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Stock Code: 601668

Abbreviation: CSCEC



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

China State Construction Engineering Corporation Limited

Report for the Third Quarter of 2021

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 representations, misleading statements or material omissions, and they are jointly and severally liable for the truthfulness, accuracy and completeness of the information disclosure.

• Important Notice:

The Company's Board of Directors, Board of Supervisors and its directors, supervisors and officers guarantee that the Quarterly Report contains true, accurate and complete information and no false representations, misleading statements or material omissions, or otherwise they will accept several and joint legal responsibility.

Head of the Company, Head of Accounting, and Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial statements set out in the Quarterly Report is true, accurate and complete.

Whether the Q3 financial statements have been audited?

Yes" No"

I. Key Financial Data

(I) Key accounting data and financial indicators

Unit: '000 yuan Currency: RMB

Item	Reporting period	Change YoY (%)	Jan. - Sep. 2021	Change YoY (%)
Revenue	400,331,605	15.06	1,337,047,568	24.25
Total profit	20,760,616	8.80	72,486,529	15.32
Net profit	15,609,672	10.70	55,691,180	18.40
Net profit attributable to shareholders of the Company	12,187,281	7.88	37,830,104	21.50
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	11,997,413	7.86	36,535,792	22.99
Net cash flow from operating activities	N/A	N/A	-43,357,923	N/A

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Basic earnings per share (RMB/share)	0.29	7.41	0.92	24.32
Diluted earnings per share (RMB/share)	0.29	7.41	0.91	24.66
Weighted average ROE (%)	3.78	- 0.47 ppt	11.89	+ 0.66 ppt
Net asset per share attributable to ordinary shareholders (RMB/share)	N/A	N/A	7.6	13.94
	As at the end of the Reporting Period		As at the end of last year	Change YoY (%)
Total assets	2,368,667,704		2,192,173,839	8.05
Net assets attributable to shareholders of the Company	328,888,858		300,421,431	9.48

Note: "This Reporting Period" refers to the three-month period from the beginning to the end of this quarter, the same below.

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.

(II) Statement of non-recurring profit or loss

Unit: '000 yuan Currency: RMB

Item	Amount in the Reporting Period	Amount from Jan. to Sep. 2021	Remarks
Gains/losses from disposal of non-current assets	3,542	141,418	/
Government grants recognized in profit or loss (other than government grants which are closely related to the Company's normal business operations, comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	10,297	71,297	Recorded in non-operating income

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Interest income from loans to non-financial corporations	31,704	102,040	/
In addition to the normal operation of the Company's effective hedging business, gains/(losses) arising from changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities and investment income from disposal of financial assets held-for trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments	11,650	145,665	/
Reversal of the provision on receivables and contract assets for impairment on an individual basis	73,430	1,056,689	/
Other non-operating income and expenses than the above items	151,566	357,164	/
Less: Impact on income tax	65,407	396,490	/
Impact on non-controlling interests (after tax)	26,914	183,471	/
Total	189,868	1,294,312	/

Explanation for the non-recurring profit or loss listed in the "Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-Recurring Profit or Loss" defined as recurring profit or loss.

Applicable N/A

(III) Changes in key accounting data and financial indicators of the company and reasons for such changes

Applicable N/A

Item	Change (%)	Main Reason
Revenue	24.25	The Company gave full play to its advantages in whole industry chain layout, actively served the national strategies, continued to ensure marketing and project performance management, and continuously cultivated new market growth points, achieving steady growth in its overall revenue.
Total profit	15.32	With the continuous expansion of its business scale, the Company saw its total profit increase, but at a slower pace than its revenue, due to a lower gross profit margin of its real estate business.

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Net profit	18.40	With the continuous expansion of its business scale, the Company's net profit grew, at a faster pace than total profit, thanks to a lower income tax rate for the current period.
Net profit attributable to shareholders of the Company	21.50	As its business scale continued to expand, the Company's net profit attributable to shareholders grew as well, and at a faster pace than net profit, attributable to a YoY decrease in income recognized from cooperative real estate projects in the first three quarters.
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	22.99	This was owing to a YoY increase in net profit attributable to shareholders of the Company and a YoY decrease in non-recurring profit or loss compared with last year.
Net cash flow from operating activities	N/A	The Company attached great importance to cash flow management, established relevant working mechanisms and adopted active measures, resulting in a substantial YoY decrease in cash outflows from operating activities of its construction and real estate businesses.
Weighted average ROE (%)	+ 0.66 ppt	An increase in net profit of the Company during the year.
Basic earnings per share (RMB/share)	24.32	An increase in net profit of the Company during the year.
Diluted earnings per share (RMB/share)	24.66	An increase in net profit of the Company during the year.
Net asset per share attributable to ordinary shareholders (RMB/share)	13.94	An increase in net assets of the Company during the year.
Total assets	8.05	As its business scale continued to expand, the Company's total assets grew naturally.
Net assets attributable to shareholders of the Company	9.48	An increase in net assets of the Company during the year.

Note: All the above changes represent increases/decreases (%) in the period from the beginning of the year to the end of the Reporting Period as compared to the same period of last year or increases/decreases (%) as of the end of the Reporting Period as compared to the end of last year.

II. Shareholder Information

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(I) Total number of ordinary shareholders and preference shareholders with voting rights restored & shareholdings of top-10 shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	550,873	Total number of preference shareholders with voting rights restored as at the end of the Reporting Period (if any)	N/A			
Holdings of top-10 shareholders						
Name of shareholder	Nature of Shareholder	Number of Shares	Percentage (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen	
					Status	Number
China State Construction Engineering Corporation	State-owned legal	23,630,695,997	56.33	0	Nil	0
China Securities Finance Corporation Limited	Other	1,258,300,898	3.00	0	Nil	0
Hong Kong Securities Clearing Company Limited	Other	1,229,919,763	2.93	0	Nil	0
Central Huijin Asset Management Ltd.	State-owned legal	596,022,420	1.42	0	Nil	0
GIC PRIVATE LIMITED	Foreign legal person	183,392,800	0.44	0	Nil	0
Industrial and Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	Securities investment fund	148,361,403	0.35	0	Nil	0
Bank of Communications Co., Ltd. - E Fund SSE50 Index Enhanced Securities Investment Fund	Securities investment fund	137,642,126	0.33	0	Nil	0
China Merchants Bank Co., Ltd.-ICBC Credit Suisse strategic vision hybrid securities investment fund	Securities investment fund	116,234,706	0.28	0	Nil	0
National Social Security Fund - 106 Portfolio	Other	101,998,513	0.24	0	Nil	0
Bank of Communications Co., Ltd. - Guangfa CSI Infrastructure Project Index ETF	Securities investment fund	96,296,600	0.23	0	Nil	0
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	

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China State Construction Engineering Corporation	23,630,695,997	RMB ordinary shares	23,630,695,997
China Securities Finance Corporation Limited	1,258,300,898	RMB ordinary shares	1,258,300,898
Hong Kong Securities Clearing Company Limited	1,229,919,763	RMB ordinary shares	1,229,919,763
Central Huijin Asset Management Ltd.	596,022,420	RMB ordinary shares	596,022,420
GIC PRIVATE LIMITED	183,392,800	RMB ordinary shares	183,392,800
Industrial and Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	148,361,403	RMB ordinary shares	148,361,403
Bank of Communications Co., Ltd. - E Fund SSE50 Index Enhanced Securities Investment Fund	137,642,126	RMB ordinary shares	137,642,126
China Merchants Bank Co., Ltd.-ICBC Credit Suisse strategic vision hybrid securities investment fund	116,234,706	RMB ordinary shares	116,234,706
National Social Security Fund - 106 Portfolio	101,998,513	RMB ordinary shares	101,998,513
Bank of Communications Co., Ltd. - Guangfa CSI Infrastructure Project Index ETF	96,296,600	RMB ordinary shares	96,296,600
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.		
Top 10 shareholders and top 10 shareholders not subject to trading moratorium involved in the margin trading and refinancing business (if any)	Nil		

III. Other Cautions

Other important information about the Company's business condition during the Reporting Period to which investors shall be cautioned to pay attention

Applicable" N/A"

During the first three quarters of 2021, the Company comprehensively implemented the decisions and deployments of the CPC Central Committee and the State Council, adhered to the general

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guideline of making progress while maintaining stability, and effectively coped with profound changes in the external environment, aimed at the strategic goals of “one creation and five aspects of strength” and promoted the implementation of “166” strategic initiatives. As such, the Company staunchly promoted high-quality development, implemented various reform and innovation tasks in a practical and orderly manner, and maintained a good development momentum. In general, the Company demonstrated the following operational characteristics:

1. Steady progress in operating performance. During the Reporting Period, the value of the Company's newly signed contracts increased by 10.1% YoY to RMB 2.4528 trillion. It recorded a revenue of RMB 1.337 trillion, representing a YoY increase of 24.2%, and net profit attributable to shareholders of the Company of RMB 37.83 billion, representing a YoY increase of 21.5%. The basic earnings per share (EPS) was RMB 0.92, representing a YoY increase of 24.3%.

2. Steadily improving development quality. During the Reporting Period, the Company continued to press ahead with the “deleveraging” campaign, and the asset-liability ratio was decreased by 1.12 ppt to 73.97%. Furthermore, the Company continued to tighten cost control during the period. Administrative, financial and marketing expenses totalled RMB 36.2 billion, increased by 13.4% YoY, but the growth rate was 10.8 ppt lower than the revenue growth rate over the same period. During the Reporting Period, the Company further facilitated technological innovation, and comprehensively boosted the strategic support of such innovation to enterprises, with R&D expenses amounting to RMB 20.82 billion, up 51.8% on a year-on-year basis. It continued to step up cash flow management, and established an incentive and constraint mechanism linking cash flow indicators to the compensation of managers at all levels. In the first three quarters of the year, the Company recorded a YoY decrease of RMB 45.06 billion in net operating cash outflows, the highest in the last five years. Meanwhile, due to the Company's sound business strategy and robust fundamentals across the core businesses, 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.

3. Firmly assuming the responsibility of supporting macro-level strategic development. During the Reporting Period, the Company further ramped up investment, accelerated project implementation, aggregated quality resources, and gave play to its advantages as a central SOE, striving to build new models and paragons for cooperation between central SOEs and local governments. It proactively implemented the strategy of regional coordinated development, and vigorously participated in the investment and construction of the central government-designated key regions including the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt and the GBA, completing investments of RMB 208.5 billion and signing new contracts worth RMB 1.52 trillion, up 19.6% and 17.6% respectively on a year-on-year basis. The Company also actively supported significant events, basically completed the construction of venues for the Beijing 2022 Winter Olympics and auxiliary projects, and proceeded smoothly with operation and maintenance.

4. Faster implementation of reform actions. During the Reporting Period, the Company achieved positive effects in deepening reform, effectively pressed ahead with corporate governance reform, building of the Board of Directors and appointment of external directors, advanced improvement of the market-oriented operation mechanism, and technological innovation, comprehensively accelerating the reform process. It also achieved notable results in

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building the boards of directors of its subsidiaries, all appointed external directors were in place, and was commended many times for its efforts in this area by the SASAC of the State Council. The Company closely followed the government's strategic target for "carbon peak and neutrality", and prepared the establishment of its own industry technology research institute for "carbon peak and neutrality", which will conduct policy and market research about transformation to achieve such goal, and promote the research and development of low-carbon, green and energy-saving technologies. Its "demonstrative technological renovation" was listed into the reform and innovation cases of SASAC of the State Council, and ranked among the top in the special appraisal organized by SASAC.

5. More fruitful achievements in technological innovation. During the Reporting Period, the Company adhered to a technology-guided and innovation-driven approach, improved technological innovation systems, expanded inputs in technological innovation, and constantly facilitated the transformation, promotion and application of technological innovation achievements. During the Reporting Period, it built five new provincial- and ministry-level technological innovation platforms including the Guangdong New Healthy Buildings (China Construction Science & Technology) Engineering Technology Research Center, and won the 22nd China Patent Excellence Award with five of its technological achievements. The first proposal on the Application Standards for AIDC Technology for Industrial Construction led by the Company was officially approved by the International Organization for Standardization (ISO) for project initiation, which contributed a Chinese plan and the Chinese wisdom for digital transformation of the global construction industry in the international standardization area. Its independently developed high-altitude pressurized and oxygenated modular building complexes (zero-altitude houses) were put into use, which fulfilled the modularization, ultralow energy consumption and intelligent control of building complexes, as well as the commercialization and application of key technological achievements. Moreover, the Company successfully completed the testing and application of the "suspended heavy-duty lift", its independently developed new construction equipment. The Company won another six Zhan Tianyou awards - the most prestigious Chinese civil engineering award - at the 17th Zhan Tianyou Award Presentation Ceremony, making a total of 90 Zhan Tianyou awards received by it.

6. Prominent advantages and robust development of its principal business.

① **Cemented advantages of housing construction business.** The total value of new building construction contracts rose by 5.5% YoY to RMB 1.6332 trillion; realized revenue came in at RMB 809.9 billion, up 19.7% YoY; and gross margin increased by 0.6 ppt YoY to 6.9%. By adhering to the marketing strategy of "high-end markets, high-end customers and high-end projects", the Company continuously boosted its core competitiveness in the areas of ultra-high-rise building, large-span space structure, rapid construction and green construction, etc. During the Reporting Period, the Company won particularly the bid for the Taoranli urban healthcare town & complex project in Baiyun District of Guangzhou and the Yellow River National Museum project. The renovation and expansion project for the Capital Gymnasium undertaken by the Company was fully completed; the G2 section of the settlement housing and supporting facility project for residential cluster G of Rongdong area of Xiongan New Area was fully delivered; the conference center of Zhongyuan Science and Technology City built by the Company over a period of 68 days was put into use.

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② **Infrastructure business grew rapidly.** The total value of new infrastructure contracts rose by 29.9% YoY to RMB 510.1 billion; revenue came in at RMB 290.9 billion, up 22.0% YoY; and gross margin increased by 0.4 ppt YoY to 9.2%. During the Reporting Period, the Company undertook the following projects, including the first section of the construction and management general contracting project for the east terminal under the Xi'an Xianyang International Airport phase-3 expansion project, the comprehensive transportation hub project under the Changsha airport renovation and expansion project, the EPC project for addressing weaknesses in urban integration between Wuhan and Ezhou in the Gedian Economic & Technological Development Zone in Ezhou, and the SBJL-TJ-8 section construction project for the Shenyang-Baihe high-speed railway. During the Reporting Period, the Company undertook the construction of the Nagqu-Yangbajing section of the G6 Beijing-Lhasa Expressway, which, at an average elevation of over 4,500 meters above sea level, is the world's highest expressway. The western two horizontal section of the Chongqing expressway (which featured the world's first "simultaneous rotation and docking of five bridges") invested, built and operated by the Company was officially open to traffic. The PPP construction project of Xi'an happy forest belt undertaken by the Company was officially open to the public, which helped widen urban development space and enhance the functions and quality of the city.

③ **Stable and healthy development of real estate business.** Real estate sales totalled RMB 300.6 billion, up by 8.3% YoY, and contracted sales area reached 14.58 million square meters, down by 1.2% YoY. Realized revenue came in at RMB 217.8 billion, up 37.9% YoY; and gross margin fell by 3.5 ppt YoY to 23.3%. During the Reporting Period, newly acquired land reserve came in at approximately 12.97 million square meters, making a total area of land reserve of 115.99 million square meters as at the end of the Reporting Period. While sticking to the strategy of "prudent land acquisition, high turnover, and enough cash flows", the Company strengthened risk prevention for its real estate business, stepped up supply-side product reforms, flexibly grasped the supply rhythm, and ramped up sales efforts, ensuring steady and orderly operation on the whole.

④ **Prospecting and design business under continuous pressure.** The total value of new prospecting and design contracts fell by 9.3% YoY to RMB 8.9 billion; realized revenue came in at RMB 6.35 billion, tying the record for the same period of the previous year; and gross margin rose by 3.0 ppt YoY to 19.3%. During the Reporting Period, the Company won the bid for a number of projects including the prospecting and design section II project for the unit B settlement housing project in Xiongdong area, Tianfu International Arts City Project Phase I (Chengdu Academy of Fine Arts), and the overall township planning and practical village planning for Luopu County, Hotan Prefecture of Xinjiang. Moreover, the Company continued to advance the "talent-centered development" strategy, with continuous emergence of high-caliber talents for its prospecting and design business. This year, three new provincial-level talents specialized in prospecting, water supply and drainage joined the Company.

⑤ **Continued growth of overseas business amid difficulties.** Owing to the impact of the COVID-19 pandemic, the value of new contracts for its overseas business amounted to RMB 101.0 billion, representing a YoY decrease of 16.0%; realized revenue stood at RMB 63 billion, up 11.6% YoY; and the gross profit margin was 8.0%, representing a YoY increase of 0.3 ppt. During the Reporting Period, the Company focused on high-quality development, constructed and organized overseas projects in a scientific manner, continuously strengthened quality control,

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driving market expansion through quality contract performance and building its own brand benefits. The Company completed and officially delivered the key overseas projects, including the main steel structure of the landmark tower in the central business district project of Egypt's new capital ; the national stadium project in support of Cambodia, the 10,000 housing units, a major livelihood project in Algeria, and the national stadium of Madagascar.

7. Deployment in green development. The Company always adheres to the green and sustainable development concept and seeks to build “green” competitiveness covering the entire industrial chain by firmly seizing the opportunities of integrated development of digitalization, networkization and intelligentization, takes the lead in exploring digital economy industry-wide, independently develops intelligent construction site platforms, and establishes safety, quality and intelligent management benchmarks, effectively promoting the digital transformation of the construction industry. China State Construction Intelligent Technology independently developed the “intelligent line + robot system”, and built a new “light and smart” urban integrated tube operation and maintenance model with minimum human involvement. Xi'an Olympic Sports Center, the first 5G+ full coverage intelligent venue in China, built and maintained by the Company, was open to the public; “Liuyun Bridge”, the world's longest polymer 3D printed bridge using the BIM and 3D printing technology, was officially unveiled in the Yima River Park in Longquanyi District, Chengdu. Moreover, the Company vigorously promoted the development of photovoltaic construction, and completed investment, construction and application thereof in scenarios such as commercial buildings, industrial plants and desert areas. During the Reporting Period, the Company won the bid for BOE's 200MW photovoltaic power generation project in Binxian County, Heilongjiang. In the meantime, the Company has been an industry leader in the research and development of “zero-carbon” PEDF technology.

Going forward, the Company will rise to the challenges and make unremitting efforts to achieve the annual targets, drive high-quality corporate growth, and establish the Company as a world-class conglomerate with global competitiveness.

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IV. Quarterly Financial Statements

(I) Type of audit opinions

Applicable N/A

(II) Financial statements

Consolidated Balance Sheet

September 30, 2021

Compiled by: China State Construction Engineering Corporation Limited

Unit: '000 yuan Currency: RMB Type of report: Unaudited

Item	September 30, 2021	December 31, 2020
Current assets:		
Cash and bank balances	271,273,742	295,857,190
Financial assets held for trading	242,592	244,459
Notes receivable	25,286,904	31,989,282
Accounts receivable	190,217,468	160,441,814
Accounts receivables financing	5,350,577	3,788,082
Prepayments	44,372,236	42,243,346
Other receivables	70,365,932	54,626,721
Inventory	742,632,507	675,125,328
Contract assets	173,041,651	141,065,956
Current portion of non-current assets	99,602,736	77,936,729
Other current assets	106,637,676	94,311,158
Total current assets	1,729,024,021	1,577,630,065
Non-current assets:		
Debt investments	14,010,081	14,605,329
Other debt investments	264,716	356,377
Long-term receivables	81,513,752	177,642,042
Long-term equity investments	91,100,432	86,439,061
Investments in other equity instruments	7,564,813	5,838,384
Other non-current financial assets	335,510	335,510
Investment properties	110,379,617	97,123,680
Fixed assets	38,348,769	39,126,960
Construction in progress	7,866,037	10,933,089
Right-of-use assets	5,704,946	-
Intangible assets	27,016,084	22,558,997
Goodwill	2,272,242	2,290,261
Long-term prepaid expenses	1,049,111	1,098,709
Deferred tax assets	18,025,759	16,249,442
Other non-current assets	234,191,814	139,945,933
Total non-current assets	639,643,683	614,543,774

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Total assets	2,368,667,704	2,192,173,839
Current liabilities:		
Short-term borrowings	82,338,773	29,317,096
Notes payable	6,318,840	5,265,592
Accounts payable	543,614,142	502,386,965
Advances from customers	784,294	607,427
Contract liabilities	321,091,376	309,479,052
Employee benefits payable	6,314,377	8,200,560
Taxes payable	58,242,125	64,026,873
Other payables	113,791,866	118,273,242
Current portion of non-current liabilities	77,371,232	88,146,285
Other current liabilities	75,778,798	70,311,655
Total current liabilities	1,285,645,823	1,196,014,747
Non-current liabilities:		
Long-term borrowings	325,276,899	292,897,038
Bonds payable	102,525,567	88,782,471
Lease liabilities	3,283,309	-
Long-term payables	15,256,170	17,500,260
Long-term employee benefits payable	1,909,624	1,999,420
Provisions	3,362,808	3,849,660
Deferred income	617,403	482,490
Deferred tax liabilities	6,465,566	6,056,150
Other non-current liabilities	7,832,005	7,496,502
Total non-current liabilities	466,529,351	419,063,991
Total liabilities	1,752,175,174	1,615,078,738
Owners' equity (or shareholders' equity):		
Paid-in capital (or equity)	41,948,168	41,965,072
Other equity instruments	10,000,000	10,000,000
Including: preference shares		
Perpetual bonds	10,000,000	10,000,000
Capital reserve	10,700,292	10,265,751
Less: Treasury shares	4,146,986	4,204,385
Other comprehensive income	-1,723,570	-1,179,401
Special reserves	160,798	135,769
Surplus reserve	10,101,632	10,101,632
General risk reserve	1,385,765	1,383,765
Retained earnings	260,462,759	231,953,228
Total equity attributable to the owners (or the shareholders)	328,888,858	300,421,431
Non-controlling interests	287,603,672	276,673,670
Total owners' equity (or shareholders' equity)	616,492,530	577,095,101

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Total liabilities and owners' equity (or shareholders' equity)	2,368,667,704	2,192,173,839
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Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin
Head of the Finance Department: Xie Song

Consolidated Income Statement

January - September, 2021

Compiled by: China State Construction Engineering Corporation Limited

Unit: '000 yuan Currency: RMB Type of report: Unaudited

Item	The first 3 quarters (Jan.-Sep.) in 2021	The first 3 quarters (Jan.-Sep.) in 2020
I. Total Revenue	1,337,047,568	1,076,106,209
Including: Revenue	1,337,047,568	1,076,106,209
II. Total Operating Costs	1,264,212,532	1,017,016,520
Including: operating cost	1,196,814,680	962,636,206
Taxes and surcharges	10,382,723	8,737,335
Selling and distribution expenses	4,312,158	3,235,536
General and administrative expenses	23,644,406	20,139,264
R&D expenses	20,815,943	13,711,816
Finance expenses	8,242,622	8,556,363
Including: Interest expenses	10,052,383	10,224,016
Interest income	2,575,398	2,648,392
Add: Other income	377,164	316,046
Investment income (losses marked with "-")	3,082,731	5,444,517
Including: Share of profit of associates and joint ventures	3,365,160	4,519,930
Income from derecognition of financial assets measured at amortised cost	-971,542	-892,155
Gains arising from changes in fair value (losses marked with "-")	-17,570	156,889
Credit impairment losses (losses marked with "-")	-3,549,379	-3,079,191
Asset impairment losses (losses marked with "-")	-605,750	153,007
Gains on disposals of assets (losses marked with "-")	145,136	45,909
III. Operating profit (losses marked with "-")	72,267,368	62,126,866

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Add: Non-operating income	720,264	1,028,480
Less: Non-operating expenses	501,103	299,474
IV. Total profit (total loss marked with "-")	72,486,529	62,855,872
Less: income tax expenses	16,795,349	15,819,756
V. Net Profit (net losses marked with "-")	55,691,180	47,036,116
(I) Classified by continuity of operations		
1. Net profit from continuing operations (losses marked with "-")	55,691,180	47,036,116
2. Net profit from discontinued operations (losses marked with "-")		
(II) Classified by ownership of the equity		
1. Net profit attributable to owners of the parent (net losses marked with "-")	37,830,104	31,136,838
2. Profit attributable to non-controlling interests (net losses marked with "-")	17,861,076	15,899,278
VI. Other comprehensive income, net of tax	-563,484	118,234
(I) Attributable to owners of the parents	-544,169	-73,379
1. Other comprehensive income that will not be reclassified to profit or loss	-407,925	-316,829
(1) Remeasurement gains or losses of a defined benefit plan	-	-37,920
(2) Other comprehensive income that cannot be reclassified to profit/loss under the equity method		
(3) Changes in fair value of other debt investments	-407,925	-278,909
(4) Changes in fair value of company's own credit risk		
2. Other comprehensive income that may be reclassified to profit or loss	-136,244	243,450
(1) Other comprehensive income that can be reclassified to profit/loss under the equity method	-23,276	361,730
(2) Changes in fair value of other debt investments	-10,242	-7,914
(3) Amount of financial assets reclassified to other comprehensive		

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income		
(4) Credit impairment provisions for other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements	-102,726	-110,366
(7) Others		
(II) Attributable to non-controlling interests	-19,315	191,613
VII. Total comprehensive income	55,127,696	47,154,350
(I) Attributable to owners of the parent	37,285,935	31,063,458
(II) Attributable to non-controlling interests	17,841,761	16,090,892
VIII. Earnings per Share (EPS):		
(I) Basic earnings per share (RMB/share)	0.92	0.74
(II) Diluted earnings per share (RMB/share)	0.91	0.73

As regards business combinations of entities under common control that took place during the reporting period, net profits realized by the merged parties prior to the combination is: RMB 0; and the net profits of the merged parties realized during the previous reporting period is: RMB 0.

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin
Head of the Finance Department: Xie Song

Consolidated Cash Flow Statement

January - September, 2021

Compiled by: China State Construction Engineering Corporation Limited

Unit: '000 yuan Currency: RMB Type of report: Unaudited

Item	The first 3 quarters in 2021 (Jan. - Sep.)	The first 3 quarters in 2020 (Jan. - Sep.)
I. Cash flows from operating activities		
Cash receipts from sales of goods and rendering of services	1,478,268,673	1,219,644,889
Refund of taxes and surcharges	418,643	207,048
Cash receipts relating to other operating activities	32,790,946	27,401,095
Sub-total cash inflows from operating activities	1,511,478,262	1,247,253,032
Cash payments for goods and services	1,369,595,490	1,206,984,325
Cash payments to and on behalf of employees	71,742,673	57,189,896
Payments of taxes and surcharges	59,106,472	50,610,404

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Cash payments relating to other operating activities	54,391,550	20,881,449
Sub-total cash outflows used in operating activities	1,554,836,185	1,335,666,074
Net cash flow used in operating activities	-43,357,923	-88,413,042
II. Cash flows from investing activities		
Cash receipts from disposal of investments	2,254,786	2,286,853
Cash receipts from returns on investments	3,318,745	2,862,079
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	1,213,893	518,945
Net cash receipts from disposal of subsidiaries and other business units	48	-
Cash receipts relating to other investing activities	13,598,815	15,076,404
Sub-total cash inflows from investing activities	20,386,287	20,744,281
Cash payments to acquire fixed assets, intangible assets and other long-term assets	17,904,088	15,128,382
Cash payments for investments	7,545,648	5,654,184
Net cash payments to acquire subsidiaries and other business units	-	1,199,210
Cash payments relating to other investing activities	18,170,824	12,656,070
Sub-total cash outflows used in investing activities	43,620,560	34,637,846
Net cash flows used in investing activities	-23,234,273	-13,893,565
III. Cash flows from financing activities		
Cash receipts from capital contributions	9,977,493	33,686,230
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries	9,977,493	6,437,362
Cash receipts from borrowings	308,473,841	200,244,847
Cash receipts relating to other financing activities	11,557,876	11,152,296
Sub-total cash inflows from financing activities	330,009,210	245,083,373
Repayments of borrowings	209,847,092	124,176,159
Cash payments for distribution of dividends or profit and interest expenses	31,984,235	28,106,495
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries	8,090,641	3,598,947
Other cash payments relating to financing activities	34,194,003	26,721,114
Sub-total cash outflows used in financing activities	276,025,330	179,003,768
Net cash flows from financing activities	53,983,880	66,079,605
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-40,181	-707,835
V. Net increase in cash and cash equivalents	-12,648,497	-36,934,837

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Add: Cash and cash equivalents at beginning of the period	267,861,580	271,727,808
VI. Cash and cash equivalents at the end of the period	255,213,083	234,792,971

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin
Head of the Finance Department: Xie Song

(III) Adjustments to relevant items in financial statements at the beginning of the current year for the initial application of the New Lease Standards and Accounting Standards for Business Enterprises Interpretation No. 14 in 2021

"√ Applicable" "□ N/A"

Consolidated Balance Sheet

Unit: '000 yuan Currency: RMB

Item	December 31, 2020	January 1, 2021	Change
Current assets:			
Cash and bank balances	295,857,190	295,857,190	
Financial assets held for trading	244,459	244,459	
Notes receivable	31,989,282	31,989,282	
Accounts receivable	160,441,814	161,126,144	684,330
Accounts receivable financing	3,788,082	3,788,082	
Prepayments	42,243,346	41,926,900	-316,446
Other receivables	54,626,721	54,626,721	
Inventories	675,125,328	675,125,328	
Contract assets	141,065,956	141,065,956	
Current portion of non-current assets	77,936,729	76,402,494	-1,534,235
Other current assets	94,311,158	94,311,158	
Total current assets	1,577,630,065	1,576,463,714	-1,166,351
Non-current assets:			
Debt investments	14,605,329	14,605,329	
Other debt investments	356,377	356,377	
Long-term receivables	177,642,042	100,090,041	-77,552,001
Long-term equity investments	86,439,061	86,439,061	
Investments in other equity instruments	5,838,384	5,838,384	
Other non-current financial assets	335,510	335,510	
Investment properties	97,123,680	97,123,680	
Fixed assets	39,126,960	38,553,509	-573,451
Construction in progress	10,933,089	10,933,089	
Right-of-use assets	-	6,010,770	6,010,770
Intangible assets	22,558,997	22,558,997	

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Goodwill	2,290,261	2,290,261	
Long-term prepaid expenses	1,098,709	944,507	-154,202
Deferred tax assets	16,249,442	16,249,442	
Other non-current assets	139,945,933	217,675,104	77,729,171
Total non-current assets	614,543,774	620,004,061	5,460,287
Total assets	2,192,173,839	2,196,467,775	4,293,936
Current liabilities:			
Short-term borrowings	29,317,096	29,317,096	
Notes payable	5,265,592	5,265,592	
Accounts payable	502,386,965	502,386,965	
Advances from customers	607,427	607,427	
Contract liabilities	309,479,052	309,479,052	
Employee benefits payable	8,200,560	8,200,560	
Taxes and surcharges payable	64,026,873	64,026,873	
Other payables	118,273,242	118,273,242	
Current portion of non-current liabilities	88,146,285	88,819,816	673,531
Other current liabilities	70,311,655	70,311,655	
Total current liabilities	1,196,014,747	1,196,688,278	673,531
Non-current liabilities:			
Long-term borrowings	292,897,038	292,897,038	
Bonds payable	88,782,471	88,782,471	
Lease liabilities	-	4,423,410	4,423,410
Long-term payables	17,500,260	17,369,990	-130,270
Long-term employee benefits payable	1,999,420	1,999,420	
Provisions	3,849,660	3,849,660	
Deferred income	482,490	482,490	
Deferred tax liabilities	6,056,150	6,056,150	
Other non-current liabilities	7,496,502	7,496,502	
Total non-current liabilities	419,063,991	423,357,131	4,293,140
Total liabilities	1,615,078,738	1,620,045,409	4,966,671
Owners' equity (or shareholders' equity):			
Paid-in capital (or equity)	41,965,072	41,965,072	
Other equity instruments	10,000,000	10,000,000	
Including: preference shares			
Perpetual bonds	10,000,000	10,000,000	
Capital reserve	10,265,751	10,265,751	
Less: Treasury shares	4,204,385	4,204,385	
Other comprehensive income	-1,179,401	-1,179,401	
Special reserves	135,769	135,769	
Surplus reserve	10,101,632	10,101,632	

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General risk reserve	1,383,765	1,383,765	
Retained earnings	231,953,228	231,280,493	-672,735
Total equity attributable to owners' (or shareholders')	300,421,431	299,748,696	-672,735
Non-controlling interests	276,673,670	276,673,670	
Total owners' equity (or shareholders' equity)	577,095,101	576,422,366	-672,735
Total liabilities and owners' equity (or shareholders' equity)	2,192,173,839	2,196,467,775	4,293,936

Description of each adjusted item:

"Applicable" "N/A"

The Company implemented the New Lease Standards for the first time on January 1, 2021. In doing so, it only adjusted relevant items in financial statements for the cumulative effects of such standards on the date of initial application (i.e. January 1, 2021), without adjusting relevant information in comparable periods. In accordance with the New Lease Standards, the Company reduced prepayments of RMB 316,446,000, fixed assets of RMB 573,451,000, long-term prepaid expenses of RMB 154,202,000, and long-term payables of RMB 130,270,000, and increased right of use assets of RMB 6,010,770,000, current portion of non-current liabilities of RMB 673,531,000, and lease liabilities of RMB 4,423,410,000.

The Company conducted accounting treatment for the first time on January 1, 2021 in accordance with Accounting Standards for Business Enterprises Interpretation No. 14. It did not adjust relevant information in comparable periods pursuant to rules on cohesion, but adjusted the retained earnings and other related items in financial statements at the beginning of the current year by applying the cumulative effects of the above provision on the existing standards on the date of initial application. According to the provision, the Company increased accounts receivable of RMB 684,330,000 and other non-current assets of RMB 77,729,171,000, and reduced current portion of non-current assets of RMB 1,534,235,000, long-term receivables of RMB 77,552,001,000 and retained earnings of RMB 672,735,000.

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited
October 26, 2021