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Stock code: 601668

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No.: Interim 2020-005



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG . CORP. LTD

Announcement on the Change of Auditor of Financial Reports

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.

On February 3, 2020, the 34th meeting of the second session of the Board of Directors (the "Board") of China State Construction Engineering Corporation Limited (the "Company") reviewed and approved the *Proposal in Relation to the Appointment of Auditor of Financial Reports of China State Construction Engineering Corporation Limited for 2020*. The Company intends to appoint Ernst & Young Hua Ming LLP (Special General Partnership) ("EYHM") as the auditor of financial reports for 2020. Relevant details are hereby as follows:

I. Information about the Original Auditor of Financial Reports

According to relevant regulations and requirements of the State-owned Assets Supervision and Administration Commission (the "SASAC"), the tenure of the original auditor PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) ("PWCZT") has expired, so the Company intends to change the auditor of financial reports.

The Company has conducted prior communication with PWCZT over the proposed change of auditor, and obtained its understanding and support. By adhering to the principle of independent audit during its practice, PWCZT has provided professional and rigorous audit services to the Company, and effectively performed its duty as an auditor of financial reports. The Board of the Company hereby expresses its sincere gratitude to them for their services.

II. Information about the New Auditor of Financial Reports

By following the principle of "fairness, justice and openness", and through invitation for bids and evaluation, the Company intends to appoint EYHM as the auditor of financial reports for 2020. EYHM has a high-caliber and professional audit team, qualifications for engaging in securities-related businesses, and rich industry audit experience. The audit services it provides can meet the Company's audit requirements.

III. Procedures for Approving the Change of Auditor of Financial Reports

On February 2, 2020, the Audit Committee of the second session of the Board of the Company considered and approved the *Proposal in Relation to the Appointment of Auditor of Financial Reports of China State Construction Engineering Corporation Limited for 2020*, proposing the appointment of EYHM as the Company's financial report auditor for 2020, and submitting it to the Board for consideration.

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On February 3, 2020, the 34th meeting of the second session of the Board and the 18th meeting of the second session of the Board of Supervisors of the Company respectively considered and approved the *Proposal in Relation to the Appointment of Auditor of Financial Reports of China State Construction Engineering Corporation Limited for 2020*, agreeing on the appointment of EYHM as the Company's financial report auditor for 2020, for a term starting from the date of the 2019 annual general meeting of shareholders and ending on the date of such meeting for next year. The audit expenses shall be determined by the Board under authorisation by the general meeting of shareholders.

The independent directors of the Company have issued prior approval of the matter and independent opinions as follows: Before considering the above-said proposal, the Board has obtained our prior approval. The Audit Committee of the Board hence proposes the appointment of EYHM as the auditor of financial reports of the Company for 2020. Upon examination, EYHM is legally qualified for audit services in mainland China, Hong Kong and other parts of the world, and has the capacity to provide audit services for listed companies. It is also able to satisfy the Company's need for the audit of its financial reports. We consider that the decision about the appointment of EYHM as the auditor of financial reports of the Company for 2020 is in compliance with the *Company Law* and the *Articles of Association* of the Company, and without prejudice to the interests of the Company or its shareholders, especially the minority shareholders. We hence agree to submit the proposal to the general meeting of shareholders for consideration.

The matter regarding the change of auditor of financial reports shall be submitted to the general meeting of shareholders of the Company for consideration, and take effect from the date of approval by such general meeting.

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited
February 3, 2020