

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Stock Code: 601668

Abbreviation: CSCEC

**China State Construction Engineering Corporation
Limited
Summary of 2020 Interim Report**

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1. Important Notes

- 1 Information contained in the Summary is extracted from the full text of the 2020 Interim Report. 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 and Directors, Supervisors and Senior Management guarantee that information contained in the Interim 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.
- 3 This Interim Report was passed at the 43rd meeting of the second session of the Board of the Company, at which all the Directors of the Company had attended.
- 4 This Interim Report is unaudited. Ernst & Young Hua Ming LLP (Special General Partnership) has reviewed the 2020 interim financial report of the Company and issued a review report.
- 5 Profit distribution plan or the conversion plan of reserves to share capital for the Reporting Period considered by the Board of Directors
N/A

2. General information

2.1 Company profile

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

Contact details	Secretary to the Board of Directors
Name	Xue Keqing
Tel.	010-86498888
Office address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Email	ir@cscec.com

2.2 Key financial data

Unit: '000 yuan Currency: RMB

	June 30, 2020	Dec. 31, 2019	Change (%)
Total assets	2,175,448,096	2,034,451,929	6.9
Net assets attributable to shareholders of the Company	277,772,957	277,197,681	0.2
	Reporting period (Jan.-June)	Same period of last year	Change YoY (%)

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Net cash flow from operating activities	-70,645,206	-82,896,698	/
Operating income	728,187,767	685,419,315	6.2
Total profit	43,774,877	41,954,380	4.3
Net profit attributable to shareholders of the Company	19,839,785	20,308,445	-2.3
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	18,583,408	19,141,626	-2.9
Weighted average return on net assets (%)	6.98	7.52	- 0.54 ppt
Basic earnings per share (RMB/share)	0.47	0.45	4.44
Diluted earnings per share (RMB/share)	0.46	0.45	2.22

2.3 Shareholding of top 10 shareholders

Unit: share

Total number of shareholders as at the end of the Reporting Period		580,547				
Total number of preference shareholders with voting rights restored as at the end of the Reporting Period						
Holdings of top-10 shareholders						
Name of shareholder	Nature of Shareholder	Shareholding ratio (%)	Number of shares held	Number of shares held subject to trading moratorium	Number of shares pledged/frozen	
China State Construction Engineering Corporation	State-owned corporate entity	56.31	23,630,695,997	0	Nil	0
Dajia Life Insurance Co., Ltd. – Universal Product	Other	4.99	2,094,057,068	0	Nil	0
China Securities Finance Corporation	Other	3.00	1,258,300,998	0	Nil	0

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Hong Kong Securities Clearing Company Limited	Other	2.68	1,123,207,462	0	Nil	0
Central Huijin Asset Management Company Limited	State-owned corporate entity	1.42	596,022,420	0	Nil	0
GIC PRIVATE LIMITED	Foreign corporate entity	0.69	287,864,145	0	Nil	0
Bank of Communications - E Fund 50 Index Securities Investment Fund	Securities investment fund	0.39	162,642,126	0	Nil	0
UBS AG	Foreign corporate entity	0.37	154,848,258	0	Nil	0
Industrial and Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	Securities investment fund	0.34	142,316,912	0	Nil	0
Agricultural Bank of China Limited – Huaxia CSI State-Owned Enterprises Structural Adjustment Index ETF Securities Investment Fund	Securities investment fund	0.17	69,623,487	0	Nil	0
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					

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2.4 Total number of preference shareholders, and top 10 preference 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
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2.5 Changes in Controlling Shareholders or De Facto Controller

Applicable N/A

2.6 Unmatured and overdue corporate bonds

Applicable N/A

3. DISCUSSION AND ANALYSIS OF BUSINESS OPERATION

3.1 Discussion and Analysis of Business Operation

In the first half of 2020, the COVID-19 pandemic brought an unprecedented impact on global economic and social development. Despite increasing downward pressure on China's economy, the phased achievements of pandemic prevention and control as well as stable and orderly economic and social development have guaranteed continued resumption of production and supply, gradual rebound of market demand, strengthened market confidence and steady recovery of national economy. From January to June 2020, China's total investment in fixed assets (excluding rural households) was RMB28.16 trillion, representing a year-on-year decrease of 3.1%; the investment in real estate development was RMB6.28 trillion, representing a year-on-year increase of 1.9%; commercial housing sales in terms of value stood at RMB6.69 trillion, representing a year-on-year decrease of 5.4%; commercial housing sales in terms of floor area totaled 694.04 million square meters, representing a year-on-year decrease of 8.4%; the total output value of the construction industry was RMB10.08 trillion, representing a year-on-year decrease of 0.8%.

In the first half of 2020, when confronted with the sudden outbreak of COVID-19, the Company earnestly implemented the decision-making and deployment of the Central Committee of the Communist Party of China and the State Council as well as the work requirements of the SASAC of the State Council, worked together to overcome difficulties, and coordinated the pandemic prevention and control and business development. During the Reporting Period, the Company adhered to the general principle of improving quality and efficiency, enhancing management, advancing reforms, continuing innovation, actively turning crises into opportunities and looking for opportunities in crises. Under the pressure in the preliminary stage, all business showed a good sign of recovery. In general, the Company encountered extremely unusual challenges in the first half of 2020. All operating results were hard-won.

(1). The pandemic prevention and control have achieved remarkable results. When the COVID-19 was raging in early 2020, the Company was entrusted with a mission at a critical stage to build two emergency hospitals for pandemic prevention and control, being Huoshenshan Hospital and Leishenshan Hospital under extreme conditions. With strong supply chains, rapid construction service capabilities, and systematic prefabricated construction technologies, the Company successfully accomplished this mission. It also organized the compilation and release of relevant standard documents and key technological achievements, filling the technical gaps in the rapid construction of emergency hospitals in China. In the first half of 2020, the Company has built a total of 127 emergency engineering projects across Mainland China, Hong Kong SAR, Macao SAR, Singapore and other places, fully demonstrating the China Speed and China Power. In addition, we adhered to the principle that our employees' life safety and physical health come first, and always fulfilled our responsibilities. No cluster outbreak occurred at any of our institution or project site at home and abroad, and the life safety and physical health of the Company's employees were well protected.

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(2). Active and promising market exploration. The Company continued to do a good job in marketing and project management, strengthened the connection with high-end regional markets, and the scale of orders increased steadily. During the Reporting Period, the value of new contracts increased by 5.2% year-on-year to RMB1,510.1 billion. Specifically, the housing construction business developed steadily, with the value of new contracts reaching RMB1,061.7 billion, representing a year-on-year increase of 2.6%; the value of new contracts for infrastructure business was RMB261.0 billion, representing a year-on-year increase of 23.6%; the value of new contracts for prospecting and design business was RMB6.8 billion, representing a year-on-year increase of 23.2%; the contract sales of real estate business amounted to RMB180.7 billion, representing a slight decrease of 1.9% year-on-year.

(3). Steady progress in operating performance. During the Reporting Period, the Company achieved continuous growth in revenue and profit before income tax with continued sound and stable business development. It achieved revenue of RMB728.2 billion, representing a year-on-year increase of 6.2%, and profit before income tax of RMB43.77 billion, representing a year-on-year increase of 4.3%. The weighted average return on net assets (WARA) was 6.98%; the basic earnings per share (EPS) was RMB0.47, representing a year-on-year increase of 4.4%; 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 75.95%, representing a year-on-year decrease of 0.59 percentage points.

(4). Strong national strategic services. 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, and the integrated development of the Yangtze River Delta. 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 RMB927.5 billion in value of new contracts, accounting for more than 60% of the total value of new contracts; the Company has actively responded to local development strategic plans, strengthened exchanges with senior officers of Shanghai, Jiangsu, Jiangxi, Chongqing, and other provinces and cities, promoted cooperation with State Grid, China Post, China Rong Tong, The Export-Import Bank of China and other corporations and institutions, and realized the coordinated development of enterprises and regional economies.

(5). In-depth advancement on the reforms and governance. China Construction Science and Industry and China Construction Science & Technology became the "Innovative Technology Reform Demonstration Enterprise" of the SASAC of the State Council, and initiated and implemented reform ideas and measures. As a unit selected by the SASAC of the State Council for the "Two-hundred Campaign", the Second Construction Co., Ltd. of China Construction First Group Corporation Limited has achieved substantial results in market-oriented debt-to-equity swaps, optimization of business structure and improvement on operating efficiency. As a pilot company for the fourth batch of mixed-ownership reform of the National Development and Reform Commission (NDRC), China State Decoration optimized and adjusted the overall planning of the mixed-ownership reform, refined and improved the implementation plan, and further broadened the introduction channels of strategic investors. New progress has been made in the reform of the personnel system, and the tenure incentive pilot has been implemented in five secondary units. During the Reporting Period, the Company actively implemented the concept of rule of law, studied the new Securities Law in details, maintained insurance for directors, supervisors and senior management, and continued to improve corporate governance, so as to enhance its ability to prevent and resolve risks, improve the efficiency of corporate governance by law, and promote high-quality development of the Company.

(6). Continuous breakthroughs in technological innovation capabilities. The Company actively explores fields such as prefabricated construction, rapid construction, and smart construction to lay the foundation for the expansion of emerging business areas and industrial transformation and upgrading. 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

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from design to construction. The production capacity of the Company's steel structure exceeds 1.2 million tons. The Company's precast concrete business adheres to the five-in-one business model to drive the development of EPC. It has an advanced fully automatic smart precast factory in China, and has developed and established a green prefabricated building smart construction platform with proprietary intellectual property rights. The total design capacity of prefabricated components reaches 4 million cubic meters per year, which can support the construction of nearly 50 million square meters of buildings. In the field of smart construction, the Company has established a city-level smart parking cloud platform, piloted China's first 5G smart construction site, and incorporated new technologies into the Company's development. Meanwhile, the Company has continued to strengthen its advantages in top engineering construction business in the industry, including ultra-high-rise buildings, large-span space structures, and has made further breakthroughs in the R&D and manufacturing of major equipment, large-scale bridge construction technology and other fields. Many technologies such as the factory-style "residential building machine" and super-heavy bridge turning construction have been practically applied in projects, providing favorable support for the Company to consolidate its position in the high-end market.

(7). A responsible corporate citizen. The Company's all three targeted poverty-alleviation counties 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 hired more than 26,000 college graduates, and organized 2,000,000 migrant workers to return to work. The Company thoroughly implemented the "Regulation on Ensuring Wage Payment to Migrant Workers" of the State Council and paid migrant workers' wages in full. It 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.

The second half of 2020 will be a critical period in the countdown to China's decisive battle against poverty and decisive victory in building a moderately prosperous society in all respects. It is also a critical period for the Company to successfully complete its "13th Five-Year Plan" and launch the "14th Five-Year Plan". CSCEC will pay close attention to changes in the domestic and foreign macroeconomic developments, grasp the new development pattern in which the domestic big cycle dominates and the domestic and international double cycles reinforce each other. It will carefully plan the Company's "14th Five-Year" strategic plan, and follow the decision-making and deployment of the Central Committee of the Communist Party of China and the State Council to coordinate and promote pandemic prevention and control as well as production and operation, do a solid job of "six stabilities", and fully complete the "six protections" task. The Company will break new ground in crises and seek new opportunities amidst changes to effectively enhance its ability to compete, innovate, control, influence and resist risks.

3.2 Changes in accounting policies, estimates and methods compared with the previous accounting period and the reasons for and implications of such changes

Applicable" N/A"

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 13 on December 10, 2019. The Company has implemented the Interpretation as of January 1, 2020, without retroactive effects on the accounting in the previous years. Please refer to "Changes in accounting policies" in Note III (34) "Changes in accounting policies and estimates" to the financial statements under Section X "FINANCIAL REPORT" hereof.

3.3 The retrospective restatements of material accounting error corrections during the Reporting Period and the corrected amounts, reasons for and effects of such restatements

Applicable N/A"