT and other new technologies.

The property construction market has great potential for growth. According to the national urbanization plan, China’s urban population will grow to one billion by 2030, implying a total demand for residential properties of eighty billion to ninety billion square meters (including housing properties and public buildings). A considerable gap between supply and demand indicates the promising prospect of the housing property market. Specifically, the government has pushed forward New Urbanization initiatives, strengthened reconstruction of urban old

residential areas and construction of communities, as well as construction of medical treatment and healthcare, culture and entertainment, sports and health, and the guarantee of the people's livelihood, which will bring new opportunities to the development of construction companies. The state has also promoted prefabricated building development at the policy level, and the proportion of the area of new prefabricated buildings is increasing year by year, which is expected to inject tremendous growth momentum into the construction market. As the BRI deepened and gained traction on the international stage, a growing number of countries have joined the global development initiative, leading to continuous growth of our prospective overseas markets. CSCEC has a proven track record of effective branding, management and technology development in the upscale property construction market, and is well equipped to maintain its leading position in the field. Meanwhile, benchmarked against the leading international standards, CSCEC has actively implemented "prefabrication + internet + IoT" technological innovation and construction practices, aiming to develop eco-friendly investment, industry and technology platforms that promote Smart Buildings and construction industrialization within the CSCEC system.

Investment in Infrastructure construction focused on key areas. In 2020, the central government made important deployment for the construction of urban agglomerations and central cities. In terms of improving the carrying capacity of the central cities, the priorities were to bolster areas of weakness of people's livelihood projects, construct public service projects, build human settlements, and develop new districts and large industrial towns in first- and second-tier cities. In terms of connection network improvement within urban agglomerations, the priorities were to build the intercity rail transit network in the Yangtze River Delta, the GBA, Beijing-Tianjin-Hebei Region and other regions, and to bolster areas of weakness such as railways, motorways, water transportation, airports, water conservancy, energy, agricultural and rural development, ecological and environmental protection, and construction of urban parking facilities and cold chain logistics facilities in urban and rural areas. Specifically, rail transport, underground space, eco-environment protection and telecommunication facility are expected to be the fastest growing segments of the infrastructure construction market, and the total volumes of road and railway projects will remain at a high level. As the 5G technology becomes increasingly commercialized in the future, the focus of infrastructure investment will shift toward the new-generation infrastructure such as AI, the Industrial Internet and IoT.

Real estate shifted to a stock model. In 2020, adhering to the regulatory policies against real estate speculation, the central government stepped up efforts to establish a multi-supplier and multi-channel housing system that places equal emphasis on rental housing and properties for sale. The goal is to meet the housing needs of all Chinese residents, while shifting the public's perception of housing properties toward their true purpose - places built for people to live in. The regulatory policies continued to tighten, the state launched several policies including "three red lines" for real estate enterprises, the incremental market tended to stabilize, and the real estate industry will gradually shift from an incremental model to a stock model. Urban renewal is an inevitable product of the stock era, which contains huge space and opportunities. Besides, China's urban renewal focuses more on refinement and micro-renewal, and the transformation of old communities has become a hot spot. The Ministry of Housing and Urban-Rural Development (MOHURD) estimates that the overall investment in the transformation of old communities will exceed RMB 4 trillion. At present, local authorities have successively issued three-year action plans for the transformation of old communities, and the MOHURD has launched pilot projects in 15 cities, including Xiamen and Guangzhou. The most prominent feature of the transformation is "renovation", which may promote the development of the market for decoration and public supporting facilities construction.

3 Main accounting data and financial indicators

3.1 Main accounting data and financial indicators (2018-2020)

Unit: '000 yuan Currency: RMB

	2020	2019	Change YoY (%)	2018	
				After adjustment	Before adjustment
Total assets	2,192,173,839	2,034,451,929	7.8	1,849,004,412	1,861,840,298
Revenue	1,615,023,327	1,419,836,588	13.7	1,199,324,525	1,199,324,525
Net profit attributable to shareholders of the Company	44,944,250	41,881,399	7.3	38,241,324	38,241,324
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	42,685,522	42,491,547	0.5	37,535,578	37,535,578
Net assets attributable to shareholders of the Company	300,421,431	277,197,681	8.4	243,892,279	243,961,186
Net cash flow from operating activities	20,271,781	-34,220,077	/	10,311,290	10,311,290
Basic EPS (RMB/share)	1.07	0.97	10.3	0.87	0.87
Diluted EPS (RMB/share)	1.07	0.96	11.5	0.85	0.85
Weighted average return on net assets (%)	15.54	15.60	- 0.06 ppt	15.97	15.97

3.2 Main accounting data by quarter during the reporting period

Unit: '000 yuan Currency: RMB

	Q1 (Jan. – Mar.)	Q2 (Apr. – Jun.)	Q3 (Jul. – Sep.)	Q4 (Oct. – Dec.)
Revenue	263,830,618	464,357,149	347,918,442	538,917,118
Net profit attributable to shareholders of the Company	7,572,374	12,267,411	11,297,053	13,807,412
Net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses	7,419,483	11,163,925	11,122,972	12,979,142
Net cash flow from operating activities	-90,976,368	20,331,162	-17,767,836	108,684,823

Note: Main quarterly financial data of the Company are unaudited.

Explanations of discrepancies between the quarterly data and information contained in regular reports disclosed

□Applicable "√ N/A"

4 Equity and shareholders

4.1 Number of common stock shareholders and preferred stock shareholders whose voting right has been reinstated & shareholdings of top-10 shareholders

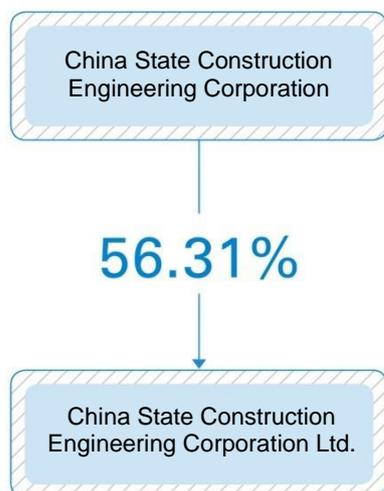
Unit: share

No. of common stock shareholders as of end of reporting period					557,337		
No. of common stock shareholders as of end of the month preceding the disclosure of the annual report					546,613		
Total number of preference shareholders with voting rights restored as at the end of the Reporting Period					N/A		
No. of preferred stock shareholders whose voting right has been reinstated as of end of the month preceding the disclosure of the annual report					N/A		
Holdings of top-10 shareholders							
Name of shareholder (Full name)	Change during the reporting period	No. of shares as of end of the reporting period	% of total equity	No. of shares subject to trading restrictions	Pledged or frozen		Nature of Shareholder
					Status	Number	
China State Construction Engineering Corporation	0	23,630,695,997	56.31	0	Nil	0	State-owned corporate entity
China Securities Finance Corporation Limited	0	1,258,300,998	3.00	0	Nil	0	Other
Hong Kong Securities Clearing Company Limited	283,205,279	1,149,124,426	2.74	0	Nil	0	Other
Special share repo account of China State Construction Engineering Corporation Ltd.	912,036,000	912,036,000	2.17	0	Nil	0	Other
Central Huijin Asset Management Company Limited	0	596,022,420	1.42	0	Nil	0	State-owned corporate entity
GIC PRIVATE LIMITED	-71,927,024	215,721,132	0.51	0	Nil	0	Foreign corporate entity
Industrial and Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	-5,532,229	156,169,063	0.37	0	Nil	0	Securities investment fund
Bank of Communications - E Fund 50 Index Securities Investment Fund	-33,000,000	136,642,126	0.33	0	Nil	0	Securities investment fund
National Social Security Fund - 106 Portfolio	135,394,213	135,394,213	0.32	0	Nil	0	Other
Shanghai Pudong Development Bank Co., Ltd. - Guangfa High-end Manufacturing Equity Initiative Securities	113,552,899	113,552,899	0.27	0	Nil	0	Securities investment fund

Investment Fund							
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						

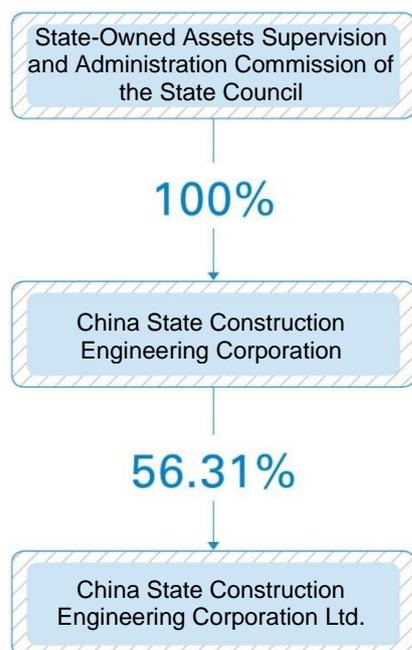
4.2 Block diagram of the relationship between the Company and its controlling shareholder

Applicable" N/A"



4.3 Block diagram of the relationship between the Company and its actual controller

Applicable" N/A"



4.4 Total number of the Company's preferred stock shareholders and top-10 shareholders as of the end of the reporting period

Applicable N/A

	Unit: Share
Total number of preference shareholders as of the end of the Reporting Period	0
No. of preferred stock shareholders as of end of the month preceding the disclosure of the annual report	0

5 Corporate bonds

Applicable N/A

III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATION

1 Main Earnings Results for the Reporting Period

Significant contributions to pandemic prevention and control. When the COVID-19 was raging in early 2020, the Company was entrusted with a mission at a critical stage to successfully fulfill the task of building 119 emergency hospitals, represented by “Huoshenshan Hospital” and “Leishenshan Hospital” by leveraging strong supply chains, core technology for rapid construction and construction capabilities of prefabricated building integration. The Company has done a good job in rushing up and fighting to win at the critical moment. The Company adhered to the principle that our employees' safety and health come first, established a mechanism for normalized pandemic prevention and control, set up an office for pandemic prevention and control, and implemented prevention and control measures in details. In the face of the continuous spread of the pandemic, the Company made solid efforts to prevent and control the pandemic abroad. Adhering to the principle of “one country, one policy”, the

Company organized and carried out pandemic prevention and control at overseas institutions and projects according to the actual conditions of different countries and regions, thus ensuring the safety and health of more than 100,000 employees in more than 80 countries and regions.

Operating performance grew despite market downturn. During the Reporting Period, the value of new contracts signed by the Company exceeded RMB3 trillion, once again renewing the record for orders among global construction enterprises. The Company achieved continued sound and stable business development. It achieved revenue of RMB1,615.02 billion, representing a year-on-year increase of 13.7%, and profit before income tax of RMB 94.29 billion, representing a year-on-year increase of 15.7%. The weighted average return on net assets (WARA) was 15.54%; the basic earnings per share (EPS) was RMB1.07, representing a year-on-year increase of 10.3%; financial risks were overall controllable with an eased pressure on cash flows. At the end of the period, the asset-liability ratio was kept at 73.7%, representing a year-on-year decrease of 1.7 percentage points.

Serving overall interests and acting actively. The Company always regards serving the national strategy as its most important political responsibility and the biggest development opportunity, and demonstrates the due responsibility of a central enterprise and an SOE so as to achieve transformation and upgrading as well as high-quality development. During the Reporting Period, the Company actively engaged in the national and regional coordinated development strategies such as the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the GBA, the integrated development of the Yangtze River Delta and ecological protection of the Yellow River Basin. By taking advantages of its nationwide development strategy and concentrating on high-quality resources to make breakthroughs, the Company obtained from the above areas a total of RMB2,144.2 billion in the value of new contracts, accounting for more than two-thirds of the total value of new contracts; The Company has actively responded to local development strategic plans, intensified exchanges and cooperation with local governments and other central enterprises, worked together to implement the national development strategy, served for relieving Beijing of functions non-essential to its role as China's capital, promoted construction of several major projects, including the venues for the Beijing Winter Olympics, the Beijing Daxing International Airport, the largest shanty renovation project in western Beijing and the Xiong'an Business Service Center; It served construction of "five centers" - a global center for economy, finance, trade, shipping as well as science and technology innovation - in Shanghai, helped to build a world-class free trade zone in the Lingang New Area, and invested RMB59 billion to build a project for historical landscape protection and urban renewal at the No. 67-71 of the Jianguo East Road, Huangpu District; It made in-depth participation in joint construction of the BRI project in a high-quality way, actively met the development needs of the BRI countries, and promoted positive progress in some key projects, including the Central Business District of the New Administrative Capital of Egypt.

Striving for excellence by reform and innovation. In order to implement the Three-year Action Plan for SOE Reform, the Company worked out an implementation plan focusing on eight reform sectors and formed a specific task list. The Company further clarified the responsibility boundaries of its Party organization, board of directors and managers, improved the rules of procedure and the list of decision-making matters, and promoted in-depth integration of the Party's leadership into corporate governance. The Company made solid progress in special reform projects. Its four subsidiaries were included in the "mixed-ownership reform", "Two-hundred Campaign" and "Innovative Technology Reform Demonstration Action", while the professional manager system was implemented at its seven subsidiaries. The Company carried out the Phase IV Restricted A Share Incentive Scheme to further expand the

scope of equity incentives. The Company implemented an action plan for management enhancement by benchmarking world-class enterprises and established a comprehensive benchmarking system in the business segment and management sector, respectively. The “Six Special Initiatives” have achieved remarkable results, resolving a number of bottlenecks that restrict high-quality development, and significantly improving the quality and efficiency of its production and management. During the Reporting Period, the Company actively implemented the deployment of the State Council and the CSRC, carried out special actions on the governance of listed companies, kept improving the corporate governance, enhanced risk prevention and resolution capabilities, and effectively enhanced the quality of listed companies.

Technological innovation continued to intensify. During the Reporting Period, the number of high-end technological talents, the intensity of technological investment and the achievements of technological research and development at the Company all reached a record high. The Company has developed the world’s first “Midair Construction Machine” and “Midair Tower-building Machine” with independent intellectual property rights, built the world’s only 10,000-ton-class multifunctional experimental system. Its rapid construction technology for pandemic prevention hospitals, “Five Bridges Rotation” technology and other technologies are world-leading, breaking several world records. Prefabricated hospital construction and rapid construction technology played a key role in construction of “Huoshenshan Hospital” and “Leishenshan Hospital” in Wuhan. Three technical standards for enterprises compiled by the Company, including the “Construction Standard for Pandemic Prevention Emergency Hospital Project”, were officially released. They have provided the society with a green, healthy, efficient and environmentally-friendly public health and medical engineering product system and industrialized services, and provided a standardized solution for improving public health emergency management and treatment systems. The Company is one of the first central enterprises in the industry to conduct prefabricated construction business. It has a wide presence in steel structure, precast concrete, etc., and has a competitive advantage in the entire industry chain from design to construction. The Company’s precast concrete business adheres to the five-in-one business model to drive the development of EPC. It has the first green prefabricated building smart construction platform with proprietary intellectual property rights in China as well as an advanced fully automatic smart precast factory in the country.

A responsible corporate citizen. Our controlling shareholder China State Construction’s all three targeted poverty-alleviation counties (Zhuoni, Kangle and Kangxian) in Gansu have been lifted from poverty, and the Company has won the highest award in the central unit’s targeted poverty alleviation assessment for three consecutive years. The Company plans to pay out about RMB9 billion in cash dividends to common shareholders in 2020, in line with its commitment to paying back to shareholders. The Company hired more than 28,000 college graduates and provided job opportunities for over 2 million migrant workers, making an important contribution to stabilizing employment. The Company thoroughly implemented the “Regulation on Ensuring Wage Payment to Migrant Workers” of the State Council to ensure wages for migrant workers are fully paid. It promoted joint development of upstream and downstream enterprises, including private enterprises, maintained “zero arrears” by paying private enterprise as agreed, reduced or exempted rents, and exempted highway tolls, so as to support small, medium and micro enterprises and individual industrial and commercial households to tide over the difficulties.

For further information, please refer to V “Key Business Data” and VI “Key Earnings Results” under Section III “An Overview of Business Operations” hereof.

2 Reasons for trading suspension

Applicable N/A"

3 Trading suspension and reasons

Applicable N/A"

4 Reasons for Amendments to the Company's Accounting Policies and Estimates and Analysis of Their Impacts

Applicable" N/A"

According to the "Q&A about Implementation of Accounting Standards for Business Enterprises" issued by the Ministry of Finance in December 2020, the Company has reclassified the impairment loss of contract assets originally included in "credit impairment losses" in the income statement to "asset impairment losses". The impact of this accounting policy change has no impact on the merger, the Company's net profit and shareholders' equity.

According to the "Accounting Standard for Business Enterprises No. 13", from January 1, 2020, the following parties that were not regarded as related parties previously are regarded as related parties: Joint ventures and their subsidiaries or associates and their subsidiaries of other member units of the Company's corporate group (including parent companies and subsidiaries) subsidiaries of joint ventures and subsidiaries of associates. This accounting policy change affected the judgment of related parties and the disclosure of related party transactions.

For the impact of relevant accounting policy changes on the Company's financial statements, please refer to the relevant content in Note III (35) "Changes in accounting policies and estimates" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

5 Analysis and clarification of the causes for corrections of material accounting errors made by the Company and the effects thereof

Applicable N/A"

6 Relative to the Previous Year, If There Are Any Inconsistencies in the Coverage of Consolidated Financial Statements, please provide detailed explanations.

Applicable N/A"