



中國建築股份有限公司
CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

2020

ANNUAL REPORT

Stock Code: 601668.SH

Cover Photo: Ningliang Section of Dongjiakou-Liangshan Expressway



CORPORATE VISION

To be the investment and
construction group with the most
international competitiveness



COPRORATE MISSION

Expanding a happy
living environment

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CHINA SECURITIES REGULATORY COMMISSION
SHANGHAI STOCK EXCHANGE

The Company prepared its 2020 Annual Report in accordance with relevant regulations and guidelines set forth by the China Securities Regulatory Commission and the Shanghai Stock Exchange, including the Publicly Listed Company Information Disclosure Content and Format Guideline No. 2 – Content and Format of the Annual Report, the Shanghai Stock Exchange Listing Rules and other relevant regulations and guidelines. This is a free translation into English of a report issued in China and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, China law 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 2020 Annual Report on the website of the Shanghai Stock Exchange (www.sse.com.cn).

CHAIRMAN'S STATEMENT

Dear shareholders and investors,

On behalf of the Board of Directors of CSCEC, I would like to present to you the Annual Report 2020 of the Company, and to express my sincere gratitude to all stakeholders who have long been supporting and interested in the reform and development of the Company.

The year of 2020 was an exceptionally unusual year. Amid the complex international circumstances and the arduous and onerous missions in relation to consolidating the reform and development initiatives of the PRC, especially the severe impact of the COVID-19 pandemic, and under the strong leadership of the Party Central Committee with Comrade Xi Jinping at the core, CSCEC has implemented in depth the decisions and policies of the Party Central Committee and the State Council, and implemented the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. The Company focused on the strategic goal of "one creation and five aspects of strength", and made the utmost efforts to proceed with pandemic prevention and control and promote production and operation. We made extraordinary progress while maintaining stability and delivered a successful conclusion of the Company's "13th Five-Year Plan" by facing up to challenges and overcoming difficulties with bravery and tenaciousness. The value of new contracts for the whole year stood at RMB3.2 trillion, topping the RMB3 trillion level for the first time, representing a year-on-year increase of 11.6%; the revenue was RMB1.62 trillion, representing a year-on-year increase of 13.7%; the net profit attributable to shareholders of the Company was RMB44.94 billion, representing a year-on-year increase of 7.3%, and basic earnings per share was RMB1.07, representing a year-on-year increase of 10.3%. CSCEC becomes the only company in the global construction industry with both its value of new contracts and revenue exceeding RMB1 trillion. The Company ranked 18th on the Fortune Global 500 list, 3rd on the list of Fortune China 500, and 1st on ENR's Top 250 Global Contractors rankings. We continued to maintain the highest credit ratings among the global industry peers, enhanced our market competitiveness and brand influence and consolidated our leadership in the industry.

In 2020, the Company's business management delivered a number of breakthroughs and achievements, which are mainly reflected in the following five aspects:

Firstly, the Company made remarkable achievements in respect of pandemic prevention and control as well as production and operation. The Company firmly assumed the responsibility and mission of a central enterprise, and resolutely submitted to the overall planning of the national anti-pandemic campaign. By efficiently coordinating and organizing resources from all parts of the society, we completed 119 emergency hospital construction tasks, including Wuhan Huoshenshan and Leishenshan hospitals, and was recognized, among others, as national advanced collective and advanced individuals in fighting the COVID-19 pandemic. The Company coordinated the normalized pandemic prevention and control of tens of thousands of projects under construction in a scientific manner, dispatched working groups and medical teams to help overseas branches handle the pandemic prevention and control based on local conditions, and spared no effort to ensure the safety and health of 350,000 employees and more than 2 million migrant workers. The Company has taken multiple measures to promote the resumption of work and production accurately and forcefully. A substantial number of major projects associated with the national economy and people's livelihood have been advanced as scheduled, and our key operating indicators have reached a record high, thus enabling the Company to effectively playing the role of "stabilizer" and "ballast stone".

Secondly, we submitted to the national strategy firmly and forcefully. The operation of the Company was deeply integrated into the regional coordinated development strategy as we completed investments amounting to RMB308.6 billion in the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Yellow River Basin, and enhanced exchanges and cooperation with local governments and other central enterprises to jointly promote the implementation of national strategies. Our overseas branches have been doing their best to hold on to the local market, and have been deeply implementing the Belt and Road Initiative ("BRI"), thus making key overseas operating indicators buck the declining trend.

Thirdly, the key reform tasks were advancing in depth. As we comprehensively implemented the three-year campaign of state-owned enterprise reform and conscientiously enforced "two consistencies" to facilitate the improvement of modern enterprise system with Chinese characteristics, we have achieved phased results of key special project reforms in pilot programs including "mixed-ownership pilot campaign", "Two-hundred Campaign" and "Science Reform Demonstration Action". Furthermore, the pilot program of the professional manager system reform has reaped more matured results, and the "Management Enhancement Action in Alignment with International Top Level" has been carried out in a comprehensive manner. The phase IV A-share incentive scheme smoothly kicked off with a view to stimulating the enthusiasm and creativity of managers and key personnel on a larger scale.

Fourthly, the “Six Special Actions” continued to be carried out in depth. The Company insisted on taking special actions to strengthen our areas of weakness, having solved a number of bottlenecks that obstruct our high-quality development. Science and technology innovation reached a new level. In particular, the Company won two more first prizes of the State Scientific and Technological Progress Award, and the investment in R&D and the number of innovation achievements hit a record high. Efforts were made to deploy and build a new generation of information architecture, and accelerate the pace of digital transformation of enterprises. As the target of reducing leverage was successfully achieved, the debt-to-asset ratio at the end of the year was 73.7%, and the total asset turnover ratio improved year-on-year. We are more capable of making investment and management decisions and operating PPP projects. Our refined project management was continuously improved, and the safety production conditions was continuously optimized.

Fifthly, the Company undertook its social responsibility proactively and fruitfully. We successfully completed the task of targeted poverty alleviation assistance, particularly, helping remove all three targeted poverty alleviation counties in Gansu from the poverty-stricken counties list. We have safeguarded the timely payment for migrant workers and private enterprises as agreed. Vigorous efforts were made to give full play to the supporting and leading functions of the industry chain and supply chain, thus boosting the common development of upstream and downstream enterprises. We recruited 28,000 college graduates and created 2 million jobs, making an important contribution to stable employment.

The year 2020 is the final year of the 13th Five-Year Plan. Over the past five years, as CSCEC has been studying and implementing the important remarks of General Secretary Xi Jinping on the reform and development of state-owned enterprises and building of Party, the Company has made remarkable achievements in the reform and development, creating one miracle after another in the history of global architecture and delivering a magnificent picture of Chinese construction. By accelerating the pace of reform, the Company has been successfully selected by SASAC as one of the 10 model enterprises for the “World-class Enterprises Campaign” and has established and expedited the achievement of its strategic goal of “one creation and five aspects of strength”. The Company’s exceptional achievements in technological innovation and engineering excellence were demonstrated by 12 National Science and Technology Progress Awards, 25 awards of Tien-yow Jeme Civil Engineering Prize, 142 CSCEC Engineering Luban Awards and 301 National Quality Engineering Awards. As the Company’s competitive edge in the whole industry chain has been consolidated, we saw sustained enhancement in the development quality of housing construction, infrastructure, real estate as well as prospecting and design, steady growth of our overseas business and fast expansion of our new business. Specifically, the Company recorded an average annual growth rate of 12.9% in revenue and 11.5% in net profit attributable to ordinary shareholders of the Company. The Company jumped from the 37th to the 18th place in the Fortune Global 500 rankings, maintaining its position as the world’s largest investment and construction group. The Company has been practicing its social responsibility in an in-depth manner. It was actively committed to improving people’s livelihood, successfully completing the task of targeted poverty alleviation assistance, thus making positive contributions to the overall building of a well-off society. During the period, the Company distributed dividends to all shareholders in an amount of more than RMB33.7 billion in an effort to bring returns to investors.

The year 2021 marks the 100th anniversary of the founding of the Communist Party of China and the first year of the “14th Five-Year Plan”. CSCEC will firmly hold high the great banner of Xi Jinping’s thought on socialism with Chinese characteristics in the new era, fully implement the spirits of the 19th CPC National Congress, the 2nd, 3rd, 4th and 5th Plenary Sessions of the 19th CPC Central Committee and the Central Economic Work Conference, earnestly arrange meetings of heads of central enterprises, adhere to the general work guideline of making progress while maintaining stability. In addition, as we enter a new development stage, we will follow a new development philosophy and help to foster a new development pattern. We will also focus on the “one creation and five aspects of strength” strategic goals, accelerate the implementation of 166 strategic initiatives, enhance the normalized pandemic prevention and control, strictly regulate production and operation and promote high-quality development. The Company is striving to sign new contracts worth over RMB3.50 trillion and register a revenue of RMB1.76 trillion. The Company is dedicated to bringing better returns to its shareholders and investors and embracing the 100th anniversary of the founding of the Party with exceptional achievements and top-level performance.

Chairman: Zhou Naixiang

April 16, 2021

IMPORTANT NOTES

- I. **The Company's Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management guarantee that information contained in the Annual 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.**
- II. **This 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.**
- III. **Ernst & Young Hua Ming LLP (Special General Partnership) issued a standard unqualified audit report to the Company.**
- IV. **Zhou Naixiang, Head of the Company (Chairman); Wang Yunlin, Head of Accounting (Chief Financial Officer); and Xie Song, Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial report set out in the Annual Report is true, accurate and complete.**
- V. **Profit distribution plan or the conversion plan of reserves to share capital for the Reporting Period considered by the Board of Directors**

On the basis of 41,948,167,844 capital shares as of the date of disclosure, the Company proposes to distribute a cash dividend of RMB2.147 (tax inclusive) for every 10 shares to all ordinary shareholders, and the ratio of the annual cash dividend payout to net profit attributable to shareholders of the Company is 20.04%. In case of any change in its total share capital prior to the record date of shareholders for profit distribution plan, the Company proposes to maintain the distribution ratio per share unchanged, and to adjust the total distribution amount accordingly. An announcement containing details of the adjustments will be made separately. The profit distribution plan was considered and approved at the 53rd meeting of the second session of the Board and is subject to the consideration and approval by the 2020 annual general meeting of the Company.

- VI. **Risk statement with respect to forward-looking statements**

Applicable N/A

This Report contains certain forward-looking statements made on subjective assumptions and judgments on future policies and economic trends, which may differ from the actual results or trends due to a range of variables.

The forward-looking statements regarding future plans, development strategies, etc. contained in this Report do not constitute a material commitment to investors by the Company, and investors are advised to exercise attention.

- VII. **Whether there is any non-operating misappropriation of funds of the Company by the controlling shareholder and its related parties**

No

- VIII. **Whether the Company has provided any guarantee in favor of external parties in violation of the prescribed decision-making procedures**

No

- IX. **Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the Annual Report disclosed by the Company**

No

- X. **Warning on major risks**

During the Reporting Period, the Company is not exposed to major risks.

The Company has described possible related risks in detail in this Report. Please refer to the relevant information set out in "Discussion and Analysis of the Future Development of the Company" under Section IV "DISCUSSION AND ANALYSIS OF BUSINESS OPERATION" hereof.

- XI. **Miscellaneous**

Applicable N/A

In addition to the audited financial data, the business data used in this Report comes from the management of the Company.

SECTION I DEFINITIONS

In this Report, unless the context otherwise requires, the following words shall have the following meanings:

Definitions of common words

CSCEC/the Company	China State Construction Engineering Corporation Limited (中国建筑股份有限公司)
China State Construction/the Group	China State Construction Engineering Corporation (中国建筑集团有限公司)
China Construction First Group Corporation to Eighth Engineering Division	China Construction First Group Corporation Limited to China Construction Eighth Engineering Division Corp. Ltd. (中国建筑一局(集团)有限公司至中国建筑第八工程局有限公司)
Xinjiang Construction & Engineering	CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. (中建新疆建工(集团)有限公司)
COHL	China Overseas Holdings Limited (中国海外集团有限公司)
CSCEC International Operations	China State Construction Engineering Corporation International Operations (中国建筑国际工程公司)
China Overseas	The real estate development brand and business owned by China Overseas Land & Investment Ltd. (中国海外发展有限公司) (00688.HK), a subsidiary of COHL
CSC Land	The real estate brand and business other than “China Overseas” that CSCEC is engaged in
China Construction Engineering Design Group	China Construction Engineering Design Group Corporation Limited (中国中建设计集团有限公司)
China Overseas Land & Investment	China Overseas Land & Investment Ltd. (中国海外发展有限公司) (00688.HK)
CSC International	China State Construction International Holdings Limited (中国建筑国际集团有限公司) (03311.HK)
China Overseas Grand Oceans	China Overseas Grand Oceans Group Limited (中国海外宏洋集团有限公司) (00081.HK)
CSC Development	China State Construction Development Holdings Limited (中国建筑兴业集团有限公司) (00830.HK)
China Overseas Property	China Overseas Property Holdings Limited (中海物业集团有限公司) (02669.HK)
West Construction	China West Construction Group Co., Ltd. (中建西部建设股份有限公司) (002302.SZ)
CSC Finance	China State Construction Finance Co., Ltd. (中建财务有限公司)
China Construction Fangcheng	China Construction Fangcheng Investment & Development Group Co., Ltd. (建方投资发展集团有限公司)
China Construction Capital	China Construction Capital Holdings Limited (中建资本控股有限公司)
China State Decoration	China State Decoration Group Co., Ltd. (中国建筑装饰集团有限公司)
China Construction Infrastructure	China Construction Infrastructure Co., Ltd. (中国建设基础设施有限公司)
CSCDC	China State Construction Development Co., Ltd. (中国建筑发展有限公司)
China Construction Science and Industry	China Construction Science and Industry Corporation Ltd. (formerly known as China Construction Steel Structure Co., Ltd. (中建钢构有限公司))
China Construction Communications	China Construction Communications Engineering Group Co., Ltd. (中建交通建设集团有限公司)
China Construction Science & Technology	China Construction Science & Technology Group Co., Ltd. (中建科技集团有限公司) (formerly known as China Construction Science & Technology Co., Ltd. (中建科技有限公司))
China Construction Harbour and Channel Engineering Bureau	China Construction Harbour and Channel Engineering Bureau Group Co., Ltd. (中建港航局集团有限公司)
Articles of Association	Articles of association of China State Construction Engineering Corporation Limited
Reporting Period	From January 1, 2020 to December 31, 2020

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. Information of the Company

Chinese name	中国建筑股份有限公司
Chinese abbreviation	中国建筑
English name	China State Construction Engineering Corporation Limited
English abbreviation	CSCEC
Legal representative	Zhou Naixiang

II. Contact Details

	Secretary to the Board of Directors
Name	Xue Keqing
Address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Tel.	010-86498888
Fax	010-86498170
Email	ir@cscec.com

III. Overview of Basic Information

Registered address	No.15, Sanlihe Road, Haidian District, Beijing
Postal code of the registered address	100037
Office address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Postal code of the office address	100029
Website	www.cscec.com
Email	ir@cscec.com

IV. Information Disclosure and Place for Inspection of Annual Report

Name of media designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by CSRC for publishing annual report	www.sse.com.cn
Place for inspection of annual report	CSCEC Board Office CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing

V. Overview of Stocks

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

VI. Other Relevant Information

	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
Accounting firm engaged by the Company (domestic)	Office address	Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing, PRC
	Name of signatory	Zhou Ying, Yang Shujuan, Shen Yan

VII. Key Accounting Data and Financial Indicators for the Last Three Years

(I) Key accounting data

Unit: '000 yuan Currency: RMB

Key accounting data	2020	2019	Change YoY (%)	2018	
				After adjustment	Before adjustment
Revenue	1,615,023,327	1,419,836,588	13.7	1,199,324,525	1,199,324,525
Profit before income taxes	94,290,605	81,467,846	15.7	71,788,788	71,788,788
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 cash flows from operating activities	20,271,781	-34,220,077	/	10,311,290	10,311,290

	At the end of 2020	At the end of 2019	Change YoY (%)	At the end of 2018	
				After adjustment	Before adjustment
Net assets attributable to shareholders of the Company	300,421,431	277,197,681	8.4	243,892,279	243,961,186
Total assets	2,192,173,839	2,034,451,929	7.8	1,849,004,412	1,861,840,298
Total share capital at the end of the period	41,965,072	41,975,630	-0.03	41,985,174	41,985,174

(II) Key financial indicators

Key financial indicators	2020	2019	Change YoY (%)	2018	
				After adjustment	Before adjustment
Basic earnings per share (RMB/share)	1.07	0.97	10.3	0.87	0.87
Diluted earnings per share (RMB/share)	1.07	0.96	11.5	0.85	0.85
Basic EPS (RMB/share) after deducting non-recurring profit or loss	0.99	0.98	1.0	0.85	0.85
Weighted average return on net assets (%)	15.54	15.60	Decrease of 0.06 percentage points	15.97	15.97
Weighted average return on net assets after deducting non-recurring profit or loss (%)	14.76	15.84	Decrease of 1.08 percentage points	15.66	15.66
Net assets per share attributable to ordinary shareholders (RMB/share)	6.92	6.10	13.4	5.26	5.26
Dividend per 10 shares (RMB)	2.147	1.85	16.1	1.68	1.68

Explanation on the Company's key accounting data and financial indicators for the three years preceding the end of the Reporting Period

√ Applicable □ N/A

- ① Due to the Company's adoption of new accounting standards during the period, the amounts before and after adjustment represent those at the end of the 2018 Reporting Period and those at the beginning of period after the adoption of new standards on January 1, 2019 respectively.

- ② 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.
- ③ According to relevant accounting requirements, when calculating earnings per share, the dividends or interests of other equity instruments such as preferred stocks and perpetual bonds and restricted shares shall be excluded from the net profit attributable to shareholders of the listed company.
- ④ 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 at the end of the Reporting Period.
- ⑤ Dividend amount (tax inclusive).

For details, please refer to Note XI "Share-based payment" and Note V. 63 "Earnings per share" to the financial statements under Section XI "FINANCIAL REPORT" hereof, and Supplementary Information from the Management II "Return on Net Assets and Earnings Per Share" and other relevant information.

VIII. Differences between Accounting Data under Domestic and Foreign Accounting Standards

- (I) Differences of net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the International Accounting Standards and Chinese Accounting Standards
 Applicable N/A
- (II) Differences of net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with both foreign accounting standards and Chinese accounting standards
 Applicable N/A
- (III) Explanation on differences between domestic and foreign accounting standards
 Applicable N/A

IX. Key Financial Data of 2020 by Quarter

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 the Company after deducting non-recurring profit or loss	7,419,483	11,163,925	11,122,972	12,979,142
Net cash flows from operating activities	-90,976,368	20,331,162	-17,767,836	108,684,823

Note: The Company's key quarterly financial data has not been audited.

Explanation on differences between the quarterly data and data contained in regular reports disclosed

Applicable N/A

X. Statement of Non-Recurring Profit or Loss

√ Applicable □ N/A

Unit: '000 yuan Currency: RMB

Non-recurring items	Amount of 2020	Note (if applicable)	Amount of 2019	Amount of 2018
Gains from disposal of non-current assets	143,538	/	80,472	29,931
Government grants related with non-daily operations	110,094	Non-operating income and expenses	137,067	75,848
Gain from stepped acquisition	133,746	Investment income	248,249	-238
In addition to the normal operation of the company's effective hedging business, income/losses arising from changes in fair value and from disposal/redemption of the financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	247,894	/	-436,009	-325,733
Interest income from loans non-financial corporations	58,784	/	492,765	247,830
Reversal of the provision on receivables and contract assets for impairment on an individual basis	1,288,041	/	2,291,693	849,770
Income from disposal of long-term equity investments	7,016	/	274,341	3,385
Investment income from disposal of subsidiaries	136,721	/	138,333	226,038
Losses from non-operating activities or occasional matters	1,212,987	/	-3,127,374	/
Other non-operating income and expenses than the above items	-278,721	/	77,620	87,215
Impact on income tax	-559,777	/	-615,658	-384,906
Impact on non-controlling interests (after tax)	-241,595	/	-171,647	-103,394
Total	2,258,728	/	-610,148	705,746

XI. Items Measured at Fair Value

√ Applicable □ N/A

Unit: '000 yuan Currency: RMB

Name of item	Opening balance	Closing balance	Current changes	Effect on current profits
Exchangeable bonds	11,635,832	4,421,322	-7,214,510	60,204
Financial assets held for trading	902,072	244,459	-657,613	12,266
Investments in other equity instruments	8,069,043	5,838,384	-2,230,659	156,146
Other non-current financial assets	50,510	335,510	285,000	0
Accounts receivable financing	3,674,166	3,788,082	113,916	0
Current portion of non-current assets	0	182,608	182,608	0
Other debt investments	612,106	356,377	-255,729	19,278
Other current assets	3,557,504	2,906,177	-651,327	59,533
Total	28,501,233	18,072,919	-10,428,314	307,427

XII. Miscellaneous

□ Applicable √ N/A

SECTION III OVERVIEW OF BUSINESS OPERATION

I. Explanation on the Company's Principal Business, Business Model and Industry Information during the Reporting Period

(I) Principal business and business model

As an investment and development conglomerate bestowed with the longest history of specialized and market-oriented operation, the most developed level of integration in the PRC and the largest scale in the world, CSCEC is a market leader in housing construction engineering, infrastructure construction and investment, real estate development and investment, prospecting, and design etc. CSCEC ranks 18th in Fortune Global 500 (2020) and among top 3 on the list of Fortune China 500 for eight consecutive years, and tops the list of the 2020 Top 250 Global 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 for construction projects and integrated urban construction. Featuring a "four in one" business model integrating planning and design, investment and development, infrastructure construction and housing construction engineering, it provides a turnkey solution covering all aspects, processes, elements for urban development projects, with a priority given to the synergy between internal resource integration and business development.

Tapping into more than 100 countries and regions, CSCEC, as the largest engineering contractor in the world, specializes in a broad range of business 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 land 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 super-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". Under the guidance of "Decision to Accelerate the Establishment of World-class Enterprises" and the "Implementation Plan of the World-class Model Enterprises Campaign", we continue to explore the science connotation of "one creation and five aspects of strength"¹ in alignment with world-class enterprises and advanced enterprises in the industry, focus on enhancing scientific and technological innovation, improve governance effectiveness, deepen reform of state-owned enterprises, integrate into national strategies, promote international operations, accelerate digital transformation, promote green development, develop and expand new business, and improve the level of leadership of Party building.

CSCEC further deepened the reform and innovation as the driving force, benchmarking with the top enterprises within and beyond the industry in the world, steadily promoted the "Two-hundred Campaign" reform, the "mixed-ownership pilot campaign" and the "Innovative Technology Reform Demonstration Enterprise" initiative, in a way to continuously optimize our corporate governance mechanism and modern enterprise system. "Two-hundred Campaign" reform reaped promising result, the Second Construction Co., Ltd. of China Construction First Group Corporation Limited advanced the reform in all aspects. The specific measures included introduction of strategic investors, completion of capital increase and share increase, transition from a sole shareholder to binary shareholders, taking office by the first batch of professional managers and simultaneously facilitating the "three systems" reform consisting of administration, labor and distribution. CSCEC adopted a market-based human resource management approach comprehensively whereas we had in place full coverage of performance appraisal, establishing a performance culture and remuneration system to provide incentives for value creation and sophisticated and diversified incentive mechanisms including restricted share plan, share option incentive, bonus incentive and tenure incentive in a bid to stimulate the vitality of the Company. Under the market-oriented and contract-based guidance, CSCEC introduced the reform of professional manager system in seven subsidiaries and the tenure system and contractual management of managerial members in the subsidiaries which carried out "innovative technology reform" and "mixed-ownership pilot campaign". Accordingly, "three systems" reform has been undergoing in an in-dept manner.

¹ "one creation" refers to the goal of establishing CSCEC as a world-class company with strong global competitiveness. "five aspects of strength" refer to strong value creativity, strong innovation leadership, strong brand influence, strong international competitiveness and strong cultural soft power.

Upholding the guiding philosophy of “implementing the new development concepts and adhering to high-quality development”, CSCEC made concrete efforts to advance the restructuring, transformation and upgrading. The Company took the strategic goals of “one creation and five aspects of strength” as the guide for the “14th Five-Year Plan”, to unify our thinking and lead the future, and uphold the concepts of marketization, high-quality development, reform and innovation, green development, people-oriented development, development conforming to greater security and international development. Motivated by our determination of building up a globally competitive top-class enterprise, and on the basis of facilitating the reform of state-owned enterprises, the Company accelerated “166” strategic initiatives² and was committed to becoming a leading global conglomerate with strong value creativity, strong innovation leadership, strong brand influence, strong international competitiveness and strong cultural soft power.



Housing construction engineering

Positioned as a competitive player in the entire construction industry chain, we are committed to providing domestic and foreign clients with one-stop services from design, construction to implementation of major high, big, professional, cutting-edge, difficult and special construction projects. To this end, we implemented a series of measures, including tapping our potential, strictly controlling over construction quality and costs, and improving client satisfaction. Meanwhile, we adhered to a marketing strategy oriented toward “high-end markets, high-end customers, high-end projects” and an operation strategy prioritizing “low-cost competition, high quality management”. We have 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 in the field of housing construction in China, which established CSCEC as a leader in the Chinese and global housing construction markets. As a trendsetter in the industry, the 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, we completed many high-profile domestic and international infrastructure projects ranging from urban rail transits, high-speed railways, extra-large bridges, expressways, municipal roads, urban utility tunnels, ports and waterways, electricity, mining, metallurgy, petrochemical, airports to nuclear power plants, leveraging our advantages in technology, management and talent. In addition, the Company rapidly grows to be the best Chinese infrastructure financier and investor in reliance upon solid financial strengths. Recognized as one of the most trusted investors for BT (Build-Transfer), BOT (Build-Operate-Transfer) and PPP (Public-Private Partnership) projects, we invested in numerous key national and regional projects, with long-term strategic partnerships in respect of infrastructure investment and construction established with a number of provincial, autonomous region, and direct controlled municipal governments and dozens of major cities. Furthermore, infrastructure facilities built by us can also be found in dozens of countries and regions worldwide, including North America, Central America, Hong Kong SAR, Macao SAR, Southeast Asia, North Africa, Central and West Africa, South Africa, Middle East, and 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 BRI. As a strong supporter of national strategies and serving the needs of people’s livelihood, CSCEC will continue to broaden its infrastructure business and actively participate in new 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.

² “166” strategic initiatives refer to “One Improvement, Six Commitments and Six Specialization” strategic initiatives. Specifically, One Improvement means further improving political stance. Six Commitments means commitment to high-quality development, commitment to innovation-driven development, commitment to serving national strategies, commitment to deepening reform of state-owned enterprises, commitment to accelerating transformation and upgrading, and commitment to incorporation of Party leadership into corporate governance. Six Specialization means the special acts of deepening inspection and rectification, enhancing scientific and technological innovation, disposing of inefficient and ineffective assets, improving basic management, promoting information building-up and strictly enforcing safety production.

China Overseas Land & Investment Ltd. (“China Overseas”) and China State Construction Land (“CSC Land”) are the two real estate brands owned by CSCEC. Specifically, 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 by the real estate business of the Company’s subsidiaries and branches, mainly engaged in the middle-end real estate projects in first- and second-tier cities, as well as the localized operation of real estate projects in third- and fourth-tier cities. CSCEC has stepped up synergy between internal resources integration and business development to vertically integrate a wide variety of operations ranging from investment, property development, design and construction to property operation and services. Leveraging on extraordinary construction technology, advanced real estate development concept and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate business area, and formed a unique competitive advantage in the industry chain. Meanwhile, the Company has actively innovated products and business models and focused on the public’s housing needs, and has been closely involved in the “New Urbanization” campaign to make life more joyful for the people and build a more beautiful China.



Real estate development and investment

The prospecting and design business arm of CSCEC mainly consists of seven top-rated major prospecting and design service providers, with business covering architectural design, urban planning, engineering survey, public utility design, etc. The Company has established itself as a market leader in super-high-rise buildings, airports, hotels, sports facilities and exhibition venues and ancient architects. We currently have almost 20,000 high-end technical professionals specializing in construction engineering and design, public utility engineering and design, 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.



Prospecting and design

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 the 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, attempt has been made in respect of capital operations such as cross-border mergers and acquisitions to enhance the quality and efficiency of development overseas business. 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.



Overseas operations

(II) Overview of the industry

The construction industry is an important pillar industry of the national economy, which has a close relationship with the development of the entire national economy and the improvement of people's livelihood. In recent years, China's construction industry has continued to develop rapidly, with its scale expanding, and the construction capacity improving. 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 expanded effective investments, increased investment in strategic emerging industries, stepped up the upgrade focusing on industrialization, digitalization and smart operation of construction, with a view to cultivating "Chinese Construction" brands with global competitiveness. We have also witnessed a shift of focus in innovation and application of technologies toward BIM, industrial Internet, 5G, artificial intelligence, Internet of Things (IoT), big data, cloud computing, robots and building machines, etc. Meanwhile, adhering to the "green development" strategy, the government has worked out a scientific and sound urbanization plan focusing on improving the ecological environment, 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 nearly 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 property construction market. Specifically, the government has pushed forward new urbanization initiatives such as the transformation of old urban residential blocs and communities, as well as medical and healthcare, cultural and entertainment, sports and fitness facilities, and facilities for people's livelihood, opening up new opportunities for construction companies. The government has also promoted prefabricated building development and the proportion of newly started prefabricated buildings has increased 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 maintained 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 investment, industry and technology platforms that promote

eco-friendliness, smart buildings and construction industrialization within the CSCEC system.

Focusing infrastructure investment on key areas.

In 2020, the central government has 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, and the total volume of road and railway projects will remain at a high level. Along with the commercialization of the 5G technology in the future, the focus of infrastructure investment will shift toward the new-generation infrastructure such as AI, the Industrial Internet and IoT.

The real estate sector is transiting to a stock-based model.

In 2020, adhering to the regulatory policy that "houses are for living in, not speculation", the central government implemented measures specifically based on local conditions, adopted multiple strategies, and 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 intrinsic function – houses are for people to live in. Stringent regulatory policies were maintained, and as the government introduced policies such as the "three red lines" for real estate companies, the incremental market tends 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 of transformation of old communities exceeds RMB4 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 promotes the development of the market for decoration and public supporting facilities construction.

II. Explanation on Significant Changes in the Company's Major Assets during the Reporting Period

√ Applicable N/A

During the Reporting Period, there were no significant changes in the Company's major assets. For details of changes in major operating assets, please refer to the relevant information of "Analysis of assets and liabilities" under Section IV "DISCUSSION AND ANALYSIS OF BUSINESS OPERATION" hereof.

Among them: overseas assets amount to 1,854 (Unit: 100 million yuan, Currency: RMB), accounting for 8.5% of the total assets. The above data of overseas asset has not been audited.

III. Analysis of the Core Competitiveness during the Reporting Period

√ Applicable N/A

(I) Market-oriented operating mechanism

As a main body of the market economy, CSCEC will always adhere to the market-oriented operating mechanism, to respect, abide by, adapt to and take advantage of market rules, and gradually enhance its ability to operate in compliance with market rules. Faced with the cut-throat market competition, CSCEC will take innovative approaches to tap into and continuously meet the real and potential needs of customers, and continuously retain and attract customers with high-quality products and value-added services. The Company will always adhere to the concept focused on performance, and pursue excellence in performance by clearly defining objectives, scientifically designing processes and strengthening efficient operations, as well as pursuing the growth at scale supported by profitability. With the efficient utilization and operation of resources, the Company will improve efficiency in turnover of assets, and achieve return on assets higher than that of average level of the industry while vigorously promoting economies of scale, and continue to gain higher market share through steady growth. We always pay close attention to cash flow and take all measures to ensure net operating cash inflow to pursue the sustainable and healthy development of the Company.

Innovation is the eternal focus for enterprises. As uncertainties in the market economy are becoming common, CSCEC will break the market equilibrium with creativity, actively capture profit opportunities, seek to reorganize production elements, continuously enhance quality of products and service, and open up new markets, new business and new customer base to make full use of changes to explore innovation, thereby enhancing the Company's market competitiveness. As an economic organization, the Company will always be committed to pursuing economic performance, while believing that an enterprise that truly stands up to market trends and has an ever-growing foundation must be a model for practicing social responsibility. CSCEC will uphold the concept of green development, be dedicated to building quality projects for the society, actively fulfill social responsibilities, and boost the happiness of people.

(II) Direction of globalization

The Company has always been adhering to the international business philosophy, solidly promoting the high-quality development of overseas business, focusing on the integration of domestic and foreign resources, and is committed to becoming a multinational company that allocates resources globally and operates efficiently. Thus, the Company took swift actions amid the COVID-19 pandemic, and further enhanced its brand influence and global competitiveness by leveraging on advantages of the whole industry chain and global resource allocation capabilities. The Company adopted a localized operating approach, deeply developed the market where the Company was operated and deeply participated in the urban development to actively explore a business model conforming to the development of the host country. Through localized operation and by establishing a community of interests with local partners, we achieved sustainable development in the host country. The Company insisted on market-oriented competition, improved its internationalization level through competition with world-class enterprises and win-win cooperation, and broadened its global thinking with a view to laying a solid foundation for the Company to participate in global competition and cooperation at a higher level and to a deeper extent.

(III) Relevant and diversified and vertically integrated expansion

Producing or offering products or services that can continue to secure, serve and satisfy customers, is an important guarantee for the long-term development of the Company. In terms of selecting products (or services), the Company has centered on the diversification based on its existing technological advantages and market advantages. The Company will continue to maintain its traditional advantages in prospecting and design, housing construction and real estate development, while actively expanding horizontally in other fields such as infrastructure investment and construction business.

CSCEC is committed to the vertically integrated expansion of investment, design, construction, operation and services, and strives to establish a unique market position in the domain of its business, creating competitive advantages that are difficult for its competitors to follow suit.

(IV) Competitive strategy featuring high quality, low cost and differentiation

Providing products and services with high quality and at low cost to the public has always been the goal of CSCEC. High quality comes from the Company's technological, human resources and organizational advantages; while low cost stems from the Company's integrated business model, benefits of scale as well as economies of speed. As an outstanding SOE representative in a perfectly competitive industry, CSCEC has always taken "making appropriate and correct decisions and doing right things" as the basic direction of the Company's production, operation and career development. Focusing on implementing the marketing strategy of "high-end markets, high-end customers, high-end projects", the Company continues to carry out "differentiation oriented" market operations and competition. Through implementing the "differentiation" strategy, different subsidiaries within the Company focus on their respective market segments, either differentiating by profession (specialization), or by region (regionalization), to develop their own "core products, unique services" to reduce internal disorderly competition and strengthen the overall advantage of external competitiveness.

(V) A management and control model with balanced authorization and centralization

Showing respect to the development history of CSCEC, a competitive group management and control model is explored and formed on the basis of the Group formed by multi-legal carriers. The Company's headquarters is positioned as one that exercises strategic management and control, fulfilling the responsibilities and duties of leadership, service and supervision, and insists on the liberalization and management of the second-level subsidiaries. The second-level subsidiaries operate under the authorization of the Company and enjoy the corresponding authorities based on the extent of the responsibility. For labor-intensive and mature business, we increase the authorization and expand market contact to speed up market response and improve service quality. For capital-intensive and less mature business, we focus on resources to bring impact to target market segments, and actively seek rapid breakthroughs in target markets on the basis of effectively avoiding risks. Aiming at different market segments, we adopt different strategies for market competition and corresponding management and control models.

(VI) Results-oriented and accountability-based management system

Various management efforts of the Company have always been committed to the realization of the Company's mission, vision and goals. The fundamental purpose of management is to improve the efficiency of our work, while making our employees more fulfilling and the Company more prosperous in the future. By way of the organic integration of the management actions in the various functional areas of the Company, a vital, scientific, reasonable, concise and efficient system is formed, which is believed to play an effective role in avoiding taking isolated and disorderly actions and making excuses, and achieving the unification of responsibilities and rights. We firmly believe that managers are defined by their responsibilities. In order to improve the quality of products and services, the Company is committed to the standardization of management, technology and works. With the help of information technologies and through the "integration" of standardization and informatization, work efficiency is improved, and "bottom line management" is implemented to enhance product quality and reduce operating costs.

(VII) "People-centered" human resource management

The Company firmly believes that human resource is one of the core competitiveness of the Company. For CSCEC, one of the aspects that can best reflect its competitive advantage is that it has a large group of talents dedicated to the enterprise and their careers, having faith in that the interests of the team are higher than those of the individuals, having a good knowledge of technology and management and good at marketing with merits as self-discipline, self-motivation and self-betterment.

The Company will always follow the basic human resources management concept of "retaining talents with career development opportunities, emotional connection and rewards" and "caring for individuals", and will embed this concept into the human resources management policies of the Company. The Company intends to establish a salary incentive mechanism that combines individual value creation and ability and shares the solid results of the development of enterprise, while strengthening the attraction and development of talents to better provide strong talent support to its development.

The Company will always adhere to the employment principle of having both ability and morality while deeming virtue as a priority. The Company believes that, "every individual has his/her shortcomings and strengths", and does not pursue perfect talents, but instead follows the concept of "employing people with strengths". The Company adheres to the "performance-based principle", and "evaluates talents based on performance" through the "horse racing mechanism".

(VIII) Promote development under the strategy of “integration of industry and finance”

Under the ever-changing external environment and in response to the diversified needs of its principal business, CSCEC gives full play to the role of industrial finance, tapping the potential of its internal financial service institutions and providing financial services for the development of its principal business, thus forming an industry-financing integration mode with the characteristics of CSCEC. Leveraging on external financial market and internal professional financial platforms such as CSC Finance and China Construction Capital, and in line with the characteristics of the industry in which the Company engaged, the Company has carried out domestic and overseas capital pooling, loan pooling, bank credit financing, bond financing, equity financing, structured financing, accounts receivable factoring, asset securitization, supply chain financial, insurance pooling and other business, thus providing timely, differentiated financial services which are irreplaceable by social finance and playing an active role in driving the development of the principal business, broadening financing channels, reducing financing costs, revitalizing stock assets, and realizing capital reduction and efficiency gains. At the same time, the Company strictly implements relevant national policies, strengthens daily management, strictly controls financial risks, and stops its capital moving from the real economy to the virtual economy and arbitrage of idle funds.

(IX) Core competitiveness driven by innovation in science and technology

The Company believes that science and technology are the primary productive force, which is a critical pull for the growth and expansion of the Company. Despite being a player in a traditional industry, our continuous efforts in innovation in science and technology have brought changes in our production and organization models, ensuring our leadership in cost control and providing support for economies of scale and speed to form solid competitiveness in key aspects. During the “13th Five-Year Plan” period, the Company took the lead in undertaking 10 national key R&D projects, ranking first among building construction enterprises, involving green building, intelligent construction, building industrialization, energy conservation and environmental protection, basic engineering software and other fields.

During the “13th Five-Year Plan” period, the Company accelerated the construction of an open and collaborative technological innovation system, further stimulated the innovation drive, intensified efforts to make breakthroughs in key and core technologies, and created strong industrial technology advantages. In terms of deepening the reform of the science and technology system, the Company improved the system of scientific research management, results management, and incentives for R&D talents by granting scientific research personnel the authority to make decisions on the technical route, expanding the authority to adjust the scientific research budget of the undertaking unit, increasing the incentive for R&D talents, and mobilizing the enthusiasm for innovation. In terms of strengthening technical leadership, through continuous innovation, the Company has been engaged in diverse business fields such as super high-rise construction equipment and technology, large-span building construction technology and techniques, intelligent manufacturing of steel structures, high-performance concrete new materials, new-generation nuclear power plant construction technology, architectural design with new Tang style and airport architectural design, which formed strong scientific and technological strength and provided powerful impetus for the development of the Company's housing construction, infrastructure, overseas and new businesses.

In terms of reinforcing the building of the science and technology system, investment in science and technology has continued to increase. The initial layout of innovation platform building-up has been formed, consisting of 103 high-tech enterprises, 5 national-grade enterprise technology centers (including sub-centers), 59 provincial and ministerial-grade enterprise technology centers, 5 provincial and ministerial-grade engineering research centers, 23 engineering technology research centers, 2 key laboratories, 1 engineering laboratory, of which there is a total of 31 provincial and ministerial-grade innovation platforms. We have built 10 postdoctoral workstations and 16 other kinds of science and technology innovation platforms, forming an innovation development mechanism led by independent innovation and combining industry, academia, research and application.

(X) Corporate culture in mind and action

CSCEC is an enterprise with a glorious history. We are innovating in the course of inheritance, adhering to the mission of “bringing genuine happiness to society”, and committed to becoming the most internationally competitive investment and construction group. In the process of fulfilling the mission and realizing the vision, the core values of “quality assurance, value creation” and the entrepreneurial spirit of “integrity, innovation, transcendence, and win-win” will be integrated into the rules and management behaviors and become part of the soft power of the Company.

Resources can be exhausted, only culture lasts. Adhering to its creed which is formed against the backdrop of the market economy, the Company has seen a constant integration with its subsidiaries in culture development, which provides ongoing internal support for the Company's ever-growing business.

IV. Brand, Creditability and Honors during the Reporting Period

Based on CSCEC's good performance in brand building and operation development, the brand reputation and industry influence of the Company has been further strengthened during the Reporting Period.

Brand value steadily increased. The Company ranked 18th in the Fortune Global 500 (2020), 3rd among the Fortune China 500, first in ENR's "Top 250 Global Engineering Contractors", and among the top 10 in ENR international contractors list for three consecutive years. "CSCEC" ranked first in the UK Brand Finance "2020 Global Brand Value Top 500"; in the value evaluation of Chinese brands organized by China Council for Brand Development, the Company ranked first in the construction industry with a brand strength of 972.00 and a brand value of RMB110.396 billion; it ranked the 17th in "China Top 100 Brand Value List 2020". Its subsidiary China Overseas was awarded the "China Real Estate Industry Leading Brand" for the 17th time, with a brand value of RMB121.6 billion, ranking first in the industry. The Company ranked first in the construction industry list of the "Overseas Image of Chinese Enterprises" in the "2020 Excellent Examples of Overseas Image Building-up of Chinese Enterprises" by the China Foreign Languages Publishing Administration, and was selected as one of the "Top Ten Excellent Examples of the Year".

Leading the global industry in terms of creditability. In 2020, 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. CSCEC maintained the highest credit ratings among the global industry peers for the 6th consecutive year; the Company was granted the qualification of cross-border fund centralized operation business for multinational companies, which facilitated cross-border financing of RMB and foreign currencies; the Company was awarded the "Excellent Sponsor of Asset Securitization", "Excellent Sponsor of Asset Securitization Innovative Business" and "Special Award for Pandemic Control" by Shanghai Stock Exchange in 2020.

Further achievements in honors and awards. During the Reporting Period, 32 projects of the Company won the Chinese Construction Engineering Luban Prize, 74 projects won the National Quality Engineering Award; the Company also won 71 National Construction Engineering Decoration Awards, 51 China Installation Engineering Quality Awards, and 68 China Steel Structure Gold Awards. A total of 62 projects at home and abroad were awarded the International Safety Awards in 2020 by the British Safety Council, accounting for 10% of the total awards granted. The Company was presented the 2020 Enterprise of the Year Award by Bosnia-Herzegovina's mainstream media Evening News in recognition of its great contribution to the progress of the Pan-European 5C corridor expressway project in the face of the pandemic, becoming the only foreign company among the winners. The subsidiary China Construction Third Engineering Division received 6 awards from the CTBUH Global Awards of Excellence 2020. China Construction (South Pacific) Development Co., Pte Ltd. won 6 "BCA Construction Excellence Awards" in Singapore, and one "BCA Quality Excellence Award - Quality Champion (Platinum)". The Egypt branch of CSCEC was awarded the "China-Egypt Anti-pandemic Cooperation Contribution Award" by the Chinese Embassy in Egypt, the only Chinese enterprise in Egypt with this honor.

More fruitful achievements in scientific and technological innovation. During the Reporting Period, five scientific and technological achievements passed the preliminary evaluation of the National Science and Technology Award, two of which passed the preliminary evaluation of the first prize and three of which passed the preliminary evaluation of the second prize. The quantity and quality of high-level scientific and technological achievements for the year hit the best level in the Company's history. Six projects of the Company took the lead in completing the construction received the 18th. Among them, Que'er Mountain tunnel project of China Highway Line 317 was the only tunnel project selected in 2020. The Company won 220 awards for the last three sessions of excellent survey and design in engineering survey, architectural design industry and municipal public utility works. As of the end of the Reporting Period, the Company received a total of 75 national science and technology awards, 90 awards of Tien-yow Jeme Civil Engineering Prize, and developed 244 national engineering construction methods, took the lead in preparing 91 national and industry standards and was granted 33,855 patents (including 3,175 invention patents). Our employees Qian Fang and Guo Xiaoyan were among the list of 9th batch national prospecting and design masters and Zhang Kun was awarded the National Innovation Pioneer Award. The Company has 2 academicians of the Chinese Academy of Engineering, one winner of the highest-grade science and technology award in engineering construction, 12 national engineering prospecting and design masters, 276 experts entitled to special allowances from the State Council and 28 professionals were granted "China Skills Awards" or credited as "national technical experts". We developed a number of highly competitive innovation teams such as super high-rise intelligent construction innovation team, civil engineering intelligent measurement and control innovation team, and underground space intelligent construction innovation team.

Prominent performance in fulfilling social responsibility. The Company was awarded the highest honor of 2020 CAIJING Evergreen Award for Sustainable Development – "Sustainable Development Contribution Award", the "Special Contribution Award" of the 15th session of People's Corporate Social Responsibility Summit Forum and its Sustainable Development Report won the highest five-star rating by Chinese Academy of Social Sciences for the eighth consecutive year. The China Alliance of Social Value Investment released the 2020 list of A-share listed companies' sustainable development value "Yili 99" on which CSCEC ranked first. CSCEC shared its experience in fulfilling social responsibilities in the Collective Publication of Social Responsibility Reports of Central Enterprises (2020) by SASAC of the State Council, and two examples were selected in the "Research Report on Corporate Social Responsibility of Central Enterprises (2020)", "Research Report on Overseas Social Responsibility of Central Enterprises (2020)" and "Cases of the Fight Against COVID-19 Pandemic by Central Enterprises".

V. Key Business Data


Item	Unit	2020	2019	Growth YoY (%)
Total value of new contracts	RMB100 million	32,008	28,689	11.6
I. Construction business				
(I) Accumulative value of new contracts during the period	RMB100 million	27,721	24,863	11.5
By industry				
1. Housing construction		20,779	19,506	6.5
2. Infrastructure		6,798	5,226	30.1
3. Prospecting and design		143	131	9.1
By region				
1. Domestic		25,902	23,095	12.2
2. Overseas		1,819	1,768	2.9
(II) Quantity of housing construction works	Ten thousand square meters	/	/	/
1. Accumulative area under construction		154,229	145,671	5.9
2. Accumulative area of new construction projects		34,239	38,301	-10.6
3. Accumulative area of completed construction		19,079	23,220	-17.8
(III) Quantity of infrastructure works	/	/	/	/
1. Road (newly signed in China)	Kilometers	4,186	4,024	4.0
2. Area (newly signed in China)	Ten thousand square meters	4,162	2,923	42.4
II. Real estate business				
(I) Contract sales during the period	RMB100 million	4,287	3,826	12.1
Of which: China Overseas ^①		2,960	2,669	10.9
(II) Contract sales area during the period	Ten thousand square meters	2,370	2,173	9.1
Of which: China Overseas		1,387	1,290	7.5
(III) Subscription sales at the end of the period	RMB100 million	106	183	-42.0
(IV) Average selling price during the period	RMB/square meter	18,087	17,606	2.7
(V) Land reserve at the end of the period ^② (Full amount)	Ten thousand square meters	11,637	12,166	-4.3
Of which: China Overseas		6,179	6,522	-5.3
(VI) Purchase of land reserve (Full amount)	Ten thousand square meters	2,042	2,259	-9.6
Of which: China Overseas		1,349	1,146	17.7

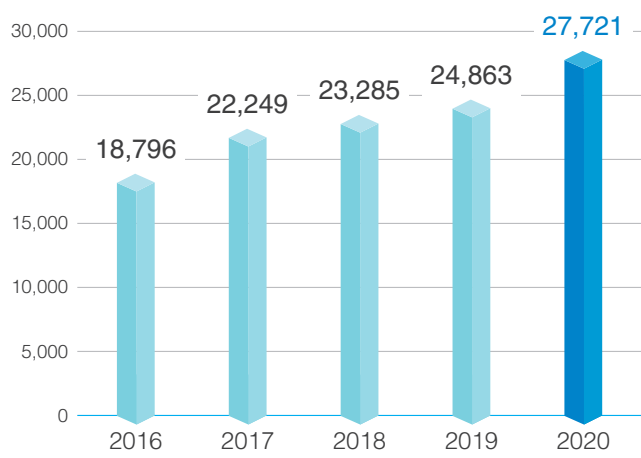
Notes: ^① China Overseas refers to the real estate business that China Overseas Land & Investment and its subsidiaries are engaged in, but does not include that of China Overseas Grand Oceans;

^② Land reserve at the end of the period = land reserve at the end of the previous year + newly acquired land reserve – area completed in the current period + (or –) area of projects being adjusted.

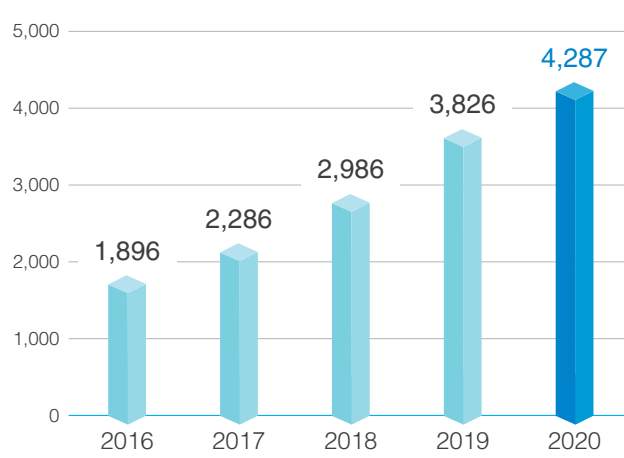
VI. Key Earnings Results

Unit: 100 million yuan Currency: RMB

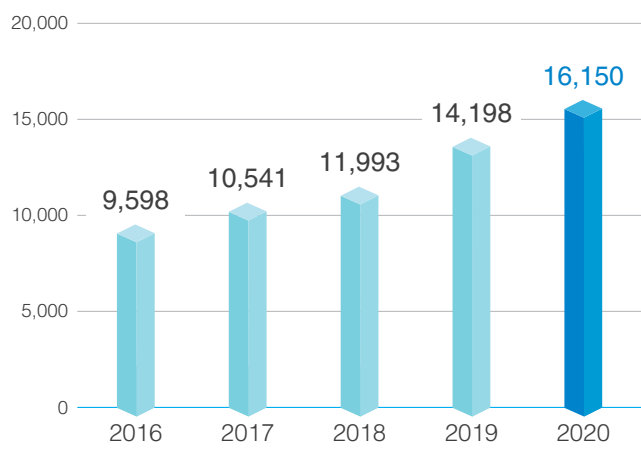
 Value of new contracts for construction business




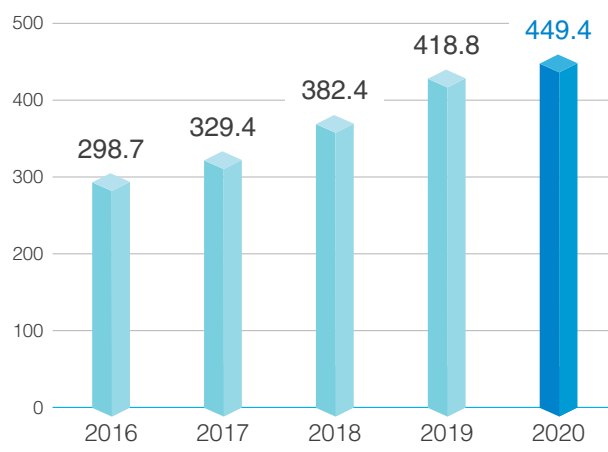
 Contract sales of real estate business



 Revenue

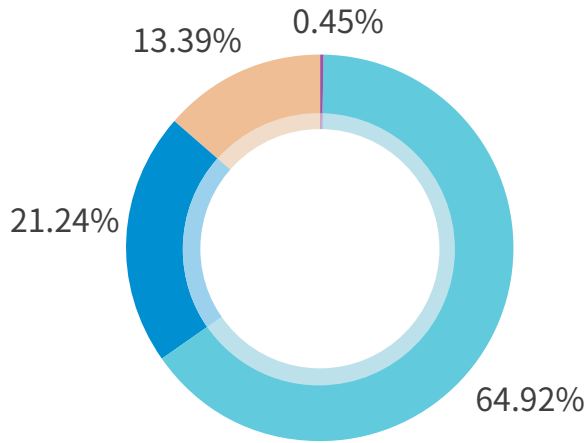


 Net profit attributable to shareholders of the Company



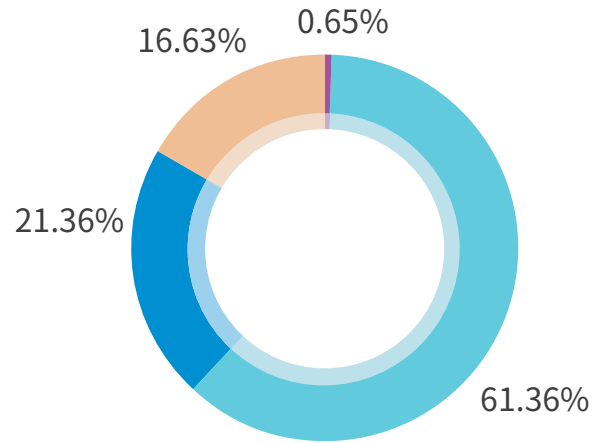
Unit: 100 million yuan Currency: RMB

Proportion of new contract value



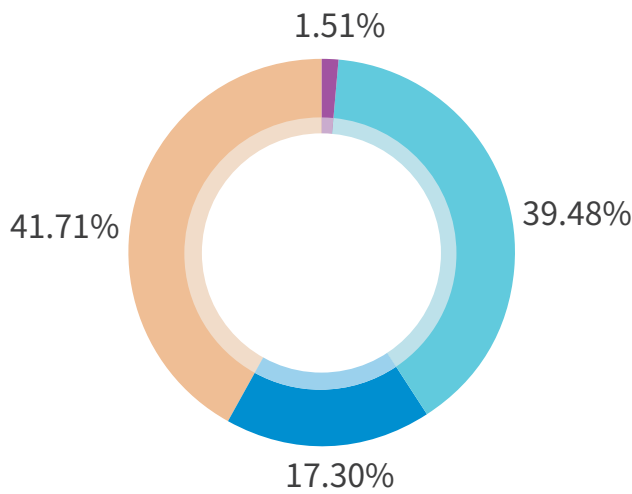
Housing construction Infrastructure Real estate Design

Proportion of revenue by segment ^{Note}



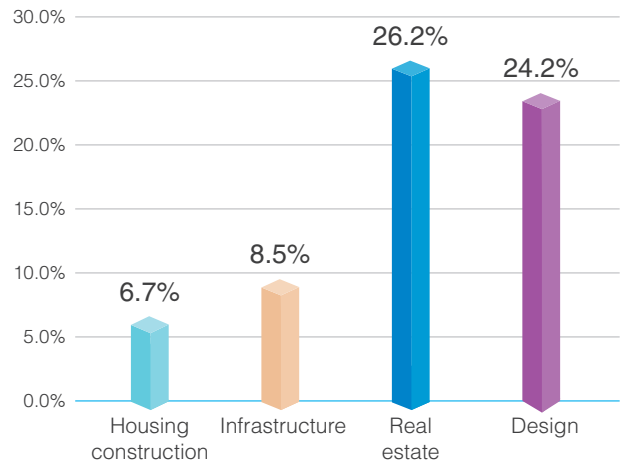
Housing construction Infrastructure Real estate Design

Proportion of gross profit by segment ^{Note}



Housing construction Infrastructure Real estate Design

Gross profit margin by segment ^{Note}



Note: The denominator of the segment business is the direct summation of data from the four business segments of the Company (housing construction, infrastructure, real estate and design).

SECTION IV DISCUSSION AND ANALYSIS OF BUSINESS OPERATION

The value of new contracts for the whole year made a breakthrough by topping

RMB **3** trillion

The revenue was

RMB **1.62** trillion

The net profit attributable to shareholders of the Company was

RMB **44.94** billion

Basic earnings per share was

RMB **1.07**

The Company ranked

18th

on the Fortune Global 500 list

3rd

on the list of Fortune China 500

1st

on ENR's Top 250 Global Contractors rankings

I. Discussion and Analysis of Business Operation

In 2020, amid the severe and complex domestic and international environment, especially the serious impact of the COVID-19 pandemic, China maintained steady economic recovery, effectively safeguarded employment and people's livelihoods, and delivered better-than-expected results for its major objectives. The GDP exceeded RMB101.60 trillion, representing a year-on-year increase of 2.3%; the total investment in fixed asset (excluding farmers) in the whole country was RMB51.89 trillion, representing a year-on-year increase of 2.9%; the investment in real estate development was RMB14.14 trillion, representing a year-on-year increase of 7.0%; the sales of commercial houses was RMB17.36 trillion, representing a year-on-year increase of 8.7%; the sales areas of commercial houses were 1,760.86 million square meters, representing a year-on-year increase of 2.6%; and the total output value of the construction industry was RMB26.39 trillion, representing a year-on-year increase of 6.2%.

In 2020, the Company implemented the decision and deployment of the Party Central Committee and the State Council as well as the requirements of the SASAC, focused on the strategic goals of "one creation and five aspects of strength", made coordinated efforts in pandemic prevention and control as well as business development, worked hard and overcame difficulties, adhered to the general work guideline of making progress while maintaining stability, actively practiced the concept of high-quality development, and achieved excellent results in reform and development. The Company's business, as a whole, has demonstrated a good momentum of steady enhancement in quality and stable development towards excellence, ranking among the top central enterprises in terms of operating performance, and making due contributions to national pandemic prevention and control efforts, economic development and the undertaking of building an overall moderately prosperous society.

II. Highlights of Operation Results for the Reporting Period

Prominent contribution in pandemic prevention and control. In early 2020, when the COVID-19 pandemic was raging, the Company was commissioned at such a critical moment. Relying on its strong supply chain system, core technological capabilities in rapid construction and integrated construction capability of assembly buildings, the Company successfully completed the construction of 119 emergency hospitals, including the Wuhan – Huoshenshan Hospital and Leishenshan Hospital, and was able to play its role and deliver satisfactory results in critical moments. The Company has always been putting employees' safety and health first, establishing a regular pandemic prevention and control mechanism, setting up a pandemic prevention and control office, and implementing various prevention and control measures. In light of the continuous spread of the pandemic around the globe, the Company carried out overseas pandemic prevention and control initiatives, adhered to the principle of "one country, one policy", and organized overseas institutions and projects to prevent and control the pandemic based the actual situations in different countries and regions, thus safeguarding the safety and health of its employees in more than 80 countries and regions.

Operating performance grew against the headwinds. During the Reporting Period, the amount of the Company's newly signed contracts exceeded RMB3 trillion, once again setting a record among its global counterparts in construction industry in terms of orders. The Company achieved continuous growth in revenue and profit before income tax with continued sound and stable business development. The Company achieved revenue of RMB1,615.02 billion, representing a year-on-year increase of 13.7%, and profit before income taxes of RMB94.29 billion, representing a year-on-year increase of 15.7%. The Company's 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%. The Company's financial risks were overall controllable with an eased pressure on cash flows. At the end of the Reporting Period, the asset-liability ratio was kept at 73.7%, representing a year-on-year decrease of 1.7 percentage points.

Support for macro-level strategic development and proactive efforts. The Company has always been taking serving the national strategy as its most important political responsibility and the biggest development opportunity, and demonstrated its role as a central state-owned enterprise to achieve transformation and upgrading and high-quality development while serving the national strategy. During the Reporting Period, the Company took the initiative to integrate into national and regional coordinated development strategies such as Beijing-Tianjin-Hebei Synergistic Development, Yangtze River Economic Belt Development, GBA Construction, Yangtze River Delta Integrated Development, and Yellow River Basin Ecological Protection. The Company focused high-quality resources onto high-priority sectors, and gave full play to its nationwide presence, and obtained new contracts at a total of RMB2,144.2 billion in the above-mentioned regions, accounting for more than two-thirds of total values of its new contracts. The Company has actively adjusted according to the local development strategies and plans, increased exchanges and cooperation with local governments and peer central enterprises to jointly promote the implementation of national development

strategies, serve the decommissioning of capital function of Beijing, and promote the construction of major projects such as the Beijing Winter Olympic Stadium, Daxing International Airport, the largest shantytown project in western Beijing, and the Xiong'an Commercial Service Center. The Company supported the construction of the "five centers" in Shanghai, and assisted in building a world-class free trade zone in the Lingang New Area. The Company invested RMB59.0 billion in the historic landscape protection and urban renewal project in the neighborhoods of 67-71 Jianguo East Road, Huangpu District, Shanghai. The Company fully served the development of quality BRI projects by actively responding to the development needs of BRI countries, and advancing the key projects under BRI, such as the central business district project in the new capital of Egypt.

Reform and innovation to deliver excellent performance. In order to implement the three-year reform action of state-owned enterprises, the Company formulated an implementation plan, focusing on eight aspects of reform and forming a list of specific tasks. It further clarified the boundaries of the responsibilities of the Party organization, the board of directors and the management, improved the rules of procedure and the list of decision-making matters, and promoted the deep integration of the Party's leadership into corporate governance. The Company has made concrete efforts in promoting special reform projects, and four subsidiaries have been included in the "Mixed Reform Pilot Project in Important Fields", "Two-hundred Campaign" and "Science Reform Demonstration Action", and seven subsidiaries have implemented the professional manager system. The Company granted restricted A shares in the phase IV, and broadened the range of participants covered by the share incentives. The "Management Enhancement Action in Alignment with International Top Level" has established a comprehensive benchmarking system in business sectors and management areas respectively. The "Six Special Actions" carried by the Company achieved effective results, solving a number of bottlenecks that restricted high-quality development, significantly improving the quality and efficiency of production and operation. During the Reporting Period, the Company actively implemented the deployments of the State Council and the China Securities Regulatory Commission, carried out special actions on governance of listed companies, continuously improved the level of corporate governance, enhanced the ability to prevent and resolve risks, and effectively improved the quality of listed companies.

Continued to promote science and technology innovation. During the Reporting Period, various indicators of the Company hit a record high, including the number of high-end talents in science and technology, the intensity of investment in science and technology, and the achievements in science and technology research and development. The Company developed the world's first "air building-construction machine" and "air tower machine" with independent intellectual property rights, built the world's only 10,000-ton multifunctional experimental system, developed world-leading technologies in rapid construction of anti-pandemic hospital and "five bridges at the same rotation" technology, setting a number of new world records. The prefabricated hospital building and rapid construction technology played a key role in the construction of the Wuhan – Huoshenshan Hospital and Leishenshan Hospital, and three corporate technical standards, including "Standard for Construction of Emergency Hospital Engineering Project against Pandemic" prepared by the Company, were officially released to provide the community with green, healthy, efficient and environmental friendly public health medical engineering product system and industrialized services, standardized solutions for a sound public health emergency management and treatment system. 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 a green assembly building intelligent construction platform with independent intellectual property rights, the first of its kind in China, and an advanced fully automatic smart precast factory.

A responsible corporate citizen. With the paired-up assistance in poverty alleviation by China State Construction, the controlling shareholder of the Company, three counties in Gansu (Zhuoni, Kangle and Kangxian) were removed from the poverty-stricken counties list, and the Company won the highest-grade rate in the poverty alleviation assessment of central entities for three consecutive years. As a reward to investors, we proposed to pay 2020 cash dividends in an amount of about RMB9 billion to ordinary shareholders. We provided job opportunities for 28,000 graduates and more than 2 million 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 by paying migrant workers' wages in full, and drove the common development of upstream and downstream enterprises, including private enterprises. The Company 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 details, please refer to V "Key Business Data" and VI "Key Earnings Results" under Section III "OVERVIEW OF BUSINESS OPERATION" hereof.

(I) Analysis of principal business

Analysis of changes in related items in the income statement and cash flow statement

Unit: '000 yuan Currency: RMB

Items	Amount in the current period	Amount of the same period last year	Change ratio (%)
Revenue	1,615,023,327	1,419,836,588	13.7
Cost of sales	1,440,131,634	1,262,226,200	14.1
Selling and distribution expenses	5,522,266	4,330,826	27.5
General and administrative expenses	28,982,939	27,685,477	4.7
Research and development expenses	25,522,546	17,289,939	47.6
Finance expenses	7,797,699	7,911,711	-1.4
Net cash flows from operating activities	20,271,781	-34,220,077	/
Net cash flows from investing activities	-52,627,785	-19,812,811	/
Net cash flows from financing activities	30,818,051	26,307,910	17.1

Reason for changes in revenue: In recent years, the value of the Company's new contracts has maintained a relatively high growth rate, and the projects under construction have been smoothly advanced, especially the housing and infrastructure business. The annual revenue increased by RMB128.73 billion, accounting for 66.0% of the increased amount in the Company's revenue.

Reason for changes in cost of sales: The expansion of business scale led to the increase in the cost of sales accordingly.

Reason for changes in selling and distribution expenses: The Company's real estate business increased advertising investment during the pre-sale period, and the corresponding advertising fees and business promotion fees, business fees and sales commissions grew rapidly.

Reason for changes in general and administrative expenses: Such expenses as employee remuneration, property management fees and depreciation fees increased due to the expansion of business scale as well as the increase in management personnel and business activities.

Reason for changes in research and development expenses: The increase in expenses during the Reporting Period was due to the Company's increased investment in R&D.

Reason for changes in finance expenses: The decrease in expenses during the Reporting Period was due to the increase in foreign exchange income over last year.

Reason for changes in net cash flow from operating activities: It was due to the increase in payments received for construction projects and collection of payments from sales of real estate projects, the improvement in cash flows from the principal construction business and real estate business during the period.

Reason for changes in net cash flow from investment activities: It was due to the decrease in cash received from recovering our investments, and cash received in respect of investment return and the increase in cash paid for investment business in the current period.

Reason for changes in net cash flow from financing activities: It was mainly due to the increase in the amount of fund inflows from absorbing investments, the issuance of perpetual bonds and long-term borrowings during the period.

1. Analysis of revenue and cost

√ Applicable □ N/A

In 2020, the Company delivered revenue of RMB1,615.02 billion, an increase of 13.7% year-on-year; with cost of sales at RMB1,440.13 billion, an increase of 14.1% year-on-year. The Company recorded a gross profit of RMB174.89 billion, an increase of 11.0% year-on-year; a gross profit margin of 10.8%, a decrease of 0.3 percentage points as compared to the same period last year.

For details related to income recognition methods, please refer to Note III. 34 "Significant Accounting Judgement and Estimates" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

(1). Principal business by industry, product and region

Unit: '000 yuan Currency: RMB

Principal business by industry						
By industry	Revenue	Cost of sales	Gross profit margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
Housing construction engineering	1,001,101,026	933,774,639	6.7	14.8	14.3	0.3 percentage points increased
Infrastructure construction and investment	348,435,361	318,931,135	8.5	9.5	9.6	/
Real estate development and investment	271,292,353	200,162,296	26.2	25.0	33.9	4.9 percentage points decreased
Prospecting and design	10,607,297	8,039,404	24.2	7.2	-0.4	5.8 percentage points increased
Others	21,321,634	15,494,857	27.3	-10.4	-6.3	3.3 percentage points decreased
Elimination	-37,734,344	-36,270,697	/	/	/	/

Principal business by region						
By region	Revenue	Cost of sales	Gross profit margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
Mainland China	1,525,382,093	1,358,824,509	10.9	15.9	16.8	0.7 percentage points decreased
Overseas ^{note}	89,641,234	81,307,125	9.3	-13.8	-17.5	4.1 percentage points increased
Total	1,615,023,327	1,440,131,634	10.8	13.7	14.1	0.3 percentage points decreased

Note: "Overseas" refer to the regions other than Mainland China.

Unit: '000 yuan Currency: RMB

Revenue and its proportion in the last three years						
By industry	2020	Proportion (%)	2019	Proportion (%)	2018	Proportion (%)
Housing construction engineering	1,001,101,026	62.0	872,366,117	61.4	724,230,782	60.3
Infrastructure construction and investment	348,435,361	21.6	318,105,335	22.4	276,675,284	23.1
Real estate development and investment	271,292,353	16.8	216,979,828	15.3	184,112,490	15.4
Prospecting and design	10,607,297	0.7	9,894,280	0.7	9,436,215	0.8
Others	21,321,634	1.3	23,800,895	1.7	20,750,371	1.7
Elimination	-37,734,344	-2.4	-21,309,867	-1.5	-15,880,617	-1.3
Total	1,615,023,327	100	1,419,836,588	100	1,199,324,525	100

Explanation on principal business by industry, product and region

√ Applicable □ N/A

- **Housing construction engineering business**

During the Reporting Period, the Company's housing construction business grew steadily and continued to lead the mid-to high-end markets. The total value of new contracts for the whole year was RMB2,077.9 billion, an increase of 6.5% year-on-year with revenue at RMB1,001.1 billion, an increase of 14.8% year-on-year; gross profit was RMB67.3 billion, with a gross margin of 6.7%, an increase of 0.3 percentage points year-on-year.

During the Reporting Period, the Company fully leveraged its competitive edge in respect of whole industrial chain and stuck to the marketing strategy featuring "high-end market, high-end customers and high-end projects" and the enterprise management strategy of "low-cost competition and high-quality management". The Company made sustained efforts to enhance its competitive strength in the field of high-end housing construction such as super high-rise and large-span construction, and fully mastered the core technology of "high, large, precise and top-class" housing construction. The Company won six bids for super high-rise projects over 300 meters, and completed the construction for Suzhou International Finance Center, which is the 18th in the world and the 10th in China, continuing to setting the "China speed" in respect of super high-rise construction. Meanwhile, the Company ensured the smooth delivery of the world's largest quantum information laboratory, the No. 1 Research Building of the Innovation Institute of Quantum Information and Quantum Science and Technology of the Chinese Academy of Sciences, and the renovation and expansion project of the Capital Gymnasium, etc.

During the Reporting Period, the Company further enhanced its competitive advantages in the field of high-end housing construction, such as medical facilities, exhibition centers and industrial plants, and educational facilities. In terms of medical facilities, the new contracts amounted to RMB124.8 billion, representing a year-on-year increase of 101.8%. In addition to the Wuhan Huoshenshan Hospital and Leishenshan Hospital, we also undertook the construction of 117 emergency hospitals including the relocation and reconstruction project of Shantou Central Hospital (major pandemic case treatment base). In terms of construction of exhibition centers and industrial plants, the new contracts amounted to RMB187.9 billion, an increase of 46.9% year-on-year. The Company undertook a series of exhibition center projects, including the National Convention and Exhibition Center (Tianjin) Phase II Project, the Xi'an High-tech International Convention Center Phase II Project, the EPC general contracting of the Ningbo International Convention Center Project in Zhejiang Province. In addition, industrial plant projects undertaken by the Company included EPC general contracting of the Made in China 2025 Industrial Park Construction Project (Phase II), the main plant project of production line of the Changsha Huike (长沙惠科) 8.6 generation ultra-high-definition new display device components, and the general contracting of Great Wall International Logistics Center in Shenzhen, Guangdong Province. In terms of the construction of education facilities, the new contracts amounted to RMB100.9 billion, representing a year-on-year increase of 42.5%. The Company undertook the EPC general contracting (section I) project of a general high school construction project in Yunnan Province and the design and construction general contracting (EPC) project of the Guangzhou International Campus Phase II of South China University of Technology (the First Batch). Meanwhile, as the Company actively participated in the building-up of new urbanization, it undertook the Section I of the EPC general contracting project for the construction of the Kexue Valley Digital Town in Zhengdong New District, Zhengzhou, Henan Province, the general contracting project for the construction of an intelligent and healthy living area in Xishan Area, Laoshan District, Qingdao, Shandong Province, and the urban renovation project in Zaoyuansu Village adjacent to the Bypass Expressway in Baqiao District, Xi'an, Shaanxi Province in celebration of the 14th National Games of China.

During the Reporting Period, the Company fulfilled its technological leadership in housing construction and increased the use of green building, BIM technology and new materials. As a leading enterprise in green construction in China, the Company's modular integrated construction (MiC) technology for prefabricated building is among the industry-leading level. Specifically, when the component parts of buildings are produced in intelligent and specialized factories and delivered to the construction site, each modular composite has already met the standard ready for fine decoration before moving in. The North Lantau Hospital Hong Kong Infection Control Center, which has been opened, is the world's first infectious disease hospital with totally negative pressure isolation wards adopting MiC construction technology. The Company made further R&D investments in intelligent construction sites and smart construction control software system, with a view to applying the 5G technology to construction process of premium projects and giving support to optimized performance of project through digital service model. The Company's first manufacturing base based on its independently-developed BIM intensive processing of steel reinforcement was completed in Hubei Province. The Company independently developed the "one-stop security remote inspection system", which, together with the 5G technology and smart helmets, helped to improve the efficiency of safety inspection.

- **Infrastructure construction and investment operations**

During the Reporting Period, the Company achieved rapid growth in the scale of its infrastructure business and continued to optimize the adjustment of its business structure. To stimulate the high-quality development of infrastructure business, and maintain a reasonable gearing ratio, the Company has entered into new infrastructure contracts with a total value of RMB679.8 billion for the whole year, an increase of 30.1% year-on-year. It recorded revenue of RMB348.4 billion, an increase of 9.5% year-on-year; and the gross profit amounted to RMB29.5 billion, an increase of 8.8% year-on-year with a gross profit margin of 8.5%, in line with last year.

During the Reporting Period, the Company focused on its competitive strengths in infrastructure investment and construction business and won a number of bids of major infrastructure projects. In terms of airport construction, the Company continued to reaped substantial fruits by winning the bid for the T3B terminal of Chongqing Jiangbei Airport, the regional transportation hub of BRI; in terms of rail transit transportation, the Company further reinforced and improved its performance, in particular, winning the bid for Xi'an Metro Line 8 project, Metro Line 16 Phase I project, Nanjing Metro Line 9 Phase I project, Hefei Rail Transit Line 7 Phase I project, Dalian Metro Line 4 project, etc.; in terms of railway construction, the Company won bids for the civil works project of the Laixi-Rongcheng railroad, and the new Lanzhou-Zhangye Line No. 3 & No. 4 High-speed Railway project, and the Qianhai-Huanggang Port section project of Guangdong-Dongguan-Shenzhen intercity railway; in terms of municipal highway, the Company focused on major projects and won bids for the

Nantong bypass expressway project which is among the key projects for the integrated development of Yangtze River Delta region and the Chongqing-Hunan Double-track Line expressway project. The Company also reached a new level in terms of urban development. The Company won a number of significant projects including underground space project in the core area of Fuzhou Binhai New City (the third largest TOD project in China) and the composite development project of Ningxiang High-speed railway new city in Changsha. The Company actively explored the deployment of new kind of infrastructure. Specifically, as we enhanced cooperation with top enterprises in the field of communication and Internet, we won the bids for Zhangbei data center, Alibaba Inner Mongolia cloud computing data center, etc.

During the Reporting Period, the Company closely followed the national development strategies and policies and continued to contribute "China Construction Power" to the "tackling areas of weakness" in the field of national infrastructure construction. Xiong'an high-speed railway station of which the Company undertook the construction was officially put into use; the first generating unit of Jinggangshan Navigation and Power Hub Project on the Ganjiang River, as the first large-scale waterway project we had ever undertaken, was successfully connected to the electrical grid system and generated electricity power. Among the railway and bridge projects undertaken by the Company, the Shanghai-Suzhou-Nantong Railway, Weifang-Rongcheng High-speed Railway, Baiyin-Zhongchuan primary highway main line of G341, the renovation and expansion project of Beijing-Shanghai Expressway and the expansion project of Zhaoqing Bridge have officially been opened in succession, contributing to the regional development strategies of our country. In terms of subway projects, Zhengzhou Metro Line 3 Phase I, Nanning Metro Line 4 and the northern section of Qingdao Metro Line 8 have been opened in succession; a number of major projects completed milestone stage of construction as scheduled, including the Xuzhou Metro Line 3, Changnan Avenue in Nanchang and Dapu Expressway in Guangxi, laying the "CSCEC foundation" for the "new infrastructure, new urbanization initiatives and major projects" strategy of China.

- **Real estate development and investment business**

During the Reporting Period, the real estate business achieved contract sales of RMB428.7 billion throughout the year, representing a year-on-year increase of 12.1%, and contracted sales area of 23.70 million square meters, a year-on-year increase of 9.1%; revenue amounted to RMB271.3 billion, representing a year-on-year increase of 25.0%; and gross profit amounted to RMB71.1 billion with a gross profit margin of 26.2%, representing a year-on-year decrease of 4.9 percentage points.

During the Reporting Period, the Company delivered a new construction area of 26.83 million square meters, representing a year-on-year increase of 29.1%; a completed area of 27.54 million square meters, representing a year-on-year increase of 20.7%; and an area under construction of 69.89 million square meters, representing a year-on-year increase of 7.4%. During the year, the newly acquired land bank was 20.42 million square meters, and the land bank at the end of the period was approximately 116.37 million square meters. Over 70% of the Company's real estate inventory is concentrated in first-line and provincial capital cities.

After years of development, the Company currently owns 12.54 million square meters of investment properties encompassing office buildings, hotels, apartments, commercial real estate and others, with a net book value of RMB92.28 billion, accounting for 4.2% of the Company's total assets. During the Reporting Period, the investment property recorded revenue of RMB5.87 billion. The Company accelerated the upgrading of industry, expanded business areas such as commerce, pension, education, and logistics, continuously enhancing the operation and management and profitability of investment properties. The abovementioned data of investment properties has not been audited.

During the Reporting Period, amid the severe impact of the pandemic, China Overseas took proactive measures in response to the increased instabilities and uncertainties and strived to maintain secured momentum of growth. During the Reporting Period, China Overseas delivered a faster sales growth over the overall industry and the greatest amount of investments in land equity in the industry. China Overseas's GFA of newly land bank increased by a total of 13.49 million square meters. Furthermore, we successfully won the bids for a series of ultra large projects including Shanghai Hongqi Village, Wuhan Hanyang Jianqiao and Shanghai Jianguo Road East, each of which has a GFA exceeding one million square meters. Leveraging on the competitive edge in respect of compliance with the "three red lines" indicators, China Overseas seized the opportunities of rapidly evolving upstream and downstream industry chains brought about by rapid advances in technology and promoted the development of new business models and new business categories such as commercial properties, education and retirement, logistics to expand new room of development while focusing on accelerating the development of the principal business of residential development. Regarding commercial properties, China Overseas has responded to the opportunity arising from market consolidation and revaluation of commercial assets and promoted the management model featuring "investment, financing, management and exit". Specifically, the Company acquired China Overseas Fortune Center in Suzhou and Foshan Vivo City Shopping in the last two years, and sold two office buildings of China Overseas International Centre in Chengdu. In addition, the Company also successfully issued two tranches of commercial mortgage-backed securities (CMBS) to raise RMB6.7 billion. In 2020, China Overseas recorded revenue from commercial asset management of RMB4.4 billion.

During the Reporting Period, CSC Land actively responded to the challenges arising from the pandemic and maintained stable growth in scale and efficiency. The contract sales amounted to RMB132.7 billion, an increase of 14.7% year-on-year. CSC Land upheld a prudent financial strategy, and strictly controlled its debt ratio to ensure the steady development of its real estate business under the guidance of financial regulatory policies. CSC Land also took measures including closely evaluating and assessing the market forecast, enhancing product values, further destocking, further regulating the full-cycle management of real estate projects and speeding up the recovery of funds, mainly the funds in connection with sales of properties. In respect of selection of city, CSC Land prioritized large and medium-sized cities with small inventories and strong purchasing power; in respect of selection of district, CSC Land gave priority to core locations where moderate residential-based projects with fairly comprehensive facilities and a high turnover rate are located. As the business operation and management has been developing steadily, CSC Land - Meilanfang (梅澜坊) project, which is operated and managed by the Company, has been awarded as a national 3A grade tourist attraction.

For details, please refer to "Properties under development" and "Completed properties for sale" in Note V 8 "Inventories" and "Pre-sales deposits" in Note V 29 "Contract liabilities" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

- **Prospecting and design business**

During the Reporting Period, the Company's prospecting and design business was improved in quality and quantity. During the year, the new contracts amounted to RMB14.3 billion, an increase of 9.1% year-on-year; revenue amounted to RMB10.6 billion, an increase of 7.2% year-on-year; gross profit amounted to RMB2.6 billion, with a gross profit margin of 24.2%, an increase of 5.8 percentage points year-on-year.

During the Reporting Period, the Company continued to promote the building of a design-centered industrial chain, actively expanded its engineering consulting business, and built a design industry system with full-field coverage, full-process services, full-value chain, and full-element growth with a view to enhance and improve our prospecting and design business. The Company took the lead to complete a variety of outstanding design works such as Chongqing Jiangbei Airport, Zhengzhou Xinzheng Airport and Dunhuang Grand Theatre. The Company ranked 30th on the ENR "Top 150 Global Engineering Designs" in 2020 with the competitiveness of the industry continuously enhanced.

During the Reporting Period, the Company fulfilled its competitiveness in the segments including urban planning, transportation facilities and sports facilities, and undertook the design of relevant projects. In terms of urban planning, the Company won the bids for the future community planning of Tianchuan, Zhejiang, land space planning of Hetian, Xinjiang, land space planning of Pingyang, Gansu, in-depth urban design of Chengdu 5G intelligent pioneer zone, global talent innovation park – Zhongyuan Science and Technology City, etc. In terms of transportation facilities, the Company won the bids for the engineering design of T3B terminal and fourth runway of Chongqing Jiangbei International Airport, the Xi'an Xianyang International Airport phase III project, Yuyang Airport expansion project phase II in Yulin, the overall planning of the roadside area and the design of public transportation facilities of New Phnom Penh International Airport in Cambodia, TOD transportation complex of Shaoxing High-speed Railway North Station and so on; in terms of sport facilities, we won the bids for the 14th National Games (equestrian) venue and supporting facilities, the construction project of Luoyang Olympic Center, Chongqing Longxing Football Stadium and Qingdao Youth Football Stadium.

- **Overseas business**

During the Reporting Period, the Company coordinated pandemic prevention and control as well as production and operation of overseas business. There was no confirmed COVID-19 case due to group gatherings in the Company's overseas entities and projects. Due to the impacts of COVID-19 on production and operation activities, the new contracts for overseas business amounted to RMB187.2 billion, same level as last year; revenue was RMB89.6 billion, representing a year-on-year decrease of 13.8%; and gross profit amounted to RMB8.3 billion with a gross profit margin of 9.3%.

During the Reporting Period, upholding the philosophy of "putting people and life first", the principle of "one country and one policy" and "one project and one policy", the Company implemented the policy in a precise manner and the pandemic prevention and control in a strict and detailed manner in respect of overseas business. Firstly, the Company had in place an overseas pandemic prevention and control working group, 14 country-specific pandemic prevention and control joint working mechanism and 24-hour emergency contact mechanism, forming an overseas pandemic prevention and control working system. Secondly, the Company dispatched a medical working group to countries where pandemic had severely hit and we had a relatively large number of employees, including Egypt, Algeria, Cambodia, Ethiopia and so on, to improve our front-line pandemic prevention and control capability. Thirdly, we set up a special fund designed for overseas pandemic prevention and control initiatives, in an attempt to safeguard the material supplies and medical protection in place for pandemic control of overseas entities. Fourthly, shift of overseas employees was arranged in an orderly manner to comply with the "prevention of imported cases" requirement. Fifthly, the Company gave attention and affection for employees to safeguard the stability of workforce. The lives, safety and health of the Company's foreign and Chinese employees abroad were strongly safeguarded, and the Company had no record of COVID-19 confirmed cases occurred due to group gatherings in overseas entities and projects in more than 100 countries.

During the Reporting Period, the Company actively responded to the volatile international engineering market, fulfilled its market-oriented competitive advantages, enhanced market expansion efforts, and made solid progress in overseas market expansion. The year 2020 saw the Company tap into four new country markets, including Peru, Chile, El Salvador and Madagascar, and successfully entered into a series of contracts concerning various major projects, such as the first subway Makati Metro Transit Project in the Philippines and the new Phnom Penh International Airport in Cambodia (the world's highest 4F airport).

During the Reporting Period, while ensuring that pandemic prevention and control measures were strictly carried out, the Company spared no effort to proceed with the performance of overseas projects by overcoming restrictions on the cross-border flow of personnel, materials and machinery. A large number of construction projects under the BRI in connection with national economy and people's livelihood made significant progress. In the capital of Egypt, the construction of eight high-rise buildings in the new central business district have been completed, the construction progress of which has been appreciated by the property owners; in Pakistan, the PKM Expressway project (Sukkur-Multan section) was officially handed over and put into use, opening the north-south traffic artery through the central Pakistan; in Algeria, the third largest mosque in the world, the Grand Mosque, was opened; in Algeria, the north-south traffic artery project - the 53KM section of the Algerian North-South expressway project was opened to traffic ahead of schedule.

• **Other business**

Other business of the Company mainly includes the income from primary land development, lease of machinery equipment and engineering supervision and management. During the Reporting Period, revenue was RMB21.3 billion, a decrease of 10.4% year-on-year; gross profit amounted to RMB5.8 billion, with a gross profit margin of 27.3%, a decrease of 3.3 percentage points year-on-year.

For details, please refer to Note V 49 "Revenue and cost of sales", Note V 61 "Expenses by nature" and Note XIV 1 "Segment reporting" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

(2). Analytical statement on production and sales

Applicable N/A

(3). Analytical statement on costs

Unit: '000 yuan Currency: RMB

By industry						
By industry	Components of operating cost	Amount in the current period	Percentage of total cost in the current period (%)	Amount of the same period of last year	Percentage of total cost in the same period last year (%)	Changes in the amount of the current period over the same period last year (%)
Housing construction engineering	Raw materials, subcontract costs, labor costs, etc.	933,774,639	64.8	816,661,197	64.7	14.3
Infrastructure construction and investment	Raw materials, subcontract costs, labor costs, etc.	318,931,135	22.1	290,979,462	23.1	9.6
Real estate development and investment	Construction and installation costs, land costs, labor costs, etc.	200,162,296	13.9	149,490,891	11.8	33.9
Prospecting and design	Labor costs, rental of equipment	8,039,404	0.6	8,071,133	0.6	-0.4
Others	Labor costs, rental of equipment	15,494,857	1.1	16,529,092	1.3	-6.3
Elimination	/	-36,270,697	-2.5	-19,505,575	-1.5	/
Total	/	1,440,131,634	100	1,262,226,200	100	14.1

Unit: '000 yuan Currency: RMB

Main cost components							
By industry	Components of operating costs	2020	Proportion (%)	2019	Proportion (%)	2018	Proportion (%)
Housing construction engineering	Cost of sales from products	21,545,271	1.5	19,855,211	1.6	17,010,696	1.6
	Subcontracting cost	300,894,270	20.9	257,717,240	20.4	233,507,557	22.1
	Raw materials	286,112,366	19.9	277,250,496	22.0	234,397,731	22.2
	Employee benefits	31,128,794	2.2	27,718,240	2.2	25,908,266	2.5
	Other expenses	294,093,938	20.3	234,120,010	18.5	165,034,946	15.7
	Sub-total	933,774,639	64.8	816,661,197	64.7	675,859,196	64.0
Infrastructure construction and investment	Cost of sales from products	-	-	-	-	-	-
	Subcontracting cost	115,931,326	8.1	126,131,695	10.0	114,807,022	10.8
	Raw materials	84,942,618	5.8	87,967,301	7.0	79,415,185	7.5
	Staff cost	46,293,060	3.2	36,660,547	2.9	26,299,140	2.5
	Other expenses	71,764,131	5.0	40,219,919	3.2	32,844,887	3.2
	Sub-total	318,931,135	22.1	290,979,462	23.1	253,366,234	24.0
Real estate development and investment	Carry-over of real estate development products	190,935,051	13.3	142,772,220	11.4	113,717,202	10.8
	Other expenses	9,227,245	0.6	6,718,671	0.4	5,956,882	0.5
	Sub-total	200,162,296	13.9	149,490,891	11.8	119,674,084	11.3
Prospecting and design	Sub-total	8,039,404	0.6	8,071,133	0.6	7,739,985	0.7
Others	Sub-total	15,494,857	1.1	16,529,092	1.3	14,644,604	1.4
Elimination	/	-36,270,697	-2.5	-19,505,575	-1.5	-14,574,513	-1.4
Total		1,440,131,634	100.0	1,262,226,200	100.0	1,056,709,590	100

Explanation on other information of cost analysis

 Applicable N/A**(4). Major customers and suppliers** Applicable N/A

In 2020, the revenue generated from/sales to the top 5 customers of the Company was RMB17.18 billion, accounting for 1.1% of the total revenue/sales of the year. Among the sales to the top five customers, the sales to related parties was nil, accounting for nil of the total sales for the year.

During the Reporting Period, the amount of procurement from the top 5 suppliers was RMB22.511 billion, accounting for less than 1.6% of cost of sales. Among the amount of procurement from the top 5 suppliers, the amount of procurement from related parties amounted to nil, accounting for nil of the total amount of procurement for the year.

The Company's business scale and its diversified business structure determine that the Company's suppliers are more extensive and less concentrated, and the public bidding with minimum restrictions is used for the procurement of bulk materials, which ensures the supply of resources and avoids the Company's reliance on a single supplier.

2. Expenses

Applicable N/A

In 2020, the Company's selling and distribution expenses, general and administrative expenses, finance expenses and R&D expenses totaled RMB67.83 billion, a year-on-year increase of 18.5%. The four items of expenses accounted for 4.2% of revenue, a year-on-year increase of 0.2 percentage points.

During the Reporting Period, the Company's selling and distribution expenses were RMB5.52 billion, an increase of 27.5% year-on-year, mainly due to the increase in advertising and promotion fees as a result of the expansion of the real estate business.

During the Reporting Period, the Company's general and administrative expenses were RMB28.98 billion, an increase of 4.7% year-on-year, mainly due to the expansion in scale of business, and the increase in employee remuneration, property management fees and depreciation costs in line with the increase in management personnel and business activities. The Company's general and administrative expenses accounted for 1.8% of the revenue, that is, the general and administrative fee was RMB1.8 for each RMB100 of income. The Company's cost management and control delivered remarkable result, and it continued to maintain a leading position in the industry.

During the Reporting Period, the Company's finance expenses were RMB7.80 billion, a year-on-year decrease of 1.4%. The was mainly due to the increase in foreign exchange income over last year.

During the Reporting Period, the Company's R&D expenses amounted to RMB25.52 billion, an increase of 47.6% year-on-year, mainly due to the higher R&D investment in technology.

For details, please refer to relevant information as set out in Note V 51 "Selling and distribution expenses", Note V 52 "General and administrative expenses", Note V 53 "Research and development expenses" and Note V 54 "Finance expenses" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

3. Investments in research and development

Table of investment in research and development

Applicable N/A

	Unit: '000 yuan	Currency: RMB
Investment in research and development expensed during the period	29,391,759	
Investment in research and development capitalized during the period	/	
Total investment in research and development	29,391,759	
Total investment in research and development as a percentage of total revenue (%)	1.8	
Number of research and development personnel	21,845	
Number of research and development personnel as a percentage of total employees (%)	6.1	
Percentage of investment in research and development capitalized (%)	/	

Explanation

Applicable N/A

In recent years, the Company has been further implementing the innovation-driven development strategy, carrying out special actions for scientific and technological innovation, making important achievements in the R&D and promotion of core equipment and technologies, and continuously enhancing the core competitiveness of the enterprise.

During the Reporting Period, the Company continued to increase the R&D efforts and investment in major engineering construction equipment. In 2020, the Company's independently developed the civil engineering experimental equipment "CSEEC 10,000-ton multifunctional experimental system" which has the world's strongest loading capacity, the largest loading space and the most advanced functions was officially put into use. The maximum vertical loading capacity of 10,800 tons enabled the said system the world's only six-degree-of-freedom engineering structure experimental equipment with a vertical loading capacity of over ten thousand tons, solving the problem of "capacity effect" facing engineering experimental equipment in China; the construction of the first 1,000-meter long Yangtze River Bridge project – Yichang-Wujiagang Yangtze River Bridge project undertaken by the Company used the independently-developed air tower-building machine to complete the construction of main tower, making a significant breakthrough in technology innovation equipment in the field of infrastructure; in Chongqing, the second cross-line project of the expressway made a breakthrough in the technology in connection with the "three lines and five bridges" cluster turning, setting a new world record of "the largest number and tonnage of large-span cluster turning bridges"; plant-alike "building-construction machine" was successfully

applied to the CSCEC Yuhu No. 1 (御湖壹号) project in Chongqing, indicating our country's transition in housing construction from skyscrapers to super high-rise buildings and to high-rise buildings within the height of 100 meters by using the heavy equipment "air building-construction machine". The cutting-edge technological results of the Company's R&D have been gradually and widely applied to regular housing projects, benefiting a variety of projects currently.

During the Reporting Period, the Company continually strived to overcome difficulties facing key core technologies and made breakthroughs in the technologies of rapid construction of super high-rise and assembly buildings, connection technology for assembly concrete structure, engineering intelligent equipment, construction in extreme environment, digital steel processing and 5G intelligent remote control. The Company took the lead in developing new and efficient "dry" assembly technology and formed a prefabricated prestressed Efficient Fabricated Frame (CSCEC PPEFF system) with independent intellectual property rights, which has passed the world's largest continuous collapse resistance experiment and can achieve rapid construction of two floors in five days. The Company's first digital steel BIM intensive processing base went into full production. Its 5G intelligent remote-control tower made significant progress, and in reliance on the Beijing Daxing Lingkong Economic Zone Development Service Center project, successfully passed the first indoor remote control tower hoisting test based on the 5G environment in the construction site in the industry. A breakthrough was made in the application of single tower multi-cage elevator, which entered the application stage in engineering. Core construction technologies, such as "construction technology of giant concrete cross columns in net cylinder super high rise" and "construction technology of infrastructure in dry and hot areas", gave strong support for the overseas market; super early-strength, low-heat, ultra-high-pumping concrete formulation technology was applied to the North Africa projects for the first time, setting a record of concrete application strength and pumping height in the local market.

The Company continues to leverage on its leading edge in technology, actively cultivates and promotes scientific and technological achievements, and improves relevant technical standard systems. In 2020, the Company was granted 8,951 patents, including 505 invention patents, and 555 new technologies for the construction industry were promoted within the Company. The Company took a leading role in developing 6 full-text mandatory national standards, compiled and issued 3 national standards (including the Code for Acceptance of Construction Quality of Steel Structure), and 1,732 of its engineering methods were accredited at province and ministry levels.

4. Cash flows

Applicable N/A

During the Reporting Period, the Company's net cash outflow was RMB3.9 billion, a decrease of net outflow RMB23.2 billion from the net outflow of RMB27.1 billion last year.

The Company's net cash outflow from operating activities was RMB20.3 billion, mainly due to the increase in project payments received and recovery of funds from real estate sales activities and the improvement in cash flows from the principal construction business and real estate business during the period. The Company received cash from sales activities at a rate of 106.1%, a year-on-year increase of 0.2 percentage points, and the cash recovery of operating activities continued to strengthen.

The Company's net cash outflow from investment activities was RMB52.6 billion, a year-on-year increase in net outflow of RMB32.8 billion. This was mainly due to the decrease in cash received from investment recovery and cash received from investment income and the increase in cash expenses in investment.

The Company's net cash inflow from financing activities was RMB30.8 billion, a year-on-year increase in net inflow of RMB4.5 billion, mainly due to the increase in cash received from investment, issuance of perpetual bonds and long-term borrowings.

For details, please refer to relevant information as set out in Note V 64 "Notes to the consolidated cash flow statement" and Note V 65 "Supplementary information to the consolidate cash flow statement" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

5. Financing

During the Reporting Period, the face value of the Company's newly issued bonds totaled approximately RMB21.6 billion. The Company was dedicated to satisfy the financial needs of relevant entities in pursuing the pandemic prevention and control measures, resumption of work and production and business development by introducing "ten financial measures", setting up special loan pools, providing access to green approval channels, and providing a reserve of financial resources.

In order to actively implement the decision-making of the Party Central Committee and the State Council on deepening the reform of SOEs, and respond to the guidance of the SASAC of the State Council on market-oriented legalization of debt-to-equity swaps, the Company organized part of its three-tier subsidiaries, in cooperation with investment institutions, to carry out market-oriented debt-to-equity conversion business. The market-oriented debt-to-equity conversion funds effectively supplemented equity capital for related subsidiaries, and were directly used to swap external debt, which strongly supported the development of the principal business, while optimizing the subsidiaries' governance structure and enhancing its governance capabilities.

As of the end of the Reporting Period, the Company's total interest-bearing liabilities were RMB500.6 billion, an increase of RMB37.5 billion from the beginning of the year, and a year-on-year increase of 8.1%. This was mainly due to the increase in the Company's business volume, the corresponding increase in long-term borrowings, and the increase in interest expenses.

During the Reporting Period, the interest payment/redemption of corporate bonds and debt financing instruments are listed as follows:

Unit: 100 million yuan Currency: RMB

Category	Abbreviation	Issue date	Maturity date	Amount	Whether to pay interest/redeem normally
Medium-term note	15 China Construction MTN001	April 28, 2015	April 28, 2020	30	Redemption and interest payment
Medium-term note	15 China Construction MTN002	November 9, 2015	November 9, 2020	20	Redemption and interest payment
Medium-term note	16 China Construction MTN001	April 13, 2016	April 13, 2021	30	Interest payment
Medium-term note	17 China Construction MTN001	April 20, 2017	April 20, 2020	50	Redemption and interest payment
Medium-term note	18 China Construction MTN001	August 17, 2018	August 17, 2023	50	Interest payment
Medium-term note	18 China Construction MTN002	August 17, 2018	August 17, 2023	50	Interest payment

During the Reporting Period, the bonds issued by the Company's subsidiaries are as follows:

Unit: 100 million yuan Currency: RMB/USD

Name of bond	Issue date	Term	Amount	Amount of principal at the end of period	Issuer
CHINA OVS N2503	March 2, 2020	5	3 (USD)	3 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
CHINA OVS N3003	March 2, 2020	10	5 (USD)	5 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
CHINA OVS N3503	March 2, 2020	15	2 (USD)	2 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
20 China Overseas 1A	April 28, 2020	3+3+3+3+3+3	37 (RMB)	37 (RMB)	Beijing China Overseas Plaza Commercial Development Ltd.
20 China Construction G1	July 29, 2020	3	20 (RMB)	20 (RMB)	China State Construction International Holdings Limited
20 China Overseas 01	August 14, 2020	3+3	20 (RMB)	20 (RMB)	China Overseas Development Group Co., Ltd.
20 China Overseas 2A	August 17, 2020	5+5+5+3	30 (RMB)	30 (RMB)	Beijing China Overseas Plaza Commercial Development Ltd.
20 China State Construction International Investments MTN001	October 28, 2020	3	5 (RMB)	5 (RMB)	China State Construction International Investments Limited
20 China Overseas 03	November 9, 2020	3	24 (RMB)	24 (RMB)	China Overseas Development Group Co., Ltd.
20 China Overseas Development Group MTN001	December 14, 2020	3	15 (RMB)	15 (RMB)	China Overseas Development Group Co., Ltd.

For details, please refer to relevant information as set out in Note V. 36 "Bonds payable" to the financial statements under "FINANCIAL REPORT" hereof.

(II) Operating investment business

During the Reporting Period, the Company completed an investment of RMB438.5 billion, an increase of 8.0% year-on-year, and the investment business maintained a steady development trend.

Unit: 100 million yuan Currency: RMB

Classification of projects	Amount of investment during the Reporting Period	Proportion (%)	YoY increase (%)
By categories of projects			
Real estate development	3,109	70.9	11.8
Investment in infrastructure and housing construction	1,102	25.1	0.6
Comprehensive urban development	146	3.3	-3.4
Fixed assets and other investments	28	0.7	-14.5
By continuity of projects			
Continued investment projects	2,826	64.4	3.3
New projects in 2020	1,559	35.6	17.9
Total	4,385	100	8.0

Note: The above classification of projects is designed in accordance with industry practices and the Company's internal management needs. The classification attributes of some projects will be adjusted according to the actual circumstances of the project. The year-on-year growth rate in the table will be adjusted retrospectively to the changed projects accordingly.

- 1. Real estate development business**

During the Reporting Period, the investment amount of the Company's real estate development business reached RMB310.9 billion, a year-on-year increase of 11.8%; payback of investment return was RMB328.6 billion, a year-on-year increase of 16.1%; and ratio of investment to income was 105.7%, a year-on-year increase of 3.9 percentage points.

- 2. Business of investment in infrastructure and housing construction**

During the Reporting Period, the investment in infrastructure and housing construction of the Company reached RMB110.2 billion, a year-on-year increase of 0.6%; payback of investment return was RMB46.5 billion, a year-on-year increase of 4.9%; and the income to expenses ratio of investment was 42.2%, a year-on-year increase of 1.7 percentage points.

- 3. Comprehensive urban construction business**

During the Reporting Period, the amount of investment of the Company's comprehensive urban construction business reached RMB14.6 billion, a year-on-year decrease of 3.4%; payback of investment return was RMB15.8 billion, a year-on-year increase of 64.5%; and the income to expenses ratio of investment was 108.2%, a year-on-year increase of 44.6 percentage points.

- 4. Investment and construction in key regions**

The Company resolutely implemented the major decision-making and deployment of the Party Central Committee and the State Council, took the responsibility as a central enterprise around major national strategic planning and deployment, actively practised regional coordinated development strategies, and was deeply involved in the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the GBA, investment and construction in key national areas such as the integrated development of the Yangtze River Delta, ecological protection and high-quality development of the Yellow River Basin. During the Reporting Period, the amount of investment of the Company in the Beijing-Tianjin-Hebei Region, Yangtze River Economic Belt, GBA, the Yangtze River Delta, and the Yellow River Basin reached RMB308.63 billion, representing 70.4% of the Company's overall investment.

• 5. Development of PPP business

In accordance with the national requirements on the regulated development of PPP business, and under the guidance of national policy, the Company has comprehensively cleared up and rectified the existing PPP projects, maintained reasonable control of the scale of PPP projects, and adhered to the high-quality development of PPP business.

During the Reporting Period, the Company won new bids for 18 PPP projects with the project investment in aggregate of RMB47.8 billion, including an equity investment of RMB15.4 billion, covering business fields including expressways, railroad engineering and waterway and environmental protection. By the end of 2020, the Company had a total of 387 PPP projects in progress with the project investment in aggregate of RMB1,285.18 billion, including an equity investment of RMB626.15 billion, covering business fields including municipal engineering works, transportation, cultural and sports venues, composite development of towns and industrial parks, ecological and environmental protection. In accordance with the national requirements on the regulated development of PPP business, and under the guidance of national policy, the Company has comprehensively cleared up and rectified the existing PPP projects, maintained reasonable control of the scale of PPP projects and adhered to the high-quality development of PPP business. The Company invested in and constructed a number of major landmark projects related to national economy and people's livelihood through PPP business, covering the fields of municipal engineering, transportation, comprehensive development of towns and industrial parks, ecological construction and environmental protection, which strongly promoted the Company's steady growth and structural adjustment. This helped the Company's transformation from a company which is solely engaged in housing construction business to the world's largest investment and construction conglomerate, and enhance the brand influence of CSCEC.

As of the end of 2020, 118 of the Company's PPP projects was in operation, accounting for 30.41% of the PPP projects in progress, with the project investment in aggregate of RMB235.32 billion including an equity investment of approximately RMB158.8 billion, accounting for 25.36%. According to the category of operating projects, the projects in operation were mainly municipal roads, comprehensive pipeline network, cultural and sports venues, security housing projects and ecological and environmental protection. Among them, Zhengzhou Metro Line 3 was successfully opened to traffic under independent operation, further enriching the business model of the Company's operating business. In 2020, the Company further strengthened the operation management of PPP projects and issued the Implementation Rules for Operation and Management, and a number of subsidiaries set up specific operating entities, with the operation and management system basically taking shape and the operation and management capability continuously improved. On the one hand, the Company supervised our subsidiaries to complete the planning, preparation and filing of operation plans before the projects were opened for operation period, so as to fully prepare for the operation; on the other hand, in respect of projects in operation, the Company monitored the operating income, assessment results and performance of government payments, so as to effectively protect the investment income. In 2020, PPP projects in operation delivered satisfactory results in evaluation and assessment, particularly, 98.7% of the projects meeting the annual operation performance assessment and recording payback of investment return of 96.4%. In this regard, the Company has overcome the adverse impact of the pandemic on the operation of the projects and consolidated the two responsibilities, namely performance assessment and investment return.

(III) Operating status of the professional sectors

Since the implementation of the "specialization" strategy, the Company has fostered and developed a number of professional companies with sophisticated management mechanisms, innovative capabilities and core competencies in their respective specialized fields. The Company split its principal business into 11 professional sub-sectors, which continued to maintain satisfactory overall development momentum. The total value of new contracts was RMB459.0 billion, a year-on-year increase of 5.7%; revenue was RMB363.22 billion, a year-on-year increase of 7.6%; gross profit was RMB24.99 billion, a year-on-year decrease of 8.8%; and operating profit was RMB12.57 billion, a year-on-year decrease of 14.1%.

Since the implementation of the "specialization" strategy, the Company has fostered and developed a number of professional companies with sophisticated management mechanisms, innovative capabilities and core competencies in their respective specialized fields. During the Reporting Period, the Company's internal division of specialization and layout became more rational, the synergetic and coordination mechanism was more sophisticated, and the overall competitive edge became more prominent. Various specialized sectors and related subsidiaries provided solid support for the Company's development in the full business area, full life cycle, and whole industry chain capabilities. The construction scale of China Construction Science and Industry has been ranked first in the steel structure industry since 2012; the core propane dehydrogenation plant product of China Construction Industrial & Energy Engineering. Group Co., Ltd. had the largest market share in the world for three consecutive years, and was awarded "National Single Champion Product in Manufacturing" by the Ministry of Industry and Information Technology in 2020; the construction scale of glass curtain wall business of China State Decoration remains its leading position in the industry; China Construction Science & Technology built up more than 20 modern assembly industry bases across the country, with a total designed assembly capacity of 4 million cubic meters per year, which can support nearly 50 million square meters of buildings. The world-leading "China Construction Cloud Tunnel Intelligence" control system of China Construction Intelligence (中建智能) was a typical application of the Internet of Things technology in the process of control of tunnel underground excavation construction; China West Construction continued to maintain a leading position in the industry in terms of the concrete output for commercial use.

Unit: 100 million yuan Currency: RMB

Item	Name of sector	Amount of new contracts	Revenue for 2020	YoY Increase (%)	Gross profit for 2020	YoY Increase (%)	Operating profit for 2020	YoY Increase (%)
Cross-section	Installation	529	601.5	10.7	31.4	-4.2	19.4	-8.7
	Steel structure	74	218.2	11.7	13.4	-3.4	9.2	65.2
	Commercial concrete	498	234.2	4.6	27.0	17.5	11.4	42.5
Housing construction	Decoration	370	332.7	11.0	25.8	14.3	6.4	-23.3
	Gardening	24	55.4	54.1	3.7	73.9	3.2	222.6
Infrastructure	Municipal projects	913	783.3	15.5	87.6	-8.3	50.7	-6.4
	Railways	159	100.8	7.1	-3.1	/	-2.4	/
	Rail transit	1,165	307.9	1.2	8.1	-17.5	2.3	-59.0
	Roads and bridges	640	865.5	-3.8	46.9	-38.8	22.6	-55.3
	Electricity	60	51.3	46.0	2.5	85.0	1.5	/
	Port engineering	158	81.3	25.0	6.5	230.0	1.5	/
Total		4,590	3,632.2	7.6	249.9	-8.8	125.7	-14.1

Item	Names of sector	Gross profit margin (%)			Operating profit margin (%)		
		2020	2019	YoY change (Percentage points)	2020	2019	YoY change (Percentage points)
Cross-section	Installation	5.2	6.0	-0.8	3.2	3.9	-0.7
	Steel structure	6.1	7.1	-1.0	4.2	2.8	1.4
	Commercial concrete	11.5	10.3	1.2	4.9	3.5	1.4
Housing construction	Decoration	7.8	7.5	0.2	1.9	2.8	-0.9
	Gardening	6.7	5.9	0.8	5.7	2.7	3.0
Infrastructure	Municipal projects	11.2	14.1	-2.9	6.5	8.0	-1.5
	Railways	-3.0	-5.9	2.9	-2.4	-6.4	4.0
	Rail transit	2.6	3.2	-0.6	0.7	1.8	-1.1
	Roads and bridges	5.4	8.5	-3.1	2.6	5.6	-3.0
	Electricity	5.0	3.9	1.0	2.9	-0.3	3.2
	Port engineering	7.9	3.0	4.9	1.8	-2.9	4.7
Total		6.9	8.1	-1.2	3.5	4.3	-0.9

(IV) Explanation on significant changes in profit arising from non-major business

□ Applicable √ N/A

(V) Analysis of assets and liabilities

√ Applicable □ N/A

1. Assets and liabilities

Unit: '000 yuan Currency: RMB

Name of item	Amount as of the end of the current period	Amount as of the end of the current period as a percentage of total assets (%)	Amount as of the end of the last period	Amount as of the end of last period as a percentage of total assets (%)	Change between amounts as of the end of the current period and last period (%)	Remarks
Total assets	2,192,173,839	100	2,034,451,929	100	7.8	Total assets increased by RMB157.7 billion during the period, mainly due to the increase in inventories and investment properties, which accounted for 74.2% of the increase in total assets.
Cash and bank balances	295,857,190	13.5	292,441,419	14.4	1.2	The increase in cash and bank balances of RMB3.4 billion in the year was mainly due to the increase in bank deposits as a result of the increase in net cash inflow from operating activities and financing activities.
Accounts receivable	160,441,814	7.3	153,861,875	7.6	4.2	Accounts receivable increased by RMB6.5 billion for the year, which was due to the increase in payment from property owners in line with the increase in business scale.
Prepayments	42,243,346	1.9	55,084,548	2.7	-23.3	The decrease in prepayments of RMB12.8 billion for the year was mainly due to the decrease in prepayments.
Inventories	675,125,328	30.8	578,917,620	28.5	16.6	The inventories increased by RMB96.2 billion for the year, mainly due to the increase in properties under development and completed properties for sale.
Contract assets	141,065,956	6.4	150,975,326	7.4	-6.6	Contract assets decreased by RMB9.9 billion for the year, mainly due to the increase in owner settlements.
Current portion of non-current assets	77,936,729	3.6	57,463,704	2.8	35.6	Current portion of non-current assets increased by RMB20.5 billion for the year, mainly due to the increase in warranty deposits due within one year, long-term receivables from investment projects and receivables from primary land development.
Long-term receivables	177,642,042	8.1	164,825,682	8.1	7.8	Long-term receivables increased by RMB12.8 billion, mainly due to the increase in receivables from investment projects.
Long-term equity investments	86,439,061	3.9	74,916,901	3.7	15.4	Long-term equity investments increased by RMB11.5 billion, mainly due to the increase in investments in associates and joint ventures.
Investment in other equity instruments	5,838,384	0.3	8,069,043	0.4	-27.6	The decrease in investments in other equity instruments of RMB2.2 billion for the year was mainly due to the decrease in fair value of investments in equity instruments held at the end of the year.
Investment properties	97,123,680	4.4	76,301,157	3.8	27.3	Investment properties increased by RMB20.8 billion during the year, mainly due to the increase in properties during the year.
Intangible assets	22,538,997	1.0	16,409,157	0.8	37.5	Intangible assets increased by RMB6.15 billion during the year, mainly due to the increase in franchise in line with the increase in construction investment.
Other non-current assets	139,945,933	6.4	147,948,942	7.3	-5.4	Other non-current assets decreased by RMB8.0 billion, mainly due to the transfer of investment projects held under financial asset model to long-term receivables upon settlement.
Total liabilities	1,615,078,738	73.7	1,532,616,609	75.3	5.4	Total liabilities increased by RMB82.5 billion year-on-year, mainly due to the increase in contract liabilities and long-term borrowings, both of which accounted for 88.3% of the increase in total liabilities.
Notes payable	5,265,592	0.2	7,030,414	0.3	-25.1	The decrease of RMB1.8 billion in notes payable for the year was mainly due to the reduction of note payments.
Contract liabilities	309,479,052	14.1	281,789,584	13.9	9.8	Contract liabilities increased by RMB27.7 billion, mainly due to the increase in pre-sales property payments.
Long-term borrowings	292,897,038	13.4	247,800,428	12.2	18.2	The net increase of long-term borrowings of RMB45.1 billion was mainly due to the continued growth of demand for long-term funds to support the capital operation of the projects as the business grows and PPP projects are continuously launched.
Bonds payable	88,782,471	4.0	99,596,598	4.9	-10.9	The decrease in bonds payable of RMB10.8 billion was mainly due to the repayment of some bonds by the Company.
Other explanation						
None						

2. Restriction on major assets as of the end of the Reporting Period Applicable N/A**3. Other explanation** Applicable N/A**(VI) Analysis of operating information in the industry** Applicable N/A**Analysis of operating information in the construction industry****1. Projects completed and accepted after verification during the Reporting Period** Applicable N/A

Unit: 100 million yuan Currency: RMB

Segment of industry	Housing construction	Infrastructure construction	Specialized engineering	Construction and decoration	Others	Total
Number of projects	7,677	1,661	/	/	/	9,338
Total amount	20,740	5,907	/	/	/	26,647

 Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Mainland China	9,031	24,791
Overseas	307	1,856
Of which:		
Hong Kong and Macao SARs	96	850
Southeast Asia	98	377
Middle East	28	251
North Africa	9	62
Central and Southern Africa	19	16
America	27	134
Europe	5	0.1
Other regions	25	166
Total	9,338	26,647

Other explanation

 Applicable N/A

With reference to the relevant national standards, combined with its own operating characteristics and structural development needs, the Company's housing construction projects include engineering general contracting and specialized contracting projects (foundation, steel structure, construction and installation, renovation and decoration, etc.); infrastructure projects include transportation engineering (roads, municipal roads, railways, urban rail transit, airports, ports and docks, parking lots, tunnels, bridges, waterways, etc.), energy engineering, petrochemical engineering, water supply and treatment engineering, environmental

protection engineering, post and telecommunications engineering, health crisis and disaster prevention engineering, hydraulic engineering and other projects (outdoor stadiums, outdoor recreational facilities, reclamation, artificial islands, underground comprehensive pipe corridors, pipe networks, etc.), which is also applicable to the items below.

2. Projects under construction during the Reporting Period

Applicable N/A

Unit: 100 million yuan Currency: RMB

Segment of industry	Housing construction	Infrastructure construction	Specialized engineering	Construction and decoration	Others	Total
Number of projects	11,932	2,811	/	/	/	14,743
Total amount	57,252	19,118	/	/	/	76,370

Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Mainland China	14,077	70,918
Overseas	666	5,452
Of which:		
Hong Kong and Macao SARs	93	1,153
Southeast Asia	173	1,574
Middle East	62	560
North Africa	66	614
Central and Southern Africa	121	528
America	65	369
Europe	13	23
Other regions	73	631
Total	14,743	76,370

Other explanation

Applicable N/A

3. Material projects under construction

Applicable N/A

Other explanation

Applicable N/A

4. Overseas projects during the Reporting Period

Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Hong Kong and Macao SARs	189	2,003
Southeast Asia	280	2,004
Middle East	90	811
North Africa	80	703
Central and Southern Africa	144	721
America	92	502
Europe	18	23
Other regions	99	878
Total	992	7,645

Other explanation

√ Applicable N/A

The above project status includes completed and settled, completed and unsettled, under construction and others.

The amount of overseas projects set out in the contract was translated in the exchange rate of foreign currencies against RMB as agreed in the contract or the spot exchange rate at the time of entering of the contract.

5. Total number of new projects signed during the Reporting Period

√ Applicable N/A

The total number of new projects signed during the Reporting Period was 5,718 with an amount of RMB2,772.1 billion (amount of construction contracts).

6. Orders in hand as of the end of the Reporting Period

√ Applicable N/A

The total amount of orders in hand as of the end of the Reporting Period was RMB5,569.8 billion. Among them, the amount of the contract has been signed but the project has not yet started is RMB1,724.4 billion, and the amount of the unfinished part of the project under construction is RMB3,845.4 billion.

Other explanation

 Applicable N/A

7. Other explanation

 Applicable N/A

• The Company's qualifications in the construction industry

As of the end of the Reporting Period, the Company had a total of 38 enterprises with special qualifications, 1 enterprise with comprehensive engineering grade-A qualification, and 64 special-grade qualifications, including 32 special-grade qualifications in general contracting of construction projects, 19 special-grade qualifications in general contracting of municipal utilities works, and 10 special-grade qualifications in general contracting of highway projects, 2 special-grade qualifications in general contracting of petrochemical projects, 1 special-grade qualification in general contracting of port and waterway projects, and 1 grade-A qualification in design-related comprehensive business.

• The Company's quality control system, implementation standards, control measures and overall evaluation

Based on the ISO9001 quality system, the Company continuously improved the multi-level and comprehensive quality management system such as quality organization system, regimes and supervision system, and maintained effective operation. Before the commencement of work, the Company attentively made project quality planning, specified the objectives of project quality management, entered into the agreement regarding the post quality responsibility goals, refined the post quality tasks, and made preparations for construction. During the process of construction, the Company implemented quality standardization management and guidance for examples, refined technical communication, adopted strict approaches to engineering technology review, strict raw material field acceptance, management of inspection, and inspection on process quality, taking a strict approach to project quality acceptance. After the completion of the project,

the Company signed project quality warranty, compiled the construction manual, and distributed it to the users. The Company attached great importance to quality assurance services, established customer files, and conducted regular and irregular quality review visits.

• Operation of the Company's safe production system

In 2020, the Company had no major or above-grade production safety accidents. 169 projects of the Company were awarded the "Projects for Study and Exchange on Safety and Production Standardization of Construction Project Sites" by the Construction Safety and Machinery Branch of China Construction Industry Association (中国建筑业协会建筑安全与机械分会), accounting for 32.2% of the total number of awards, ranking first among central enterprises and enterprises across the country. Throughout the year, the Company identified and eliminated 1.03 million hidden hazards, carried out 365,000 safety production training sessions, and provided about 75,000 occupational health training sessions. 100% of employees attended the training on safety and 100% employees had personal health files.

During the Reporting Period, the Company organized special meetings on production safety, meetings of the safety committees, emergency video meetings on safe production, etc. to promote and implement General Secretary Xi Jinping's important expositions and instructions on production safety, and to implement the safe production and initiatives of the Party Central Committee and the State Council. In response to the requirements for pandemic prevention and control measures as well as resumption of work and production and based on the characteristics of the highly frequent occurrence of accidents, the Company issued "Eight Prohibitions" for Enhancing Safety Precautions Measures during Pandemic Prevention and Control and Resumption of Work and Production; in response to the severity of the high incidence of accidents involving lifting injuries and limited-space operations across the country, the Company issued the Notice on Strengthening the Safety Management of Lifting Machinery and Equipment and the Notice on Strengthening the Safety Management of Limited-space Operation; to carry out the safety initiatives at the end of the year, the Company also issued the Notice on Further Strengthening of Production Safety at the Turn of the Year and other documents. Enterprises at all levels spared no efforts to ensure the pandemic prevention and control measures and safety and stability of resumption of work and production, fully implemented the "special action on accountability of production safety and systematic governance". The Company also promoted the three-year action of special rectification measure of production safety, and continued to carry out special inspections on production safety. The Company delivered satisfactory performance in three battles, i.e., "battle for overcoming difficulties in pandemic prevention and control and resumption of work and production, battle for promoting production safety in daily operating activities, and the battle for safeguarding safety and stability at the turn of the year", ensuring the safety and development of CSCEC.

(VII) Analysis of investment

1. General analysis of external equity investment

Applicable N/A

The Company's external equity investment mainly includes stocks purchased from the secondary market for trading purposes, and equities held in other listed or unlisted companies for non-trading purposes. Accounting items include financial assets held for trading, investment in other equity instruments and long-term equity investments.

(1) Major equity investment

Applicable N/A

(2) Major non-equity investment

Applicable N/A

(3) Financial assets measured at fair value

Applicable N/A

Unit: '000 yuan Currency: RMB

Stock code	Stock name	Investment cost at the beginning of the period	Changes in investment cost during the period	Cost of investment at the end of the period	Carrying value at the end of the period	Gains or losses during the Reporting Period	Changes in fair value in the Reporting Period	Accounting items	Source of stocks
600015.SH	HUAXIA BANK	5,558	0	5,558	8,340	-1,563	-1,895	Financial assets held for trading	Purchase
600723.SH	BCRG	4,406	-4,406	0	0	2,781	2,169	Financial assets held for trading	Purchase
/	SPH	1,961	-92	1,869	474	305	-446	Financial assets held for trading	Purchase
/	PACIFICCENTURY	9,938	-466	9,472	1,941	0	0	Financial assets held for trading	Purchase
/	PACIFIC2 CENTURY2	1,472	-69	1,403	789	0	0	Financial assets held for trading	Purchase

Stock code	Stock name	Investment cost at the beginning of the period	Changes in investment cost during the period	Cost of investment at the end of the period	Carrying value at the end of the period	Gains or losses during the Reporting Period	Changes in fair value in the Reporting Period	Accounting items	Source of stocks
000628.SZ	CHENGDU HI-TECH DEVELOPMENT CO LTD.	440	0	440	2,636	-443	-443	Financial assets held for trading	Purchase
601328.SH	BANKCOMM	2,660	0	2,660	11,296	-2,105	-2,900	Financial assets held for trading	Purchase
601838.SH	BANK OF CHENGDU	255	0	255	4,123	781	618	Financial assets held for trading	Purchase
600688.SH	SPC	601	-601	0	0	243	-9	Financial assets held for trading	Purchase
600620.SH	SHSTC	16	-16	0	0	65	-9	Financial assets held for trading	Purchase
601288.SH	AGRICULTURAL BANK OF CHINA	796,467	0	796,467	933,173	54,058	-163,454	Investment in other equity instruments	Purchase
600015.SH	HUAXIA BANK	241,479	0	241,479	362,316	14,434	-82,318	Investment in other equity instruments	Purchase
601328.SH	BANKCOMM	2,005	0	2,005	6,423	452	-1,389	Investment in other equity instruments	Purchase
00687.HK	TYSAN HOLDINGS	199,904	0	199,904	18,470	39,350	-32,590	Investment in other equity instruments	Purchase
600778.SH	YOUHAO GROUP	720	-720	0	0	0	-1,950	Investment in other equity instruments	Purchase
601229.SH	BANK OF SHANGHAI	1,641	0	1,641	9,457	483	-1,990	Investment in other equity instruments	Purchase
000617.SZ	CNPCCCL	1,900,000	0	1,900,000	1,668,344	45,523	-204,263	Other current assets	Purchase
600390.SH	MINMETALS CAPITAL	1,500,000	0	1,500,000	1,237,833	14,010	-447,065	Other current assets	Purchase
	Other investment in securities	896,034	-648,588	247,446	214,860	12,202	-6,516	Financial assets held for trading	Purchase
	Total	5,565,557	-654,958	4,910,599	4,480,475	180,576	-944,450	/	/

Notes:

- ① This table sets out the Company's investment in stock securities including as financial assets held for trading, other current assets, and investment in other equity instruments.
- ② Profit and loss for the Reporting Period, with respect to financial assets held for trading, includes the investment income and changes in fair value during holding period and the investment gains on disposal during the Reporting Period; with respect to investment in other equity instruments and other current assets, includes investment gains during the holding period.
- ③ Other securities investment refers to investment in stock securities accounted for as financial assets held for trading, investment in other equity instruments other than those listed above.
- ④ In addition to the table above, for other items included in financial assets held for trading and investment in other equity instruments, please refer to the relevant information as set out in Note V 2 "Financial assets held for trading" and Note V 15 "Investment in other equity instruments" under Section XI "FINANCIAL REPORT" hereof.

(VIII) Major disposal of assets and equity interests

Applicable N/A

(IX) Analysis of major controlling companies or companies with shareholding

Applicable N/A

1. Major subsidiaries acquired through incorporation or investment

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
COHL	Investment holding	31,032,258	100.00	921,633,116	296,568,256	43,252,283
China Overseas Land & Investment	Real estate development and operation	HKD1,095,000,000	56.00	756,032,365	275,517,823	36,880,626
CSC International	Construction and installation	HKD1,500,000,000	64.66	153,473,783	45,615,157	5,131,456
China Overseas Property	Property management	HKD30,000,000	61.18	5,213,183	1,838,312	614,342
China Construction First Group Corporation	Construction and installation	7,000,000	100.00	94,406,571	24,274,709	2,804,773
China Construction Second Engineering Division	Construction and installation	5,000,000	100.00	123,853,978	31,992,387	2,278,857

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
China Construction Third Engineering Division	Construction and installation	5,039,865	100.00	224,235,936	56,381,608	7,661,202
China Construction Fourth Engineering Division	Construction and installation	5,100,000	100.00	108,240,036	21,703,151	724,699
China Construction Fifth Engineering Division	Construction and installation	6,018,000	100.00	147,347,571	30,393,665	3,408,287
China Construction Sixth Engineering Division	Construction and installation	4,277,946	100.00	59,275,536	12,026,530	376,400
China Construction Seventh Engineering Division	Construction and installation	6,000,000	100.00	89,843,970	22,853,392	2,052,689
China Construction Eighth Engineering Division	Construction and installation	13,500,000	100.00	224,271,026	52,616,573	8,521,384
China Construction Engineering Design Group	Engineering prospecting and design	510,000	100.00	2,940,984	1,118,377	86,279
China State Decoration	Industrial renovation and decoration	1,000,000	100.00	13,958,594	2,759,039	19,713
China Construction Fangcheng	Business of infrastructure construction	5,000,000	100.00	62,840,499	17,010,347	1,575,336

2. Major subsidiaries acquired through business combination under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSCEC Xinjiang Construction & Engineering	Construction and installation	3,500,000	85.00	46,260,376	13,164,802	1,294,023
China West Construction	Construction materials	1,262,354	57.79	23,833,616	10,056,435	945,990
Shenzhen China Overseas Investment (深圳中海投资)	Real estate development and operation	2,650,000	100.00	3,495,304	3,460,950	176,720
CSC Finance	Financial	10,000,000	80.00	111,756,847	12,415,401	602,877

3. Major subsidiaries acquired through business combination not under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSC Development	Construction and installation	HKD100,000,000	47.89	6,218,497	1,324,877	158,850
China Construction Harbour and Channel Engineering Bureau	Infrastructure construction	1,333,333	70.00	9,093,644	2,092,743	137,658

For details, please refer to relevant information as set out in "1. Interests in subsidiaries" under Note VII "Interest in other entities" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

(X) Structured entities under the control of the Company

Applicable N/A

For details, please refer to relevant information as set out in "3. Interests in consolidated structured entities" under Note VII "Interest in other entities" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

III. Discussion and Analysis of the Future Development of the Company

(I) Industrial development and trends

Applicable N/A

For details, please refer to relevant information as set out in Section III "OVERVIEW OF BUSINESS OPERATION" hereof on the situations of the industry.

(II) Development strategies

√ Applicable □ N/A

In 2021, the Company will continue to be committed to the corporate mission of “expanding a happy living environment”, uphold the guiding philosophy of inheritance and innovation, adhere to the general principle of the work of making progress while maintaining stability, building on the new development stage, implement new development concepts, and serve to create a new development pattern, enhance professional capabilities throughout the life cycle in the fields of construction, investment, prospecting and design, strengthen normalized pandemic prevention and control, make dedicated efforts in production and operation, promote high-quality development, and make a good start for the “14th Five-Year Plan”.

During the “14th Five-Year Plan” period, the Company will continue to highlight the main responsibilities and main business in accordance with the principle of respecting history and embracing the future, and firmly promote the Company’s continuous high-quality development, innovative development, eco-friendly development, business optimization development, digital development and overall security development and transformation, and expand emerging business areas closely related to the main business. The Company will strive to speed up its transformation and upgrading while securing growth, follow the principle of innovation and inheritance, and further enhance its core competitiveness.

1. **Investment and operation business.** The real estate business is committed to becoming an exceptional international real estate development and operation group, and will continue to take “transformation and upgrading” as the keynote, accelerate the formation of a pattern that focuses on residential product development, supplemented by high-quality commercial development and operation as well as by emerging business such as education and healthcare. Infrastructure investment and operation business is a key part for the Company to optimize its business structure and achieve transformation and upgrading. During the “14th Five-Year Plan” period, the Company will attach great importance to investment management and the safe and stable operation of projects, and strive to enhance “three key aspects of capabilities”, i.e., operation control, professional implementation and risk resolution. With regard to new-type urbanization business, the Company will proactively seize opportunities, actively implement the country’s strategic deployment of the implementation of urban renewal actions, coordinate regional distribution, concentrate relevant resources, give full play to its “four-in-one” advantage, and focus on the zoning development and large-scale urban renewal, station-city integration, urban operation, etc., coordinate urban planning, construction, and operation management to create a livable, green, resilient, smart and humane city, and continuously improve the quality of urban living environment and people’s life, dedicated to becoming a leading urban service operator in the country.
2. **Engineering construction business.** The housing construction engineering business should continue to consolidate the Company’s absolute dominant position in the housing construction field. In accordance with the principle of steady development with efficiency enhancement, the business will focus on expanding projects in the public investment and high-quality real estate developers’ residential and commercial office projects, and continue to improve its competitiveness in super high-rise and large-span projects, reach industry benchmark levels in supply chain management, informatization, construction quality, energy conservation and environmental protection as well as production safety, and deliver scientific research results reaching the domestic and international leading levels, and continuously improve the Company’s market competitiveness and quality of development. Infrastructure business is still an important aspect of the Company’s optimization of its business structure. It is necessary to more actively seize the development opportunities brought by the country’s major strategies, focus on key markets, improve its management system, and strive to make up for the shortcomings by combining provinces and metropolitan areas, thus obtaining the dual benefits of economic growth and social responsibility, and promoting the further optimization of the Company’s business structure, and ensuring that the infrastructure business continues to grow stronger, better, and bigger during the “14th Five-Year Plan” period. In terms of business in construction, the Company continues to deepen reforms and innovations, optimize the internal coordination mechanism of the system, and continue to grow stronger, better and larger, and become the industry’s leading enterprise in terms of scale, technology and quality, as well as the first choice for high-end customers.
3. **Prospecting and design business.** Through the prospecting and design business, the Company will enhance its brand influence, cultivate high-end talents, strengthen technological innovation, and provide strong support for the Company’s general engineering contracting business. The Company will also promote the extension of the prospecting and design business, build the core competence of the brand, focus on key professional directions, achieve distinctive and differentiated development, enhance the original ability of product solutions, strengthen brand building, create a highland of talents in prospecting and design, and prepare high-end talent reserves, strengthen business synergy and linkage, and innovate business cooperation models. Taking advantage of development opportunities such as the BRI, the Company will actively cooperate with entities within and outside the system to expand overseas prospecting and design business.
4. **New business.** The Company will further intensify the development of new business, and vigorously create an innovative atmosphere within the Company that encourages bold explorations and innovation and tolerates failure. The Company will implement classified policies, and give appropriate special considerations in terms of resource input, performance appraisal and management procedures, give full play to the Company’s advantages, continue to explore new business forms, cultivate new momentum, and strive to make new business an important business segment of the Company by the end of the “14th Five-Year Plan” period.
5. **International business.** During the “14th Five-Year Plan” period, in the face of the new situations of severe and complex international environment and widespread and far-reaching impact of the pandemic, the Company will continue to adhere to the development direction of developing global business, further improve the international operation mechanism and model, and seize the business opportunities brought by the BRI, enhance the voice and influence in the global industry, and become an outstanding representative of “Chinese Construction” in the global market. Meanwhile, the Company will focus on contributing international talents, and learn their advanced management experience and business philosophy through competition with international advanced enterprises, with a view to improving the Company’s overall management level.

During the “14th Five-Year Plan” period, the Company will, based on the actual needs of the new development stage, implement the new development concept, accelerate the construction of a new development pattern, take the promotion of high-quality development as the theme, and deepen the supply-side structural reform as the main line, paying attention to the new business opportunities brought by demand-side reform, benchmark against the country’s “14th Five-Year Plan” and 2035 long-term vision goals, proactively adapting to the new situation and meeting new challenges, fully seizing new opportunities, nurturing opportunities in crises and changes. The Company will always bear in mind the overall strategy of the great rejuvenation of the Chinese nation as well as the profound changes unseen in the world in a century, thereby maintaining strategic focus and remaining committed to development, amplify our own advantages, complement various shortcomings, and coordinate development and safety, take full advantage of the domestic and international markets, and make good use of the domestic and international resources, thus achieving higher quality, more efficient, more sustainable and safer development, and becoming a “globally competitive world-class comprehensive enterprise group in investment and construction”.

(III) Operation Plan

√ Applicable □ N/A

In 2021, the Company plans to achieve the amount of newly signed contracts of more than RMB3.50 trillion, and a revenue of more than RMB1.76 trillion. The Company will adhere to the general work guideline of making progress while maintaining stability, adhere to the new development concept, pursue high-quality development, focus on the strategic goal of “one creation and five aspects of strength”, implement the “166” strategic measures, adhere to high-quality development, and strive to solve the issue of unbalanced and insufficient development, and promote reform in terms of quality, efficiency and driving force. The Company will adhere to scientific research and judgment, accurately respond to the external situation and national policies, take the initiative to study new situations, solve new problems, and creatively promote the work throughout the year. The Company will also make persistent efforts in the implementation of the Company’s reform and development tasks. We will focus on five aspects of work:

1. **Promoting the quality development of housing construction business.** The Company will pay close attention to the impact of the “three red lines” and bank real estate loan concentration management on the industry, strictly implement the bottom line of the Company’s real estate projects, strengthen cooperation with high-quality customers, and resolutely abandon projects that do not meet the bottom-line standards. The Company will intensify the development of the public investment market, and further expand projects in areas such as science and technology innovation projects, public health, and the renovation of old urban communities, actively adapt to new changes in technology, capture new market demands, upgrade products and services, and increase high-quality supply.
2. **Promoting the scale development of infrastructure business.** The Company will continue to adhere to high standards, seize opportunities, integrate resources, and continue to strengthen and optimize the infrastructure business. The Company will improve the infrastructure business system, enhance the marketing system centered on two-level headquarters, the performance system centered on general contracting capabilities, and the support system centered on technology, so as to continuously improve the core competitiveness of the infrastructure business. The Company will deeply cultivate the national strategic areas, further give play to the role of the Company’s leadership to contact the regional mechanism, deepen the high-level connection, and implement major projects. It is necessary for the Company to actively expand into key infrastructure markets, and strive to obtain major projects in the fields of urban rail transit, municipal roads, expressways, ecological and environmental protection, water conservancy and railways.
3. **Promoting the steady development of real estate business.** Adhering to the regulatory policy that “houses are for living in, not speculation” and the principle of prudent and caution investment, the Company will explore new strategies to adapt to the new situation, ensure the steady growth of scale and profits, and achieve high-quality development. China Overseas will continue to consolidate and enhance its advantages in residential development, accelerate the improvement of commercial asset scale and operational efficiency, increase turnover speed, seek benefits from digitalization and refinement, and maintain industry-leading profitability. CSC Land will focus on development business and on investment areas, maintains an investment rhythm that matches resources and capabilities, and strives to improve turnover efficiency and quality of development.
4. **Promoting the innovative development of prospecting and design business.** The Company will vigorously enhance the originality ability, focus on the three major points of technological innovation, talent training and introduction as well as professional construction, and promote more professional fields to reach first-class levels. The Company will intensify transformation and upgrading efforts, deepen the expansion of new areas such as land and space planning, urban design, and infrastructure prospecting and design, cultivate new business growth points, and facilitate the Company’s structural adjustment. The Company will promote the allocation of high-quality design resources to the core regional market, and promote the optimization of the layout of design of the Yangtze River Economic Belt and the GBA.
5. **Promoting the rapid development of innovative businesses.** In terms of the financial business, the Company adheres to the principle of integrating industry and finance and strengthening production by financing, further improve the business layout, enhance service functions, strengthen risk prevention and control, and effectively meet the needs of the main business. The Company will also accelerate the cultivation of new infrastructure business, continue to explore projects in emerging fields such as smart parking, smart light poles and general aviation, and create a sustainable business model.
6. **Developing overseas markets through concrete efforts.** Making innovations in perseverance, and seeking development in innovation, the Company will overcome immediate difficulties, consolidate existing achievements, and promote high-quality overseas development. The Company will streamline overseas top-level design, increase market development efforts, formulate development plans in a scientific manner, categorize and cultivate overseas markets, and strive to nurture new opportunities and open new chapters. The Company will improve basic management capabilities, optimize coordinated management measures for overseas markets, and continue to promote standardized management of overseas projects.

The business plan does not constitute the commitment to investors in terms of the Company's performance. Investors are advised to maintain sufficient risk awareness, and should understand the difference between the business plan and commitments of performance.

(IV) Potential risks

√ Applicable □ N/A

1. Macro-economic risks

Currently, the country's economic growth is shifting, the issue of the aging of the population is serious, the economic growth continues to decline, and the overall development of the construction industry is slowing down. Looking ahead, due to international trade frictions and changes in the international financial situation, as well as the continued impact of the COVID-19 pandemic, although China's economy will continue to recover in 2021, we should not be over-optimistic. With the weakening of counter-cyclical adjustment policies, infrastructure and real estate investment is facing the downward pressure. The Company must continue to strengthen in-depth research on the macro economy, closely follow national and local investment and construction hotspots, deepen supply-side structural reforms, accelerate business transformation and upgrading, and promote radiation and extension of its business. The Company will strengthen monitoring during the execution of strategic planning to target the external economy, revise corporate strategy in time for environmental changes, actively integrate into national strategy, further optimize regional layout, precise layout in key areas, give full play to its own professional advantages, and actively seek business opportunities from national regional strategic layout. The Company will actively and steadily explore overseas markets and seize the opportunities brought by BRI, promote the continuous development and growth of overseas business, strengthen regional linkages, enhance synergies, give play to the Company's advantages in resource integration, and increase the Company's sensitivity and predictability to changes in the economic environment.

2. International operation risks

Since the fourth quarter of 2020, the pandemic in many countries has rebounded strongly, causing a serious impact on the global society and economy. Affected by the idea of reverse globalization, strategic games among major powers were intensified, and uncertainties and risks in the international situation have increased. The continuous spread of the pandemic has led to a sharp decline in contracting projects in the international market, and the pressure on market development has significantly increased. Projects under construction have recorded an increase in pandemic prevention expenditures, experienced payment delays, and lagging progress in contract performance. Project costs and construction schedule pressures have also risen. In particular, the unstable security situation of individual countries has increased the difficulty of operating in overseas markets. Confronting such complex and ever-changing international situation, the Company has been consolidating its ability to identify and respond to international business risks and strengthening the Company's control and dynamic adjustment of organizational structure. Besides, it has been improving the comprehensive risk management system of the entire business chain of overseas business, adhering to compliant operations, and improving the risk assessment and monitoring mechanism of overseas projects. It has also paid attention to the effective operation of overseas safe production supervision mechanisms, and properly identified, prevented and resolved risks of international operations.

3. Risks related to safety, environmental protection and quality

The Company's engineering contracting business accounts for a large proportion of its business portfolio and covers a wide range of sectors. Due to the characteristics of the industry and the external environment, in the course of construction, it may be exposed to natural disasters such as floods, rainstorms, earthquakes, typhoons, and fires and risks such as unexpected public events. The Company's production safety, environmental protection and quality are exposed to certain risks. The Company takes production safety, environmental protection and quality as the lifeline of the Company and attaches great importance to project management. Over the years, the Company has been adhering to the concept of "life first, safety operation foremost", always putting project management in the first place, and strictly following the CSCEC 1132 safe production supervision model to improve the safety supervision system of all levels of enterprises to the production unit. The Company will further improve the safety production supervision organization in accordance with the law, fully allocate full-time safety supervision personnel, strengthen the quality and capacity of the safety supervision team, adhere to the problem-oriented approach, defend the bottom line of safety, innovate management methods, consolidate the safety foundation, and effectively prevent all kinds of production safety accidents. The Company closely follows the national environmental protection policy guidance, continues to increase the promotion of environmental protection management, initiates the preparation of the CSCEC Ecological Environmental Protection Management Measures and the Management Manual, and promotes enterprises at all levels to improve safety, ecology and environmental protection as well as quality management system in terms of enterprises and projects, continue to consolidate the foundation of project management and improve risk prevention capabilities.

4. Risks related to the COVID-19 pandemic

CSCEC is a labor-intensive enterprise. Project suspension and personnel isolation caused by the pandemic will have certain impact on the production and operation of the Company, and will exert greater pressure on the Company's main economic indicators. In response to the global pandemic and the current situation of the COVID-19 pandemic, the Company made effective efforts in normalized pandemic prevention and control to ensure the lives and health of employees of the Company, while dealing with new risks brought by the global pandemic, such as the resulting risks of resumption of work and production due to the restriction on materials and personnel, decline in business performance due to the impact of the pandemic, legal contract disputes and other derivative risks. Throughout the year, the Company strengthened the overall planning and organizational leadership of pandemic prevention and control, resumption of work and production, and urged all subsidiaries and projects to establish a work system featuring "horizontal to edge, vertical to end", and defined work responsibilities at all levels. It also strictly implemented the pandemic prevention and control reporting mechanism, and implemented dynamic tracking and monitoring. Under the premise of preventing and controlling the pandemic, the Company actively resumed work and production, thoroughly analyzed the impact of the pandemic on production and operation, formulated targeted policies and measures, and strengthened work deployment. At present, with the normalized management of the pandemic, the Company has not relaxed its vigilance, and adhered to the overall coordination of domestic and foreign countries, strictly implements the main responsibilities, and continues to make concrete efforts in pandemic prevention.

5. Investment risk

The 2021 Economic Work Conference of the Political Bureau of the Central Committee proposed "promoting the stable and healthy development of the real estate market", laying the main tone for the "stable" and "development" of the real estate industry in 2021. The central government's determination to balance steady growth and prevent risks remains unchanged. The overall policy orientation of the real estate regulation and control policy has remained stable. The strong positioning of regulatory policy that "houses are for living in, not speculation" is maintained, and city-specific policies have been implemented to ensure the smooth operation of the market. Affected by the domestic economic downturn, fiscal pressure and the pandemic, under the "three stabilities" target, there are no obvious signs of relaxation in the short-term restrictions on purchase, loan and sales. The financial supervision for the industry continues to be strengthened, and some investment projects may not be able to progress as planned. These may result in an increase in the risk of investment recovery, increased corporate financing costs and reduced investment returns. The Company will strengthen research on national policies, regulations and industry policies. Under the combined effect of PPP project clean-up regulations and strict financial supervision policies, the Company will strictly implement the requirements as stipulated in No. 192 document of SASAC, No. 92 document of the Ministry of Finance and No. 10 document of the Ministry of Finance, improve investment business management and control standards and reasonably control the scale of investment. The Company will also strictly implement the investment budget, insist on the principle of "no investment without budget", and strictly require that subsidiaries without budget space shall not invest in new projects. The Company will adhere to the principle of operating within capacity, and establish a "dual control" mechanism for investment budgets and asset-liability ratios. The Company will strictly regulate the expansion of PPP projects, strictly implement investment business control requirements, further clarify the legal compliance requirements of PPP projects, carry out project feasibility research, prevent decision-making risks with scientific advance planning and demonstration, and take a "zero tolerance" approach in terms of risks in compliance defects of projects, with a view to effectively improving the quality of new investment projects. At the same time, the Company will strengthen the process management and control of investment projects, comprehensively improve project operation capabilities, and promptly give warning on and mitigate risks that may arise during the implementation of investment projects.

Various financial risks faced by the Company in its operating activities include market risks (mainly exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk. The overall risk management plan of the Company will focus on the unpredictability of the financial market, and reducing the potential adverse impact on the financial performance. For details, please refer to the relevant information as set out in Note VIII "Risks relating to financial instruments" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

For details of the Company's goodwill and its impairment, please refer to the relevant information as set out in Note V. 20 "Goodwill" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

(V) Miscellaneous

Applicable N/A

IV. Explanation on the Circumstances and Reasons for not Disclosing in Accordance with the Standards due to Non-applicability of the Standards or Special Reasons such as State Secrets and Trade Secrets

Applicable N/A

SECTION V IMPORTANT MATTERS

I. Profit Distribution Plan of Ordinary Shares and Reserve Capitalization Plan

(I) Formulation, execution, or adjustment of cash dividend policy

Applicable N/A

According to the Articles of Association: The Company may distribute dividends in cash, stock, a combination of both and other means permitted by laws and regulations; the Company shall preferentially make profit distribution in the form of cash dividends. In the event that the Company is operating well and the Board of Directors believes that the Company's share price does not match the size of its share capital, and the distribution of dividends in stock is in the interests of shareholders of the Company as a whole, the Company may propose stock dividend and other distribution proposals when the conditions for distribution in the form of cash dividends are satisfied. Except for special circumstances as determined by the Board of Directors of the Company, the Company shall distribute dividends in cash when the Company records a profit in current year and the accumulated undistributed profits are positive. The profits distributed in cash each year shall, in principle, be not less than 15% of the distributable profits of that year.

On May 25, 2020, the Proposal on 2019 Profit Distribution Plan of China State Construction Engineering Corporation Limited was considered and approved at the 2019 annual general meeting of the Company through a combination of on-site open ballot and internet voting; on June 17, 2020, the Company released the Announcement on Implementing Rights and Interests Distribution for 2019 of China State Construction Engineering Corporation Limited; on June 24, 2020, the Company distributed cash dividends to all shareholders, marking the full implementation of the profit distribution plan in 2019. The Company distributed profits in strict compliance with relevant provisions of the Articles of Association and the resolutions passed at the general meetings.

(II) Plans or proposals for profit distribution or reserve capitalization of the Company in the last three years (including the Reporting Period)

Unit: '000 Currency: RMB

Year of dividend distribution	Number of bonus shares per 10 shares (shares)	Amount of dividends distributed per 10 shares (RMB) (tax inclusive)	Number of shares transferred per 10 shares (shares)	Amount of cash dividends (tax inclusive)	Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the year of dividend distribution	Percentage of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)
2020	0	2.147	0	9,006,272	44,944,250	20.04
2019	0	1.85	0	7,763,538	41,881,399	18.53
2018	0	1.68	0	7,052,853	38,241,324	18.44

The Company realized a net profit of RMB23.8 billion during the Reporting Period. After allocating 10% of the net profit for statutory reserve in an amount of RMB2.4 billion, and setting aside RMB400 million for paying interest on perpetual bonds, and adding RMB11.9 billion carried forward to 2020 after the profit distribution for 2019 and other comprehensive income carried to undistributed profit of RMB400 million, the profit available for distribution to ordinary shareholders for 2020 was RMB33.3 billion, and the capital surplus of the Company was RMB29.0 billion.

In accordance with relevant provisions of the Company Law and the Articles of Association, the profit distribution plan for 2020 has been formulated on the basis of the Profit Distribution Plan of China State Construction Engineering Corporation Limited for 2020 as considered and approved at the 53rd meeting of the second session of the Board of Directors of the Company by taking into account shareholder returns, the Company's capital demand for business development and other factors.

The profit distribution will be made in the form of cash dividends. A total of RMB9.0 billion of cash dividend will be distributed to all ordinary shareholders at RMB2.147 (tax inclusive) per 10 shares based on the 41,948,167,844 shares of the Company as of the date of disclosure. In case of any change in the total share capital of the Company prior to the record date of shareholders for profit distribution, the Company proposes to maintain the distribution ratio per share unchanged, and to adjust the total distribution amount accordingly. An announcement containing details of the adjustments will be made separately.

The remaining RMB24.3 billion after the distribution of cash dividends will be carried forward to the undistributed profits.

The independent directors of the Company have expressed opinions on this plan, which is still subject to the approval by the 2020 annual general meeting of the Company. A combination of on-site open ballot and internet voting will be adopted at the 2020 annual general meeting of the Company so as to ensure that minority shareholders have adequate opportunities to express their opinions and appeals, thereby fully safeguarding their legal interests.

Explanation on the cash dividend to be distributed by the Company for the current year is as follows:

1. Industry where the Company operates and its characteristics

The construction industry in which the Company is involved is a fully competitive industry, featured by fierce market competition and generally low gross profit margin. Fields such as new infrastructure and new energy will become the new direction of the industry's development. From the perspective of the "14th Five-Year Plan", a series of major national strategies will form new growth opportunities in the construction sector and bring new development impetus to the construction industry.

2. Development stage of the Company and its own business model

In 2020, the Company hit a new record high in terms of the value of new contracts and revenue, bringing with it stronger global competitiveness and brand influence. Under the new development pattern featuring domestic big cycle and supplemented by domestic and international twin cycles, the Company actively incorporated itself into the major national strategies and made concrete efforts to carry out the BRI, and seized the opportunities in overseas markets with a view to building a world leading enterprise group with global competitiveness.

3. Profitability and capital needs of the Company

Since the listing of CSCEC, the return on net assets has remained at a high level of approximately 15%, delivering stable investment returns to its shareholders. As the Company increases its reform and innovation efforts, it needs to increase its investment in innovative businesses and new technologies. In addition, in order to meet the needs of daily operation and the smooth progress of projects, the Company needs to maintain a certain amount of retained earnings.

4. Why the Company keeps part of the undistributed profit

Currently, the downward pressure on the world economy is increasing, and the international situations are changing rapidly. To enhance its resilience against risks, objectively, the Company needs to keep a certain amount of retained earnings. The retained earnings accumulated by the Company over the years are attributable to all investors. With quicker transformation from high-speed development to high-quality development, the profitability of the Company will be improved gradually, thus enabling the Company to offer better returns to investors in the future.

5. Purpose of the undistributed profit retained by the Company and its estimated income

The retained undistributed profit will be used to support the Company in capturing strategic development opportunities and to deepen the Company's strategy, increase structural adjustment and transformation and upgrading, and to seek new profit growth points. CSCEC has maintained a stable cash dividend policy for years, demonstrating the ability of CSCEC to maintain stable development and sustained dividend distribution. In 2021, the Company will strive to improve its value-creation capacity under the development goals of "one creation and five aspects of strength" and reward shareholders with excellent operating results.

This profit distribution plan complies with the provisions of relevant laws, regulations and the Articles of Association with compliant and transparent profit distribution procedures. CSCEC has maintained a stable cash dividend policy with an increase in the cash dividend to be distributed per share for the current year over last year. Upon completion of dividend distribution for the current year, the accumulative dividends distributed in the last three years will amount to RMB23.8 billion, representing 57.15% of the annual average distributable profit realized in the last three years. This demonstrates the ability of CSCEC to maintain stable development and sustained dividend distribution, as well as its determination to reward shareholders with excellent operating results.

(III) Inclusion of shares repurchased by way of cash into cash dividend

Applicable N/A

In addition to the above dividend plan, the Company has repurchased a total of 912,036,000 shares through centralized bidding trading in 2020, and the total repurchase amount paid was RMB4,792,282,012.54 (excluding transaction fees such as stamp duty and transaction commissions), accounting for approximately 10.66% of net profit attributable to ordinary shareholders of the Company as presented in the consolidated financial statements of the Company.

(IV) If the Company records a profit during the Reporting Period and the profit distributable to the ordinary shareholders of the parent is positive but there is no proposal for distribution in the form of cash dividends, the Company shall disclose in detail the reasons therefor, and the purpose and usage plan of the undistributed profits

Applicable N/A

II. Fulfillment of Commitments

(I) Commitments of the Company's de facto controller, shareholders, related parties, acquirer, the Company, and other related parties during or subsisted in the Reporting Period

✓ Applicable □ N/A

Background of commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Time limit for performance or not	Strict and timely performance or not	Alternative plan if failed to fulfill commitment	Alternative plan if failed to fulfill commitment
Commitments in relation to initial public offering	To resolve horizontal competition	China State Construction	The Agreement on Avoidance of Horizontal Competition with the Company was signed. Please refer to relevant contents of the Prospectus in Relation to the Initial Public Offering of Shares by China State Construction Engineering Corporation Limited published by the Company on July 13, 2009.	No term	No	Yes	In the process of performance	N/A
Commitments in relation to initial public offering	To resolve defects in land and other property ownership	China State Construction	For the land use rights and properties injected as contributions into the Company and included in the scope of assets valuation report, at request of and with the cooperation from the Company, relevant procedures for registration of the said land use rights and properties under the existing name of the Company or its relevant subsidiaries shall be completed.	No term	No	Yes	In the process of performance	N/A
Commitments in relation to initial public offering	To resolve defects in land and other property ownership	China State Construction	For the real property projects injected as contributions into the Company, whose revenue had been recognized before the establishment of the Company, the land value-added tax, subject to supplementary payment in future final settlement thereof, shall be borne by China State Construction.	No term	No	Yes	In the process of performance	N/A
Other commitments made to minority shareholders of the Company	To resolve horizontal competition	CSCEC	Issued a non-competition commitment, with the same content as those set out in the Entrusted Management Agreement, to China Overseas Land & Investment, a holding subsidiary listed in Hong Kong. Please refer to relevant content of Announcement on the Signing of Entrusted Management Agreement between CSCEC and Its Holding Subsidiary China Overseas Land & Investment published by the Company on February 11, 2014.	During the commitment term	Yes	Yes	In the process of performance	N/A
Other commitments made to minority shareholders of the Company	To resolve horizontal competition	CSCEC	Issued a non-competition deed to China Overseas Property, a holding subsidiary listed in Hong Kong, and please refer to relevant content of the Listing Documents – Listing by Way of Introduction of the Entire Issued Share Capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited published by China Overseas Property on October 14, 2015.	During the commitment term	Yes	Yes	In the process of performance	N/A
Other commitments made to minority shareholders of the Company	Others	Members of senior management who also hold positions in China State Construction	Undertook to fulfill his/her duties diligently during his/her term of office as a member of senior management of the Company, properly handle the relationship between the Company and its controlling shareholder, live up to the trust of the Board of Directors and all shareholders of the Company, defend the interests of the Company and shareholders, and not to do anything that may jeopardize the interests of the Company and its minority shareholders due to serving the two entities concurrently.	During the commitment term	Yes	Yes	In the process of performance	N/A

- (II) Where the Company has profit forecasts on assets or projects, and the Reporting Period is within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor

Fulfilled Not Fulfilled N/A

- (III) Completion of performance commitment and its effect on goodwill impairment test

Applicable N/A

III. Occupation of Funds and Progress of Repayment during the Reporting Period

Applicable N/A

IV. Company's Explanation on the "Audit Report with Modified Opinion" of the Accounting Firm

Applicable N/A

V. The Company's Analysis of and Explanation on the Causes and Impacts of Changes in Accounting Policies and Estimates or Corrections of Material Accounting Errors

- (I) The Company's analysis of and explanation on the causes and impacts of changes in accounting policies and estimates

Applicable N/A

According to the Question and Answer on the implementation of enterprise accounting standards issued by the Ministry of Finance in December 2020, the Company reclassified the impairment loss of contract assets originally included in the "credit impairment losses" in the income statement to "asset impairment losses". The change in accounting policy has no impact on the net profit and the equity both on the consolidated and the company levels.

According to 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 changes in relevant accounting policies on the Company's financial statements, please refer to the relevant content of Note III. 35 "Changes in accounting policies and estimates" to the financial statements under Section XI "Financial Reports" hereof.

- (II) The Company's analysis of and explanation on the reasons and impacts of the corrections of major accounting errors

Applicable N/A

- (III) Communications with the former accounting firm

Applicable N/A

- (IV) Other explanation

Applicable N/A

VI. Appointment and Dismissal of the Accounting Firm

Unit: '0,000 Currency: RMB

	Currently appointed	
Name of domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)	
Remuneration of domestic accounting firm	4,010	
Audit service years of domestic accounting firm	1	
	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP (Special General Partnership)	315
Financial adviser	/	/
Sponsor	/	/

Explanation on appointment and dismissal of accounting firm

Applicable N/A

According to the relevant regulations and requirements of SASAC, the audit term of the Company's original auditor PricewaterhouseCoopers Zhong Tian LLP (hereinafter referred to as "PricewaterhouseCoopers") has expired. The Company has fully communicated with PricewaterhouseCoopers on the matter of changing the auditor, and PricewaterhouseCoopers has no objection to the matter of the Company's change of accounting firm. During its practice, PricewaterhouseCoopers adhered to the principle of independent auditing, provided the Company with professional and rigorous audit services, and earnestly fulfilled its duties as a financial reporting audit agency. The Board of Directors of the Company hereby expresses its sincere gratitude to PricewaterhouseCoopers for its work.

On May 25, 2020, as considered and approved at the 2019 annual general meeting of the Company, Ernst & Young Hua Ming LLP (Special General Partnership) was appointed as the auditor for the financial report and internal control of the Company for 2020, for a term of one year. For details, please refer to the Announcement on Change of Auditor for Financial Reports published by the Company on February 4, 2020, the Announcement on Change of Auditor for Internal Control published on April 25, 2020, the Information on 2019 Annual General Meeting published on May 15, 2020, and the Announcement on Resolutions of 2019 Annual General Meeting published on May 26, 2020.

Explanation on change of accounting firm during the audit period

Applicable N/A

VII. Risks of Suspension of Listing

(I) Causes of suspension of listing

Applicable N/A

(II) Measures to be taken by the Company

Applicable N/A

VIII. Circumstances of and Reasons for Delisting

Applicable N/A

IX. Matters Related to Insolvency Reorganization

Applicable N/A

X. Matters Related to Significant Litigation and Arbitration

There were significant litigations and arbitrations during the year

There was no significant litigation or arbitration during the year

(I) Litigations and arbitrations disclosed in provisional announcements without subsequent progress

Applicable N/A

(II) Litigations and arbitrations not disclosed in provisional announcements or with subsequent progress

Applicable N/A

(III) Other explanation

Applicable N/A

XI. Penalty and Rectification for Listed Companies and Their Directors, Supervisors, Senior Management, Controlling Shareholders, De Facto Controller and Acquirers

Applicable N/A

XII. Explanation on the Integrity of the Company and Its Controlling Shareholder and De Facto Controller during the Reporting Period

Applicable N/A

XIII. Equity Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Measures of the Company and Their Implications

(I) Relevant incentive matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

Summary of matters	Index for details
The number of shares subject to the second tranche of unlocking in 2019 in respect of phase II restricted A share incentive scheme was 112,527,800, which were listed for circulation on February 14, 2020.	Announcement on the Second Tranche of Unlocking in 2019 in respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published on February 5, 2020
It was considered and approved by the Company to repurchase restricted shares that were subject to restriction on unlocking from 106 participants involved in the phases II and III restricted A share incentive scheme. A total of 10,604,200 restricted shares were repurchased, of which, the number of restricted A shares under phase II and phase III were 7,214,200 shares (5,153,000 shares before the reserve capitalization of the Company) and 3,390,000 shares, respectively. The repurchase of the phase II restricted A shares were based on the adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company), and the repurchase of the phase III restricted A shares were based on the price of RMB3.468 per share. The total amount of funds for the repurchase was RMB36,831,018. After all the repurchased shares are cancelled, the registered capital of the Company will be reduced by RMB10,604,200 to RMB41,965,025,511.	Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors published on February 20, 2020

Summary of matters	Index for details
<p>The Company's repurchase and cancellation of restricted shares involved a total of 108 participants of the Company's phases I, II and III restricted A share incentive scheme (including simultaneous repurchase from 7 participants of the phase II restricted A shares and phase III restricted A shares). A total of 10,558,200 restricted shares were proposed to be repurchased and cancelled (210,000, 7,438,200 and 2,910,000 restricted shares under phases I, II and III respectively). After the completion of the repurchase and cancellation, a total of 2,094,667 restricted shares were to be repurchased by the Company, including 788,667 phase I restricted shares, 826,000 phase II restricted shares and 480,000 phase III restricted shares to be repurchased, and 711,468,667 restricted shares under the share incentive schemes were remained. After the completion of the repurchase and cancellation, the registered capital and share capital of the Company will be reduced by RMB10,558,200 (10,558,200 shares) to RMB41,965,071,511 (41,965,071,511 shares).</p>	<p>Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 13, 2020</p>
<p>On September 17, 2020, the Proposal on Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited (Draft) and Summary was considered and approved at the 45th meeting of the second session of the Board of Directors of CSCEC. The Company plans to implement the phase IV restricted share scheme. The number of participants who will be granted shares under this scheme will not exceed 2,800, mainly key employees who have significant influence on the realization of the Company's strategic goals.</p>	<p>Announcement on Resolutions of the 45th Meeting of the Second Session of the Board of Directors, The Phase IV Restricted A Share Incentive Scheme (Draft), and the Announcement on Summary of the Phase IV Restricted A Share Incentive Scheme (Draft), which were published on September 18, 2020</p>
<p>Obtained the "Approval of Implementation of the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited" (Guo Zi Kao Fen (2020) No. 527) issued by the SASAC of the State Council, which permitted in principle the phase IV restricted A share incentive scheme of the Company.</p>	<p>Announcement on Approval of the Phase IV Restricted A Share Incentive Scheme by the State-owned Assets Supervision and Administration Commission of the State Council published on October 14, 2020</p>
<p>On October 23, 2020, the Proposal on the Repurchase of Shares of the Company through Centralized Bidding Trading was considered and approved at the 46th meeting of the second session of the Board of Directors of CSCEC. All of the shares repurchased will be used to implement the Company's restricted share scheme. The Company uses its own funds or self-raised funds to repurchase its shares through centralized bidding for subsequent implementation of the Company's restricted share scheme. The number of the shares of the Company to be repurchased is not less than 500 million shares and not more than 1 billion shares, accounting for approximately 1.19%-2.38% of its total share capital. The total amount of repurchase funds is capped at RMB7.660 billion, and the repurchase price does not exceed RMB7.66 per share. The repurchase period is no longer than 12 months from the date when the Company's Board of Directors considered and approved the A share repurchase proposal, that is, from October 23, 2020 to October 22, 2021.</p>	<p>Repurchase Report on the Repurchase of Shares of the Company through Centralized Bidding Trading published on October 24, 2020</p>
<p>The Proposal on the Repurchase of Shares of the Company through Centralized Bidding Trading was considered and approved at the 46th meeting of the second session of the Board of Directors and the 28th meeting of the second session of the Board of Supervisors held by the Company on October 23, 2020. For the details of this repurchase, please refer to the Repurchase Report on the Repurchase of Shares of the Company through Centralized Bidding Trading (Announcement No.: Lin 2020-077) published by the Company on October 24, 2020.</p>	<p>Announcement on the Shareholding of the Top Ten Shareholders and Top Ten Shareholders Not Subject to Sales Restrictions published on October 29, 2020</p>
<p>In accordance with relevant requirements, such as the Administrative Measures for the Repurchase of Public Shares by Listed Companies (Trial), the Supplementary Provisions on Repurchasing Shares through Centralized Bidding Trading by Listed Companies and the Rules for the Implementation of Share Repurchases by Listed Companies on the Shanghai Stock Exchange, the names, number of shares, and proportions of the top ten shareholders and the top ten shareholders not subject to sales restrictions registered on the trading day (that is, October 23, 2020) before the Board of Directors announced the resolution to repurchase shares shall be announced.</p>	<p>Announcement on the Shareholding of the Top Ten Shareholders and Top Ten Shareholders Not Subject to Sales Restrictions published on October 29, 2020</p>
<p>On October 30, 2020, the Company repurchased 99,990,045 shares as the first tranche through centralized bidding trading. The repurchased shares accounted for about 0.24% of the Company's total share capital. The highest purchase price was RMB5.18 per share, and the lowest price was RMB5.11 per share. The total amount paid was RMB513,071,799.39 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on the Repurchase of First Tranche of Shares through Centralized Bidding Trading published on October 31, 2020</p>

Summary of matters	Index for details
<p>As of October 31, 2020, a total of 99,990,045 shares had been repurchased by the Company through centralized bidding trading, accounting for approximately 0.24% of the Company's total share capital. The highest purchase price was RMB5.18 per share, and the lowest price was RMB5.11 per share. The total amount paid was RMB513,071,799.39 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on the Progress of Repurchase of Shares through Centralized Bidding Trading published on November 4, 2020</p>
<p>As of November 6, 2020, a total of 503,000,072 shares had been repurchased by the Company through centralized bidding trading, accounting for approximately 1.20% of the Company's total share capital, an increase of 0.96% compared with the previous disclosure, and the highest purchase was RMB5.39 per share, the lowest price was RMB5.09 per share, and the total amount paid was RMB2,608,510,391.36 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on Repurchased Shares of up to 1% in Aggregate and Progress of Share Repurchase by Centralized Bidding Trading published on November 7, 2020</p>
<p>On November 20, 2020, the Proposal on the List of Participants and Information on the Grant with Respect to the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 49th meeting of the second session of the Board of Directors of CSCEC. It was agreed to submit the proposal to the Company's 2020 third extraordinary general meeting for consideration and approval.</p>	<p>Announcement on Resolutions of the 49th Meeting of the Second Session of the Board of Directors published on November 21, 2020</p>
<p>On November 20, 2020, the Proposal on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 49th meeting of the second session of the Board of Directors and the 31st meeting of the second session of the Board of Supervisors of CSCEC. It was agreed to repurchase 3,787,000 restricted shares from 17 participants at the price of RMB3.47571 per share (phase II) and RMB3.468 per share (phase III) in accordance with the provisions of the phases II and III restricted A share incentive scheme. The repurchase was funded by the Company's own funds, with a total amount of RMB13,139,850.</p>	<p>Announcement on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme published on November 21, 2020</p>
<p>After review, the Board of Supervisors of the Company was of the view that the selection of participants of the incentive scheme of the Company complied with the basis and scope as stipulated in the Phase IV Restricted A Share Incentive Scheme (Draft); and complied with the Administrative Measures on Share Incentive Schemes of Listed Companies, Guidelines for the Implementation of Share Incentive Schemes for Listed Companies under the Control of Central Enterprises and other laws and regulations as well as the conditions for participants specified in the Phase IV Restricted A Share Incentive Scheme (Draft), and it was legal and valid for the participants to join the share incentive scheme.</p>	<p>Announcement on the Resolutions of the 32nd Meeting of the Second Session of the Board of Supervisors, Explanation on the Result of Review by the Board of Supervisors and the Publication of the List of Participants of the Company's Phase IV Restricted A Shares published on December 2, 2020</p>
<p>As of November 30, 2020, a total of 818,000,031 shares had been repurchased by the Company through centralized bidding trading, accounting for approximately 1.95% of the Company's total share capital (41,965,071,511 shares). The highest purchase price was RMB5.53 per share, the lowest price was RMB5.09 per share, and the total amount paid was RMB4,294,331,721.11 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on the Progress of Repurchase of Shares through Centralized Bidding Trading published on December 3, 2020</p>
<p>As of December 2, 2020, a total of 860,000,015 shares had been repurchased by the Company through centralized bidding trading, accounting for approximately 2.05% of the Company's total share capital (41,965,071,511 shares), an increase of 0.85% compared with the previous disclosure. The highest purchase price was RMB5.53 per share, the lowest price was RMB5.09 per share, and the total amount paid was RMB4,524,560,341.56 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on Repurchased Shares of up to 2% in Aggregate of Share Repurchase by Centralized Bidding Trading published on December 3, 2020</p>
<p>In accordance with the relevant provisions of the Administrative Measures on the Share Incentive Schemes of Listing Companies, the Company conducted self-examination on the trading of shares of the Company by persons with inside information related to the incentive schemes. After verification, within six months before the announcement of the draft incentive scheme, we did not identify any case of trading by insiders using inside information related to the incentive scheme to buy or sell the shares of the Company.</p>	<p>Self-examination Report on the Trading of Shares of the Company by Persons with Inside Information Related to Phase IV Restricted A Share Incentive Scheme published on December 8, 2020</p>

Summary of matters	Index for details
<p>It was considered and approved by the Company to repurchase restricted shares that were subject to restriction on unlocking from 17 participants involved in the phases II and III restricted A share incentive scheme. A total of 3,787,000 restricted shares were repurchased, of which, the number of restricted A shares under phase II and phase III were 847,000 shares (605,000 shares before ex-rights) and 2,940,000 shares, respectively. The repurchase of the phase II restricted A shares were based on the adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company), and the repurchase of the phase III restricted A shares were based on the price of RMB3.468 per share. The total amount of funds for the repurchase was RMB13,139,850. After all the repurchased shares are cancelled, the registered capital of the Company will be reduced by RMB3,787,000 to RMB41,961,284,511.</p>	<p>Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors published on December 8, 2020</p>
<p>On December 7, 2020, the Proposal on the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited (Draft) and Summary was considered and approved at the 2020 Third Extraordinary General Meeting of CSCEC.</p>	<p>Announcement on the Resolutions of the 2020 Third Extraordinary General Meeting published on December 8, 2020</p>
<p>The Company's share repurchase in respect of phase IV restricted A share incentive scheme commenced on October 30, 2020 and ended on December 14, 2020. A total of 912,036,000 shares of the Company was repurchased, accounting for approximately 2.17% of the Company's total share capital. The total amount paid was RMB4,792,282,012.54 (excluding transaction fees such as stamp duty and transaction commissions).</p>	<p>Announcement on the Implementation Results of Share Repurchase and Changes in Shares published on December 15, 2020</p>
<p>On December 23, 2020, the Proposal on Granting under Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 50th meeting of the second session of the Board of Directors and the 33rd meeting of the second session of the Board of Supervisors of CSCEC. It was agreed that the grant date of the phase IV restricted A share incentive scheme was December 23, 2020, and 2,765 participants will be granted 912.036 million restricted A shares at the grant price of RMB3.06 per share.</p>	<p>Announcement on Granting under Phase IV Restricted A Share Incentive Scheme published on December 24, 2020</p>
<p>On December 29, 2020, the Proposal on the Third Tranche of Unlocking in 2020 of the Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 51st meeting of the second session of the Board of Directors of CSCEC. It was agreed to arrange the unlocking and listing of the third tranche of shares in 2020 for 1,415 participants of the phase II restricted A share incentive scheme, with a total of 107.94 million restricted shares unlocked. The Proposal on the First Tranche of Unlocking in 2020 of the Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved. It was agreed to arrange the unlocking and listing of the first tranche of shares in 2020 for 2,041 participants of the phase III restricted A share incentive scheme, with a total of 195.076 million restricted shares unlocked.</p>	<p>Announcement on Resolutions of the 51st Meeting of the Second Session of the Board of Directors published on December 30, 2020</p>
<p>On December 29, 2020, the Proposal on Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 51st meeting of the second session of the Board of Directors and the 34th meeting of the second session of the Board of Supervisors of CSCEC. It was agreed to repurchase 11,511,000 from 156 participants at the price of RMB3.47571 per share and RMB3.468 per share for phase II and phase III respectively, in accordance with the requirements of the phases II and III restricted A share incentive scheme. The repurchase was funded by the Company's own funds, with a total amount of RMB39,951,522.</p>	<p>Announcement on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme published on December 30, 2020</p>
<p>912.036 million restricted shares granted by the Company to participants of the phase IV restricted A share incentive scheme will be changed from circulating shares not subject to trading moratorium to circulating shares subject to trading moratorium on January 13, 2021.</p>	<p>Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme published on January 13, 2021</p>
<p>On January 15, 2021, the Proposal on Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 2021 First Extraordinary General Meeting of CSCEC.</p>	<p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021</p>

Summary of matters	Index for details
<p>It was considered and approved by the Company to repurchase restricted shares that were subject to restriction on unlocking from 156 participants involved in the phases II and III restricted A share incentive scheme. A total of 11,511,000 restricted shares were repurchased, of which, the number of restricted A shares under phase II and phase III were 4,067,000 shares (2,905,000 shares before ex-rights) and 7,444,000 shares, respectively. The repurchase of the phase II restricted A shares were based on the adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company), and the repurchase of the phase III restricted A shares were based on the price of RMB3.468 per share. The total amount of funds for the repurchase was RMB39,951,522. After all the repurchased shares are cancelled, the registered capital of the Company will be reduced by RMB11,511,000.</p>	<p>Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors published on January 16, 2021</p>
<p>195,076,000 shares were unlocked as the first tranche in 2020 under the phase III restricted A share scheme, and the date of listing and trading was January 21, 2021.</p>	<p>Announcement on the First Tranche of Unlocking in 2020 in respect of Phase III Restricted A Share Incentive Scheme and Listing of Shares published on January 16, 2021</p>
<p>As of January 14, 2021, a total of 912,036,000 phase IV restricted A shares have been granted.</p>	<p>Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme published on January 19, 2021</p>
<p>107,940,000 shares were unlocked as the third tranche in 2020 under the phase II restricted A share scheme, and the date of listing and trading was February 18, 2021.</p>	<p>Announcement on the Third Tranche of Unlocking in 2020 in respect of Phase II Restricted A Share Incentive Scheme published on February 6, 2021</p>
<p>The Company's repurchase and cancellation of restricted shares involved a total of 185 participants of the Company's phases I, II and III restricted A share incentive scheme (including simultaneous repurchase from 42 participants of the phase II restricted A shares and phase III restricted A shares). A total of 16,903,667 restricted shares were proposed to be repurchased and cancelled (578,667, 5,621,000 and 10,704,000 restricted shares under phases I, II and III respectively). After the completion of the repurchase and cancellation, a total of 489,000 restricted shares were to be repurchased by the Company, and 1,303,585,000 restricted shares under the share incentive schemes were remained. After the completion of the repurchase and cancellation, the registered capital and share capital of the Company will be reduced by RMB16,903,667 (16,903,667 shares) to RMB41,948,167,844 (41,948,167,844 shares).</p>	<p>Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 7, 2021</p>

(II) Incentive not disclosed in provisional announcements or with subsequent progress

Information of equity incentives

Applicable N/A

Other explanation

Applicable N/A

For implications of the restricted shares of the Company on its financial position and operating results, please refer to the related information of Note XI "Shares-based payment" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

Information of employee stock ownership plan

Applicable N/A

Other incentives

Applicable N/A

XIV. Material Related Party Transactions

(I) Related party transactions relating to ordinary course of business

1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

Summary of matter	Index for details
<p>On April 24, 2020 and May 25, 2020, the Proposal in respect of Daily Related Party Transaction of China State Construction Engineering Corporation Limited for 2020 was considered and approved at the 37th meeting of the second session of the Board of Directors, the 19th meeting of the second session of the Board of Supervisors and 2019 annual general meeting of the Company.</p> <p>The Company and China State Construction signed the Comprehensive Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited in respect of the related party transactions arising from the sales, procurement, commercial factoring services, financial leasing services, property leasing and other business between the Company, and China State Construction and its subsidiaries. Specifically, the sales between the Company and China State Construction and its subsidiaries shall not exceed RMB2.5 billion; procurement shall not exceed RMB3.0 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) shall not exceed RMB0.5 billion, and factoring interest and service fee shall not exceed RMB0.04 billion; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.3 billion, and leasing interest and service fee shall not exceed RMB0.025 billion; property leasing shall not exceed RMB0.2 billion; other daily related party transactions shall not exceed RMB0.6 billion (RMB0.2 billion for interest on capital borrowings, RMB0.1 billion for signing trademark license agreement, and RMB0.3 billion for others).</p> <p>CSC Finance, a subsidiary of the Company, and China State Construction signed the Financial Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd. in respect of the related party transactions arising from the deposits, loans, financial and financing consultancy and other relevant financial services provided to China State Construction and its subsidiaries from CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests thereon) to be placed by China State Construction and its subsidiaries with CSC Finance shall not exceed RMB20.0 billion, with the daily balance of loans (inclusive of accrued interests thereon) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests thereon); the fees to be charged by CSC Finance in respect of the other financial services provided by it to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.</p> <p>As of December 31, 2020, the sales business involved between the Company and China State Construction and its subsidiaries was RMB1.06 billion; the procurement business was RMB2.88 billion; the maximum balance of the commercial factoring business (excluding those from CSC Finance) was RMB8.19 million, the factoring interest and service fees were RMB230,000; no financial leasing service business was conducted; the property lease was RMB40 million; other daily related party transactions were RMB90 million (RMB70 million for interest on capital borrowings, RMB0.1 million for signing trademark license agreement, and RMB0.2 billion for others). The amount of actual daily related party transaction of the Company was within the budget.</p> <p>In 2020, the daily balance cap of the deposits (inclusive of accrued interests thereon) of China State Construction and its subsidiaries in CSC Finance was RMB7.9 billion; the maximum daily loan balance (inclusive of accrued interests thereon) was RMB5.98 billion; the service fee charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries was RMB484,200. Within the scope of the Financial Services Framework Agreement and the supplementary agreement, the service fee has not reached 5% of audited net assets of the Company for the latest period.</p>	<p>Announcement on Daily Related Party Transactions under the Comprehensive Services Framework Agreement and the Financial Services Framework Agreement Signed with China State Construction Engineering Corporation published on April 25, 2020</p> <p>Announcement on Resolutions of 2019 Annual General Meeting published on May 26, 2020</p>

Summary of matter	Index for details
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p> <p>The Company and China State Construction renewed the Comprehensive Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited in respect of the related party transactions arising from the sales, procurement, commercial factoring services, financial leasing services, property leasing and other business between the Company, and China State Construction and its subsidiaries. During the term of the agreement, the sales between the Company and China State Construction and its subsidiaries shall not exceed RMB3.1 billion; procurement shall not exceed RMB9.2 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) shall not exceed RMB0.5 billion, and factoring interest and service fee shall not exceed RMB0.03 billion; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.2 billion, and financial leasing interest and service fee shall not exceed RMB0.01 billion; property leasing shall not exceed RMB0.2 billion; other daily related party transactions shall not exceed RMB0.6 billion (RMB0.35 billion for interest on capital borrowings, RMB0.05 billion for signing trademark license agreement, and RMB0.2 billion for others).</p>	<p>Announcement on the Renewal of the Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transaction published on December 30, 2020</p> <p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021</p>
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p> <p>CSC Finance, a subsidiary of the Company, and China State Construction renewed the Financial Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd. in respect of the related party transactions arising from the deposits, loans, financial and financing consultancy and other relevant financial services provided to China State Construction and its subsidiaries from CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests thereon) to be placed by China State Construction and its subsidiaries with CSC Finance shall not exceed RMB20.0 billion, with the daily balance of loans (inclusive of accrued interests thereon) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests thereon); the fees to be charged by CSC Finance in respect of the other financial services provided by it to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.</p>	<p>Announcement on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transaction published on December 30, 2020</p> <p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021</p>
<p>On December 29, 2020, the Proposal on the Provision of Entrusted Loan by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited was considered and approved at the 51st meeting of the second session of the Board of Directors and the 34th meeting of the second session of the Board of Supervisors of the Company.</p> <p>On December 30, 2020, the Company signed the Entrusted Loan Contract with China State Construction and CSC Finance, according to which, the Company will be granted an entrusted loan in the amount of RMB1.5 billion by China State Construction, with a term of 1 year and an interest rate of 2.99% per annum. The principal borrowed under the contract was utilized for daily operations.</p>	<p>Announcement on Provision of Entrusted Loans to the Company by its Controlling Shareholder and Related Party Transactions published on December 30, 2020.</p>
<p>2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation</p> <p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> N/A</p> <p>3. Matters not disclosed in provisional announcements</p> <p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> N/A</p>	
<p>(II) Related party transactions as a result of acquisition or disposal of assets or equity</p> <p>1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation</p> <p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> N/A</p>	

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

4. Disclosure of performance achieved for the Reporting Period if with agreed-upon performance targets

Applicable N/A

(III) Material related party transactions in joint external investment

1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

Summary of matter	Index for details
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On November 9, 2020, the Proposal on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions was considered and approved at the 48th meeting of the second session of the Board of Directors and the 30th meeting of the second session of the Board of Supervisors of the Company.

China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation contributed to the capital increase in China State Construction Finance Co., Ltd. in cash based on the current proportion of their shareholding in China State Construction Finance Co., Ltd., among which, the contribution of CSCEC and China State Construction was RMB3.2 billion and RMB800 million, respectively. Upon the completion of the capital increase, the registered capital of CSC Finance will increase to RMB10 billion.

This matter constituted a related party transaction, but does not constitute a major asset reorganization as required by the Management Measures for Major Asset Reorganization of Listed Companies. As of this related party transaction, except for the related party transactions with China State Construction that have been considered and approved at the Company's general meeting, the related party transactions between the Company and China State Construction within the past 12 months have not reached 5% of audited net assets of the Company for the latest period, and the related party transaction does not need to be submitted to the Company's general meeting for consideration. The related party transaction was conducted in accordance with fair and reasonable commercial terms, and the pricing was fair and reasonable. The transaction followed the principles of objectivity, equity and fairness, and was in the interest of the Company. There was no matter that would harm the interests of shareholders, especially minority shareholders. This related party transaction will not have a negative impact on the Company.

Announcement on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions published on November 10, 2020.

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

(IV) Creditor's rights and debts with related parties

1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

(V) Miscellaneous

Applicable N/A

For related party transactions of the Company, please refer to the related information of Note X "Related party relationships and transactions" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

XV. Material Contracts and Fulfillment Thereof

(I) Custody, contracting, and leasing

1. Custody

Applicable N/A

2. Contracting

Applicable N/A

3. Leasing

Applicable N/A

(II) Guarantees

Applicable N/A

Unit: 1000 yuan Currency: RMB

Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)													
Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Guaranteed amount	Commencement date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Fulfillment completed or not	Overdue or not	Overdue amount	Counter guaranteed or not	Guarantee provided to the related party or not	Related relationship
China State Construction Engineering Corporation Limited	Within the Company	Wuhan Communications Investment Group Limited Company	3,500,000	December 24, 2014	April 21, 2015	May 23, 2027	Joint and several liability guarantee	No	No	0	Yes	No	Other
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lih Property Development Company Limited (广州利合房地产开发有限公司)	127,880	July 13, 2018	July 13, 2018	May 21, 2021	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lih Property Development Company Limited (广州利合房地产开发有限公司)	280,000	April 22, 2019	April 22, 2019	April 21, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lih Property Development Company Limited (广州利合房地产开发有限公司)	180,000	June 29, 2020	June 29, 2020	June 28, 2023	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	82,950	November 20, 2020	November 20, 2020	November 19, 2025	Joint and several liability guarantee	No	No	0	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	32,500	March 16, 2017	March 16, 2017	March 15, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	135,150	April 14, 2017	April 14, 2017	March 15, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	39,850	March 21, 2017	March 21, 2017	March 15, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	175,000	July 5, 2017	July 5, 2017	March 15, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pk Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	186,525	December 11, 2018	December 11, 2018	February 1, 2021	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pk Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	142,764	December 26, 2018	December 26, 2018	December 25, 2020	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Luoying Property Development Company Limited (广州绿莹房地产开发有限公司)	292,883	November 13, 2018	November 13, 2018	November 29, 2021	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Luoying Property Development Company Limited (广州绿莹房地产开发有限公司)	33,320	April 11, 2019	April 11, 2019	April 10, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Luoying Property Development Company Limited (广州绿莹房地产开发有限公司)	98,990	September 30, 2019	September 30, 2019	September 29, 2022	Joint and several liability guarantee	No	No	0	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Changsha Xiong Real Estate Co., Ltd. (长沙雄置业有限公司)	154,595	January 14, 2020	January 14, 2020	December 9, 2021	Joint and several liability guarantee	No	No	0	No	Yes	Associate
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided to subsidiaries)													
Total balance of guarantees as of the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)													
												479,542	
												5,462,397	

Unit: '000 yuan Currency: RMB

Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Guaranteed amount	Commencement date of guarantee (execution date of agreement)	Expiry date of guarantee	Type of guarantee	Fulfillment completed or not	Overdue amount	Overdue or not	Counter guaranteed or not	Guarantee provided to the related party or not	Related relationship
Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)												
Guarantees provided by the Company and its subsidiaries to its subsidiaries												
Total amount of guarantees provided to subsidiaries during the Reporting Period												
Total balance of guarantees provided to subsidiaries as of the end of the Reporting Period (B)												
Total amount of guarantees												
Total amount of guarantees as a percentage of the net assets of the Company (%)												
Of which:												
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)												
Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% (D)												
Total amount of guarantees exceeding 50% of net assets (E)												
Total of the above three classes of guarantees (C+D+E)												
Explanation on contingent joint and several liability for undue guarantees												
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to external parties (excluding the guarantees and mortgages provided to its holding subsidiaries) amounted to RMB5.462 billion, excluding the mortgages provided by the Company to purchasers of property in its real estate operations, the balance of the guarantees provided by the Company to such purchasers for their mortgage amounted to RMB88.072 billion, which were the guarantees provided by the Company to banks for the secured loans of the purchasers of commodity houses which will be offered as collaterals by such purchasers. During the Reporting Period, there was no default on the part of the purchasers and the relevant risks arising from provision of such guarantees the Company was exposed to remained relatively low.												
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to its holding subsidiaries amounted to RMB24.636 billion, which had all gone through approval procedures in strict accordance with relevant rules.												
Total amount of guarantees provided by the Company (including guarantees provided to subsidiaries)												
Total amount of guarantees provided to subsidiaries												
Total amount of guarantees provided to subsidiaries as a percentage of the net assets of the Company (%)												
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)												
Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% (D)												
Total amount of guarantees exceeding 50% of net assets (E)												
Total of the above three classes of guarantees (C+D+E)												
Explanation on contingent joint and several liability for undue guarantees												
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to external parties (excluding the guarantees and mortgages provided to its holding subsidiaries) amounted to RMB5.462 billion, excluding the mortgages provided by the Company to purchasers of property in its real estate operations, the balance of the guarantees provided by the Company to such purchasers for their mortgage amounted to RMB88.072 billion, which were the guarantees provided by the Company to banks for the secured loans of the purchasers of commodity houses which will be offered as collaterals by such purchasers. During the Reporting Period, there was no default on the part of the purchasers and the relevant risks arising from provision of such guarantees the Company was exposed to remained relatively low.												
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to its holding subsidiaries amounted to RMB24.636 billion, which had all gone through approval procedures in strict accordance with relevant rules.												

(III) Cash asset management entrusted to others

1. Entrusted wealth management

- (1). Overall wealth management
 Applicable N/A
- (2). Single entrusted wealth management
 Applicable N/A
- (3). Impairment provision for entrusted wealth management
 Applicable N/A

2. Entrusted loans

- (1). Overall entrusted loans
 Applicable N/A

Unit: '000 yuan Currency: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Amount due but not recovered
General entrusted loan	Self-owned funds	-493,387	1,064,002	0

Others

 Applicable N/A

As of the end of the Reporting Period, the total external entrusted loan of the Company amounted to approximately RMB1.064 billion, which was mainly incurred from the financing and investing activities conducted by the Company to drive its general contracting projects. Please refer to the related contents of Note V. (12) "Debt investments" to the financial statements under Section XI "FINANCIAL REPORT" hereof.

- (2). Single entrusted loans
 Applicable N/A
 Others
 Applicable N/A
- (3). Impairment provision for entrusted loans
 Applicable N/A

3. Other investments and wealth management and derivative investments Applicable N/A

(IV) Other material contracts

√ Applicable □ N/A

1. Major domestic business contracts during the Reporting Period

Unit: 100 million yuan Currency: RMB

No.	Name of contract	Signing Party	Value of contract	Type of contract
1	General construction contract for Tianjin Metro Line 7 phase I project (天津地铁7号线一期工程施工总承包合同)	China State Construction Engineering Corporation Limited	151.30	Infrastructure construction
2	General construction contract for Shenzhen Rail Transit Line 13 phase II (Northern Extension) project (深圳市城市轨道交通13号线二期(北延)工程施工总承包合同)	China State Construction Engineering Corporation Limited	120.56	Infrastructure construction
3	General construction contract of Chengdu Rail Transit Line 27 phase I project (成都轨道交通27号线一期工程施工总承包项目工程合同)	China Construction Third Engineering Bureau Co., Ltd.	93.59	Infrastructure construction
4	General EPC contract in connection with design, procurement and construction of the composite development project of Ningxiang High-speed railway new city (宁乡高铁新城综合开发项目设计采购施工总承包EPC工程合同)	China Construction First Group Corporation Limited	93.11	Infrastructure construction
5	Civil works project contract of Shandong section of the new Zhengzhou-Jinan Railway (新建郑州至济南铁路山东段站前工程项目合同)	China State Construction Engineering Corporation Limited, China Construction Eighth Engineering Division Corp. Ltd.	77.01	Infrastructure construction
6	General contract in relation to urban renovation and redevelopment of industrial land of Xindian Industrial Park (信电产业园城市更新工改项目施工总承包合同)	China Construction Fourth Engineering Division Corp. Ltd.	77.00	Housing construction
7	General construction contract of the terminal building of Urumqi International Airport reconstruction and extension project (乌鲁木齐国际机场改扩建航站楼施工总承包合同)	China Construction Eighth Engineering Division, China Construction Third Engineering Division, CSCEC Xinjiang Construction & Engineering (Group)	70.33	Infrastructure construction
8	General contract for the composite project in relation to the design, procurement and construction in rebuilding of dilapidated houses in Longdejing Area, and urban renovation investment and project management in Goutou Area, Chengxiang District, Putian City (莆田市城厢区龙德井片区危旧房改造、沟头片区城市更新投资及工程管理设计采购施工一体化项目工程合同)	China State Construction Engineering Corporation International Operations	59.33	Infrastructure construction
9	General construction contract of the B1, B2, C, D1, D2, E groups of resettlement housing and -C group of supporting facilities in Rongdong Area (容东片区B1、B2、C、D1、D2、E组团安置房及配套设施项目-C组团施工总承包合同)	Second Construction Limited Company of China Construction Eighth Engineering Division	57.56	Housing construction
10	General EPC contract of National Convention and Exhibition Center phase II project (国家会展中心工程二期项目EPC总承包工程合同)	China Construction Eighth Engineering Division Corp. Ltd.	53.03	Housing construction
11	General construction contract of urban renovation units in Laiwushan, Longhua District, Shenzhen (深圳市龙华区赖屋山城市更新单元项目施工总承包工程合同)	China Construction Third Bureau First Engineering Co., Ltd.	51.60	Housing construction
12	General contract of Xinhai City (phase II and III) project (心海城(二期、三期)项目总承包工程合同)	China Construction Fourth Engineering Division Corp. Ltd.	51.20	Housing construction
13	Engineering contract of general sub-contracting project of Hangzhou Grand Convention and Exhibition Center (杭州大会展中心项目总包代建项目工程合同)	China Construction Fourth Engineering Division Corp. Ltd.	51.06	Housing construction
14	Engineering contract of Xining Beichuan Wanda Plaza (西宁北川万达广场工程合同)	China Construction Eighth Engineering Division Corp. Ltd.	51.00	Housing construction
15	Construction contract of Anqing Wanda (安庆万达工程施工合同)	China Construction Second Engineering Division Corp. Ltd.	50.86	Housing construction
16	General construction contract of Dongfang Jindian Vitality New City project (东方今典活力新城项目施工总承包合同)	China Construction Seventh Engineering Division Corp. Ltd.	50.60	Housing construction
17	General EPC contract in relation to the prospecting, design and construction of Hengqin International Business Center phase II project (横琴国际商务中心二期项目勘察设计施工总承包EPC工程合同)	China Construction Third Bureau First Engineering Co., Ltd.	50.38	Housing construction
18	General engineering contract of the construction of CITIC Financial Center in Shenzhen, Guangdong (广东深圳中信金融中心施工总承包工程合同)	China Construction Third Engineering Bureau Co., Ltd.	50.11	Housing construction

Unit: 100 million yuan Currency: RMB				
No.	Name of contract	Signing Party	Value of contract	Type of contract
19	General construction contract of Alibaba Xixi phase V project (阿里巴巴西溪五期项目施工总承包施工合同)	China Construction Third Bureau First Engineering Co., Ltd.	48.08	Housing construction
20	Jinan Main Campus project contract of Qilu Medical University (齐鲁医科大学济南主校区项目合同)	China Construction Eighth Engineering Division Corp. Ltd.	47.05	Housing construction
21	General EPC contract of Made in China 2025 industrial park construction project (phase II) (中国制造2025产业园建设项目(二期工程)EPC总承包项目合同)	First Construction Co., Ltd. of China Construction Eighth Engineering Division	46.80	Housing construction
22	Linyi Xicheng Headquarters Economic Zone infrastructure construction project (EPC) contract (临沂西城总部经济区基础设施建设项目(EPC)合同)	First Construction Co., Ltd. of China Construction Eighth Engineering Division	46.00	Infrastructure construction
23	General EPC contract in relation to the prospecting, design and construction of Hengqin Science City (phase III) tender section II project (横琴科学城(三期)标段二勘察设计施工总承包EPC工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	44.89	Housing construction
24	General construction contract of Canton Fair Complex phase IV extension project (广交会展馆四期展馆扩建项目施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	44.30	Housing construction
25	General contract of project in Lanshui Area, Longgang District, Yitian (益田龙岗兰水项目总承包工程合同)	China Construction First Group Corporation Limited	43.98	Housing construction
26	General contract in relation to design, procurement and construction of Guangzhou Football Stadium project (广州足球场项目设计采购施工总承包合同)	China Construction Fourth Engineering Division Corp. Ltd.	43.00	Infrastructure construction
27	Civil construction contract for the Northeast Section of Zhengzhou Rail Transit Line 6 phase I project (郑州市轨道交通6号线一期工程东北段土建施工合同)	China State Construction Engineering Corporation Limited	42.65	Infrastructure construction
28	General EPC contract of Ningbo International Convention Center project (宁波国际会议中心项目EPC工程总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	42.02	Housing construction
29	Jin Lang 22-1 project contract in Shenhe District, Shenyang (沈阳市沈河区金廊22-1项目合同)	China Construction First Group Construction & Development Co., Ltd. (中建一局集团建设发展有限公司)	41.66	Housing construction
30	General EPC contract of the first section of Xi'an High-tech International Conference Center phase II project in Shaanxi (陕西西安高新国际会议中心二期项目一标段EPC总承包合同)	China State Construction Engineering Corporation Limited, China State Construction Silkroad Construction Investment Group Co., Ltd, China Construction Eighth Engineering Division Corp. Ltd.	41.57	Housing construction
31	Underground space project contract of delivery and distribution ring area of the Fuzhou Binhai New City CBD core area (福州滨海新城CBD核心区输配环区域工程地下空间项目合同)	China Construction Eighth Engineering Division Corp. Ltd.	40.86	Infrastructure construction
32	General engineering contract in relation to prospecting, design and construction of Liuja Panlong Village Relocation Housing Construction project (Shanty Area Renovation) in Guandu District (官渡区六甲盘龙村回迁安置房建设项目(棚户区改造)勘察、设计、施工总承包项目工程总承包合同)	China Construction Third Engineering Bureau Co., Ltd.	40.85	Housing construction
33	Contract of No. 1-5 residential building, No. 6 Office building, No. 7 commercial building and No. 8-10 basement project of Pengrui Tian Yue Square (鹏瑞天玥广场1-5号住宅楼, 6号办公室, 7号商业楼, 8-10号地下室工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	40.39	Housing construction
34	General EPC contract for general high school construction project in Yunnan Province (tender section one) (云南省普通高中建设项目EPC总承包(标段一)EPC总承包合同)	China Construction Infrastructure Co., Ltd.	40.28	Infrastructure construction
35	General construction contract of Suning Evergrande Center of Nanjing Olympic CBD (南京奥体CBD苏宁恒大中心施工总承包工程合同)	China Construction First Group Corporation Limited	40.00	Housing construction
36	Construction contract of Chongqing Jiangjin Wanda Plaza project (重庆江津万达广场工程施工合同)	China Construction Second Engineering Division Corp., Ltd.	40.00	Housing construction
37	General contract of PPP project of composite development (new urbanization pilot) of Qiaolin Old Town Area in Pukou District, Nanjing (南京市浦口区桥林老城片区综合开发(新型城镇化试点)PPP项目工程总承包合同)	China Construction Seventh Engineering Division. Corp. Ltd.	39.79	Infrastructure construction

Unit: 100 million yuan Currency: RMB

No.	Name of contract	Signing Party	Value of contract	Type of contract
38	General construction contract of 5G new infrastructure communication project in Zhengzhou, Henan (河南郑州5G新基建通信工程项目施工总承包合同)	China Construction Seventh Bureau Installation Engineering Co., Ltd. (中建七局安装工程有限公司)	39.10	Infrastructure construction
39	General engineering contract of Lot G29C, Yanziji, Nanjing, Jiangsu Province, China (中国江苏省南京市燕子矶G29C地块总承包工程合同)	China Construction Third Engineering Bureau Co., Ltd.	38.48	Housing construction
40	Nanjing Jinling Cultural and Creative Park (Jinling Town) project contract (南京金陵文化创意园(金陵小镇)项目合同)	China Construction Eighth Engineering Division Corp. Ltd.	38.23	Infrastructure construction
41	Relocation and renovation project contract of Shenkeng Village, Liuyue, Longgang, Shenzhen (深圳市龙岗区六约深坑村拆迁旧改项目合同)	China Construction First Group Corporation Limited	38.00	Housing construction
42	General construction contract of D009X-TA01 tender of Nanjing Metro Line 9 phase I project (南京地铁9号线一期工程工程施工总承包D009X-TA01标施工合同)	China Construction Eighth Engineering Division Corp. Ltd.	37.40	Infrastructure construction
43	General construction contract of Pengrui Yijingfu project, Shenzhen, Guangdong (广东深圳鹏瑞颐璟府项目施工总承包工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	37.02	Housing construction
44	Construction and pipeline relocation contract of Changchun Rail Transit Line 2 (Eastern extension) project (长春市城市轨道交通2号线东延工程施工及管线迁改合同)	China State Construction Engineering Corporation Limited	36.92	Infrastructure construction
45	Design and construction (EPC) contract of relocation and reconstruction project of Shantou Central Hospital (major pandemic case treatment base) (汕头市中心医院易地重建项目(重大疫情救治基地)设计施工一体化(EPC)合同)	China Construction Eighth Engineering Division Corp. Ltd.	36.59	Housing construction
46	Xiamen New Sports Center project (construction) tender section I contract (厦门新体育中心工程(施工)I标段合同)	China Construction Eighth Engineering Division Corp. Ltd.	36.25	Infrastructure construction
47	Project contract of K2 plot in Wuhan Central Cultural District (武汉中央文化区K2地块项目合同)	China Construction Eighth Engineering Division Corp. Ltd.	36.02	Housing construction
48	General construction contract of Chongqing-Hunan Double-track Line expressway project (sections under the second general contract) (渝湘复线高速公路施工总承包合同(第二总承包合同段))	China State Railway Investment Construction Group Co., Ltd.	35.76	Infrastructure construction
49	General contract of Kylin Artificial Intelligence Industrial Park C and D area project (麒麟人工智能产业园C、D区项目总承包合同)	Third Construction Co., Ltd of China Construction Eighth Engineering Division	34.44	Housing construction
50	General construction contract of the second tender section of the Xiong'an Business Service Center project (雄安商务服务中心项目二标段施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	34.01	Housing construction
51	Shaoying High-speed Railway North Station TOD complex project (Block A) contract (绍兴高铁北站TOD综合体项目(A区块)合同)	China Construction Eighth Engineering Division Corp. Ltd.	33.88	Infrastructure construction
52	General construction contract in relation to the design and construction of the Guangzhou International Campus phase II of South China University of Technology (the first batch) (华南理工大学广州国际校区二期工程(第一批)设计施工总承包合同)	China Construction Fifth Engineering Division Corp., Ltd.	33.82	Housing construction
53	General construction (unit price) contract of overall renovation project (phase II) of Baoan District Municipal People's Hospital (宝安区人民医院整体改造工程(二期)施工总承包施工(单价)合同)	China Construction Sixth Bureau South China Co., Ltd. (中建六局华南建设有限公司)	33.50	Housing construction
54	Contract of comprehensive improvement engineering project for non-compliant water (Qianshan River Basin, Qijiang River Basin-Banfu Town, Nanlang Basin) in Zhongshan, Guangdong (广东中山市未达标水体综合整治工程项目(前山河流域、岐江河流域-板芙镇、南朗流域)合同)	China Construction Eighth Engineering Division Corp. Ltd.	33.25	Infrastructure construction
55	General EPC contract for the second tender section of the Xi'an High-tech International Conference Center phase II project in Shaanxi (陕西西安高新国际会议中心二期项目二标段EPC总承包合同)	China State Construction Engineering Corporation Limited, China State Construction Silkroad Construction Investment Group Co., Ltd, China Construction Eighth Engineering Division Corp. Ltd.	32.80	Housing construction

Unit: 100 million yuan Currency: RMB				
No.	Name of contract	Signing Party	Value of contract	Type of contract
56	Engineering contract of warehouses of Buildings C1 and C2 in Lot 05-A-015 of Lingshang Life Commercial Center (领尚生活商贸中心05-A-015地块C1栋仓储、C2栋仓储工程合同)	China Construction Fourth Engineering Division Corp. Ltd.	32.50	Housing construction
57	Civil works contract of New Laixi-Rongcheng Railway Station (新建莱西至荣成铁路站前工程合同)	China State Construction Engineering Corporation Limited	31.50	Infrastructure construction
58	General contract in relation to design, procurement and construction (EPC) of Guilin International Convention and Exhibition Center project (phase I) (except the second reception center and supporting commercial facilities and bus terminals) (桂林国际会展中心项目一期工程(除第二接待中心及配套商业、公交首末站)设计-采购-施工(EPC)工程总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	31.34	Housing construction
59	Heyuan Wanfu project contract (河源万福项目合同)	China Construction Eighth Bureau South China Co., Ltd. (中建八局华南建设有限公司)	31.33	Housing construction
60	General construction contract of the first tender section of the terminal area of Hohhot New Airport (呼和浩特新机场航站区第一标段施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.87	Infrastructure construction
61	General contract in relation to 9 projects for road engineering projects in West Coast New Area in Qingdao (青岛西海岸新区道路工程9个项目等工程总承包合同)	China Construction Communications Engineering Group Co., Ltd	30.87	Infrastructure construction
62	General engineering contract of Kongshankuang Area of Jiangsu Gardening Expo Garden (Weilai Garden) (江苏园博园孔山矿片区(未来花园)工程总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.87	Infrastructure construction
63	General engineering contract of Nanjing China Central Place International Center (南京华贸国际中心总承包工程合同)	Third Construction Co., Ltd of China Construction Third Engineering Bureau	30.80	Housing construction
64	Construction engineering contract (Zhongdian Digital Health Industrial Park) (建设工程施工合同(中电数字健康产业园))	CSCEC Strait Construction and Development Co., Ltd.	30.67	Housing construction
65	Construction contract of civil works project of the first tender section of Dalian Metro Line 4 (phase I) (大连地铁4号线一期工程土建施工一标建设工程施工合同)	China State Construction Engineering Corporation Limited	30.62	Infrastructure construction
66	Construction engineering contract of Bailihui Lan Hai Zheng Feng project (百力汇蓝海郑风项目建设工程施工合同)	Fourth Construction Co., Ltd of China Construction Seven Engineering Division (中建七局第四建设有限公司)	30.54	Housing construction
67	General EPC contract of Ezhou Public Health Clinical Center project (phase I) (鄂州市公共卫生临床中心项目(一期)EPC总承包工程合同)	China Construction Third Engineering Bureau Co., Ltd.	30.08	Housing construction
68	General construction contract in relation to prospecting, design and construction of Nano Smart Technology Park (phase II) project (纳米智能技术科技园(二期)项目勘察设计施工总承包工程合同)	China Construction Third Engineering Bureau Co., Ltd.	30.01	Housing construction
69	General EPC Contract for Education Training Center and Public Service Center project in Suiyang District, Shangqiu City (商丘市睢阳区教育培训中心及便民服务中心项目EPC总承包合同)	China Construction Fifth Engineering Division Corp., Ltd.	30.00	Housing construction
70	Construction contracting contract of Changsha Greenland V Island project (长沙绿地V岛项目施工总承包合同)	China Construction Seventh Engineering Division, Corp., Ltd.	30.00	Housing construction
71	Urban-rural integration composite construction project contract of new-type community in villages in Bincheng District (滨城区农村新型社区城乡一体化综合建设项目合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.00	Infrastructure construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually entered into by the Company as of the end of the Reporting Period.

2. Major overseas business contracts during the Reporting Period

Unit: 100 million dollars Currency: USD

No.	Name of contract	Signing Party	Value of contract	Type of contract
1	General EPC contract of Makati Metro project in the Philippines (菲律宾马卡蒂地铁大交通项目EPC总承包合同)	China Construction Second Engineering Division Corp. Ltd.	12.13	Infrastructure construction
2	General contracting contract in respect of the phosphoric acid plant project in Abula, Egypt (埃及阿布塔磷酸厂项目工程总承包合同)	China State Construction Engineering Corporation Limited	8.51	Infrastructure construction
3	General contracting (comprehensive) construction contract in respect of the Studio City Macao project (新濠影汇项目总包(综合)施工合同)	China State Construction Engineering (Hong Kong) Limited and China Construction Engineering (Macao) Company Limited	8.35	Housing construction
4	General contracting (engineering & construction) contract in respect of the terminal project of the New Phnom Penh International Airport (新金边国际机场航站楼总承包(设计&建造)工程合同)	China Construction Third Engineering Division Corp. Ltd.	5.96	Infrastructure construction
5	Site A contract of NKIL6549 residential buildings in Cheung Sha Wan (长沙湾NKIL6549住宅Site A合同)	China Overseas Building Construction Limited (中国海外房屋工程有限公司)	4.14	Housing construction
6	Construction contract of headquarters of the International Financial Center at downtown Manila, the Philippines (菲律宾马尼拉国际金融中心总部市中心城项目一期工程合同)	China Construction First Group Corporation Limited China Construction UCF Group (Philippines) Co., Ltd. (中国建筑先锋集团(菲律宾)有限公司)	3.93	Housing construction
7	Contract in respect of the landmark tower project in Indonesia (印尼地标塔项目工程合同)	China Construction First Group Corporation Limited	3.85	Housing construction
8	Tseung Kwan O desalination plant project contract (phase I) (将军澳海水淡化厂第一阶段项目合同)	China State Construction Engineering (Hong Kong) Limited	3.55	Infrastructure construction
9	Contracts in relation to AMBAL-SIMUAY and floods control project in Mindanao, Philippines (菲律宾棉兰老岛AMBAL-SIMUAY和防洪项目合同)	China State Construction Engineering Corporation Limited	2.79	Infrastructure construction
10	Contract in relation to Wong Chuk Hang station phase II development project with Kerry Properties (嘉里黄竹坑站二期发展合同)	China Overseas Building Construction Limited (中国海外房屋工程有限公司)	2.78	Housing construction
11	Contract in relation to Sri Lanka 28km-long water diversion tunnel project (斯里兰卡28公里引水隧道项目合同)	China State Construction Engineering Corporation Limited	2.34	Infrastructure construction
12	Contract in respect of the residential housing project at No. 128 Wong Ma Kok Road, Stanley (赤柱黄麻角道128号住宅项目合同)	Treasure Construction Engineering Limited	2.28	Housing construction
13	General contract of #U REKA commercial complex (#U REKA商业综合体总承包工程合同)	China Construction Malaysia Co., Ltd. (中国建筑马来西亚有限公司)	2.05	Housing construction
14	General construction contract of Tashkent Haitong City (Hong Kong) project (海通城(香港)项目施工总承包合同)	China Construction Xiaoxiang (Uzbekistan) Co., Ltd. (中建潇湘(乌兹别克斯坦)有限公司)	1.96	Housing construction
15	Main structure engineering contract of the seaside south bank project (海滨南岸项目主体结构工程合同)	China Construction Philippines Construction and Development Co., Ltd. (中建菲律宾建设发展有限公司)	1.91	Housing construction
16	General construction contract of the Zhongnai Port commercial complex project in Belgrade (贝尔格莱德中塞港商业综合体项目施工总承包合同)	China Construction Xianfeng Group (Zrenjanin) Co., Ltd. (中国建筑先锋集团(兹雷尼亚宁)有限公司)	1.91	Housing construction
17	Engineering contract in respect of the Training Center HTTC (CCDC) of the Ministry of Home Affairs (民政部训练中心HTTC (CCDC)工程合同)	China Construction (South Pacific) Development Co. Pte. Ltd.	1.84	Housing construction
18	Contract of the superstructure of Makati Metro Station 3 in the Philippines (菲律宾马卡蒂地铁3号站上盖物业项目合同)	China Construction First Group Corporation Limited China Construction First Group Corporation Limited Philippines branch	1.80	Housing construction
19	Engineering contract in respect of the HDB flat - TPN2 (CCDC) in Tampines (淡滨尼组屋-TPN2 (CCDC)工程合同)	China Construction (South Pacific) Development Co. Pte. Ltd.	1.69	Housing construction
20	Construction contract in respect of the phase II project of Addis Ababa National Stadium (亚的斯亚贝巴国家体育场二期项目施工合同)	China State Construction Engineering Corporation Limited	1.64	Infrastructure construction
21	Engineering contract of China-Thailand Complex Logistics Industrial Park, a high-end ecological logistics complex in Bangkok, Thailand (泰国曼谷高端生态物流综合体中泰综合物流产业园项目工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	1.59	Infrastructure construction

Unit: 100 million dollars Currency: USD

No.	Name of contract	Signing Party	Value of contract	Type of contract
22	New contract in relation to the Mong Ha social housing construction project – phase II and Mong Ha gymnasium reconstruction project (望厦社会房屋建造工程 – 第二期暨厦体育馆重建工程新增合同)	China Construction Engineering (Macao) Co., Ltd. (中国建筑工程(澳门)有限公司)	1.51	Infrastructure construction
23	Engineering contract of Cameroon 225kV EBOLOWA-KRIBI and 90kV MBALMAYO-MEKIN transmission line and related engineering construction project (喀麦隆225kV EBOLOWA-KRIBI和90kV MBALMAYO-MEKIN输电线路及相关工程建设项目工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	1.43	Infrastructure construction
24	Contract in respect of the Bulim infrastructure works phase I ((BL1)-CSCEC works) (武林基础设施工程一期(BL1)-CSCEC工程合同)	China Construction Representative Office in Singapore	1.43	Infrastructure construction
25	Civil works contract of China-Thailand high-speed railway 3-2 (中泰高铁3-2土建工程合同)	China Construction Engineering (Thailand) Co., Ltd. (中国建筑工程(泰国)有限公司)	1.34	Infrastructure construction
26	Foundation works contract of public housing in Kai Tak 2B&2B6 and Chiu Shun Road, Tseung Kwan O (启德2B&2B6及将军澳昭信路公屋地基工程合同)	China Construction Engineering (Hong Kong) Co., Ltd.	1.12	Housing construction
27	Tropicana Grandhill Plot5	China Construction Engineering (Southeast Asia) Malaysia Co., Ltd. (中国建筑(东南亚)马来西亚有限公司)	1.11	Housing construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually entered into by the Company as of the end of the Reporting Period.

3. Newly-signed comprehensive credit facility contracts

Unit: 100 million yuan/dollars Currency: RMB/USD

No.	Name of comprehensive credit facility contract	Credit grantor	Accredited party	Comprehensive credit facility limit	Credit period
1	Comprehensive credit facility contract	China Minsheng Banking Corp., Ltd. Beijing Branch	China State Construction Engineering Corporation Limited	RMB6.0 billion	January 9, 2020 – January 8, 2021
2	Master agreement on trading and financial credit facility business	The Export-Import Bank of China	China State Construction Engineering Corporation Limited	RMB15.0 billion	April 2, 2020 – December 6, 2020
3	Credit facility letter	HSBC Bank (China) Company Limited Beijing Branch	China State Construction Engineering Corporation Limited	USD0.2 billion	March 4, 2020 – no fixed expiry date (subject to the results of annual review by the bank)
4	Guaranteed credit facility agreement	China Export & Credit Insurance Corporation	China State Construction Engineering Corporation Limited	USD0.52 billion	April 26, 2020 – April 25, 2020
5	Comprehensive credit facility contract	Bank of Communications Beijing Fuwai Sub-branch	China State Construction Engineering Corporation Limited	RMB20.0 billion	July 17, 2020 – July 14, 2022
6	Credit facility limit contract	Bank of China Beijing Sub-branch at Bank of China Head Office	China State Construction Engineering Corporation Limited	RMB35.8 billion	December 28, 2020 – December 1, 2021
7	Credit facility limit contract	China Guangfa Bank Beijing Sub-branch at Qinghua East Road	China State Construction Engineering Corporation Limited	RMB4.7 billion	October 16, 2020 – October 15, 2020

4. Newly-signed strategic cooperation and business cooperation agreement

During the Reporting period, the Company continued to increase its strategic cooperation with various local governments, large domestic and foreign enterprises and financial institutions. The following are the major cooperation agreements entered into by the Company.

No.	Name of contract	Signing date	Contents of contract
1	Strategic cooperation memorandum between China State Construction Engineering Corporation Limited and Orix Corporation	January 21, 2020	To respond positively to the initiative between the Chinese and Japanese governments to strengthen Sino-Japanese cooperation and joint development of third country markets, this memorandum aimed to promote, expand and deepen the cooperation between CSCEC and ORIX, and take advantage of the experience and strength of both parties, pursuant to which both parties will strive to build up in-depth partnership in respect of development and operation of property projects such as complex property development projects, office, commercial facilities operation, airport development and operation, integrated logistics center, metro hub TOD, etc. in China and actively extend cooperation in project development outside China.
2	Cooperation agreement on promoting Wuhan's post-pandemic revitalization and high-quality development between Wuhan Municipal People's Government and China State Construction Engineering Corporation Limited	August 18, 2020	Based on the development needs of Hubei Province and taking into account the competitive edges of CSCEC, the key areas of cooperation have been identified as follows: strengthening cooperation in employment and talent training, enhancing training on industrial workers, actively helping Hubei Province to recover and revitalize its economy, strengthening exchanges and cooperation with enterprises in Hubei, vigorously promoting industry-academia-research cooperation, increasing investment and development in key infrastructure, steadily enhancing comprehensive urban development, accelerating industrialization of construction and actively exploring construction-related emerging fields and new technologies, science, education, culture and health and other livelihood projects.
3	Strategic cooperation agreement between Qingdao Municipal People's Government and China State Construction Engineering Corporation Limited	September 11, 2020	Based on the actual needs of economic development planning and land planning of Qingdao, and taking into account the development of CSCEC, strategic cooperation has been further explored through a combination of promotion by the local government and market-based operation. Specific measures included: promoting the civil-military joint development and setting up exemplary projects; strengthening cooperation in respect of mixed ownership reform of state-owned enterprises and creating a new model of cooperation between the central enterprises and the local government; leveraging the advantages of CSCEC's international operation, making coordination to promote the BRI, and local economic and trade cooperation initiatives proposed by Qingdao Free Trade Zone and Shanghai Cooperation Organization, and jointly building up a new high level of opening up; helping Qingdao in operating infrastructure, innovating property management service mode, refining the management and operation of urban construction, and upgrading the cityscape; deeply participating in the construction of Qingdao metropolitan area, effectively promoting infrastructure facilities, focusing on regional development and urban renewal, contributing to the enhancement of the city's accommodation capacity, and continuously optimizing the city's appearance; participating in the upgrading of the construction industry, and enhancing the city's living quality and so on.
4	Strategic cooperation agreement between China State Construction Engineering Corporation Limited and CITIC Securities Company Limited	December 2, 2020	CITIC Securities Company Limited provided securities, financial and investment advisory services for CSCEC headquarters and its subsidiaries with its complete set of licensed products and business lines to support CSCEC in respect of business development, global operation, capital operation, management of market capitalization, asset management, fund raising and other daily securities and financial needs. This included but not limited to the following business services: investment banking, management of market capitalization, research, industrial investment, asset management and cash management, equity trading, fixed income, custody, government regulatory, and other domestic and foreign securities and financial full-service.

XVI. Explanation on Other Material Matters

Applicable N/A

XVII. Active Fulfillment of Social Responsibilities

(I) Poverty alleviation by the listed company

Applicable N/A

1. Targeted poverty alleviation planning

Applicable N/A

The Company and its controlling shareholder, China State Construction, were decisive in implementing the decisions and deployment of the Party Central Committee, the State Council and SASAC to reduce poverty and carry out targeted poverty alleviation, and actively assumed the social responsibilities and obligations as a backbone central enterprise. Since 2013, we have been providing targeted and concrete assistance to Kangle County, Zhuoni County and Kang County in Gansu Province (referred to as the three counties of Gansu). A series of targeted and effective precise assistance were provided from education to employment, from people's livelihood improvement to enriching people's lives through industrial development, from optimizing local infrastructure facilities to promoting the building-up of beautiful villages. In 2020, based on the performance of poverty alleviation work and survey results of lifting poverty-stricken population out of poverty, the Company's controlling shareholder, China State Construction, studied and developed the 2020 Poverty Alleviation Highlights and Implementation Plan on Further Enhancing the Poverty Alleviation Efforts in Kangle County, and entered into the Agreement on Targeted Poverty Alleviation and Agreement on Poverty Alleviation by Promoting Consumption with the three counties of Gansu, providing a detailed planning for the poverty alleviation throughout the year. According to the implementation plan of the Company's three-year action plan to reduce poverty, in conjunction with the Company's advantage of "whole industrial chain" in the construction industry, the Company was devoted to proceeding with the pandemic prevention and control measures and reducing poverty, solving the prominent problems in connection with the "No Worries about Food and Clothing with Compulsory Education, Basic Medical Care and Housing Safety Guaranteed" initiative, persistently making "combined efforts" in reducing poverty through industrial development, employment, education, consumption and Communist Party building, with a view to supporting the three counties of Gansu to win the final battle of poverty alleviation.

2. Summary of annual targeted poverty alleviation

Applicable N/A

In 2020, the Company and its controlling shareholder, China State Construction, resolutely implemented the "four continuing requirements", made concrete efforts to strengthen organizational leadership, increased resource investment and constantly proceeded with the targeted poverty alleviation approach. Specifically, the Company convened 5 poverty alleviation progressing meeting, 45 on-site meetings, 6 inspections of the Company's executives for supervision on poverty alleviation, 8 in-depth research visits to the three counties of Gansu, 11 discussion and exchange meetings with local administration of the three counties of Gansu and the cities and prefectures governing such three countries on how to fight and win the battle against poverty, and appointed 763 leaders and cadres at all levels to conduct research and supervision visits on targeted poverty alleviation; the Company invested and raised funds at a total amount of RMB109,449,600 and carried out 129 poverty alleviation projects including "Kangle Basong Rural Tourism Service Center, CSCEC-Zhuoni County Characteristic Industry Demonstration Zone Phase II and Kang County Poverty Alleviation through Tourism Development Demonstration Zone Phase II"; the Company dispatched 14 persons to fulfill the temporary poverty alleviation posts and 12 predominant subsidiaries to make joint efforts to lift the three counties of Gansu out of poverty while other subsidiaries fully participated in poverty alleviation by promoting consumption; the Company also called for the contributions by different social parties in this regard, including China Foundation for Poverty Alleviation, China Women's Development Foundation, Guo Mingyi, Gansu Institute of Architectural Design and Research Co., Ltd. and CCTV Man and Nature program team, to build a multi-engagement pattern of poverty alleviation; we also convened 42 sessions of poverty alleviation special trainings, with participants of primary-level cadres and technicians in three counties in Gansu amounting to 3,408; the Company gave support to 132 e-commerce enterprises (cooperative entities), arranged 376 promotion activities for poverty alleviation through consumption, built up more than 50 characteristic brands and purchased and helped to sell agricultural products sourced from poor areas worth RMB68,440,000; the Company held 26 special job fairs for boosting employment and labor transmission and transfer, providing more than 4,000 jobs, established 34 demonstration villages for facilitating export of construction labor, as a result of which 2,799 local poor residents were employed; the Company invested special funds to carry out "emergency relief" campaign. The measure package included helping 103 impoverished households in Zhuoni County to renovate their roads, houses, water supply facilities, electricity supply facilities, livestock environment, toilets and stoves, purchasing automatic biochemical analyzers for township healthcare center in Kang County, installing heating equipment and repairing 65 water purification valve wells for 15 township healthcare centers in Kangle County. Our campaign has benefited more than 100,000 local people and helped China State Construction to play a vital role in winning the final battle against poverty for the three counties of Gansu. Currently, all three counties in Gansu have been removed from the poverty-stricken county list, helping a total of 196,000 impoverished people out of poverty and all 345 impoverished villages removed out of the poverty-stricken list. In particular, Zhuoni County was selected as one of the counties under the "China's most beautiful counties list", Kangle County was awarded as "China's most beautiful rural tourism destination in the new era", and Kang County was listed as the "permanent venue of the Beautiful Village Alliance Forum under the BRI. CSCEC has been awarded the highest rating in the evaluation of targeted poverty alleviation performance of central enterprises for three consecutive years.

3. Effectiveness of targeted poverty alleviation

Applicable N/A

Unit: '0,000 yuan Currency: RMB

Indicators	Amount/Quantity & Implementation
I. General	
Including: 1. Fund	10,697.31
2. Materials converted into cash	114.26
3. Number of registered impoverished people relieved from poverty under assistance	195,915
II. Investment breakdown	
1. Poverty alleviation through industrial development	
Including: 1.1 Type of industrial projects for poverty alleviation	<input checked="" type="checkbox"/> Agricultural and forestry <input checked="" type="checkbox"/> Tourism <input checked="" type="checkbox"/> E-commerce <input type="checkbox"/> Asset income <input type="checkbox"/> Technology <input checked="" type="checkbox"/> Others
1.2 Number of industrial projects for poverty alleviation	31
1.3 Amount of investment in industrial projects for poverty alleviation	7,283.06
1.4 Number of registered impoverished people relieved from poverty under assistance	28,558
2. Poverty alleviation through transfer of labor	
Including: 2.1 Amount of investment in occupational skill training	720.80
2.2 Number of persons receiving vocational skill training (person/time)	3,408
2.3 Number of registered impoverished people getting employed under assistance	2,799
3. Poverty alleviation through relocation	
Including: 3.1 Number of persons getting employed for relocated households under assistance	/
4. Poverty alleviation through education	
Including: 4.1 Amount of investment in financing needy students	55.87
4.2 Number of poor students financed	460
4.3 Amount of investment in improving the educational resources in poverty-stricken areas	1,518.75
5. Poverty alleviation through healthcare improvement	
Including: 5.1 Amount of investment in the medical and health resources in poverty-stricken areas	261.21
6. Poverty alleviation through ecological protection	
Including: 6.1 Name of project	<input checked="" type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation ways for ecological conservation <input type="checkbox"/> Set up specialized posts for handling ecological and public charity related affairs <input type="checkbox"/> Others
6.2 Amount of investment	82.00
7. Baseline security	
Including: 7.1 Amount of investment in helping left-behind elderly, women and children in rural areas	/
7.2 Number of left-behind elderly, women and children receiving the help	/
7.3 Amount of investment in helping needy disabled people	100

Unit: '0,000 yuan Currency: RMB

Indicators	Amount/Quantity & Implementation
7.4 Number of needy disabled people receiving the help	359
8. Poverty alleviation efforts offered by the society	
Including: 8.1 Amount of investment in coordinated eastern-western poverty alleviation efforts	/
8.2 Amount of investment in targeted poverty alleviation	10,811.57
8.3 Public social charitable fund for poverty alleviation	/
9. Other projects	
Including: 9.1. Number of projects	41
9.2. Amount of investment	1,575.68
9.3. Number of registered impoverished people relieved from poverty under assistance	20,748
9.4. Description about other projects	The Company organized 19 Party branches from 8 subsidiaries to work in pairs with Party branches from 19 impoverished villages in the three counties of Gansu province to "carry out the Communist Party building initiatives and promote poverty alleviation". The Company established 37 poverty alleviation projects in the Party building initiatives, implemented 2 drinking water safety and housing safety projects, supported 132 leading enterprises and cooperatives in the three counties of Gansu and purchased and helped to sell agricultural products sourced from poor areas worth RMB68,440,000 and so on.
III. Awards received (content and level)	
CSCEC was awarded as the Advanced Group for Assistance in Battle of Poverty Alleviation in Gansu Province (provincial and ministerial level);	
CSCEC was awarded as the Advanced Group for Assistance in Battle of Poverty Alleviation in Linxia Hui Autonomous Prefecture (prefecture level);	
CSCEC received the highest rating in the evaluation of targeted poverty alleviation performance of central enterprises for three consecutive years;	
Its "CSCEC Model" of targeted poverty alleviation was selected into the Blue Book on Corporate Poverty Alleviation released by the State Council Leading Group Office of Poverty Alleviation and Development and the series of books entitled "Poverty Alleviation – Power of Central Enterprises" (《脱贫攻坚·央企力量》) compiled by the News Center of SASAC and the People's Political Consultative Daily. Its poverty alleviation program was included by the State Council Leading Group Office of Poverty Alleviation and Development in the "Top 50 Comprehensive Cases for Targeted Poverty Alleviation by Corporates" and "Top 50 Cases for Poverty Alleviation by Volunteers".	

4. Subsequent targeted poverty alleviation plan

Applicable N/A

In 2021, CSCEC will resolutely implement the decisions and deployment under the rural revitalization strategy proposed by the Party Central Committee and the State Council, fully conform to the "four continuing requirements" proposed by the central government to maintain the strength, depth and extent of targeted poverty alleviation. Responding to the prominent problems and defects in comprehensively consolidating the results of poverty alleviation in the three counties of Gansu, measures will be taken to further increase the support in the exchange of cadres and talents, the development of characteristic industries, the improvement of education quality, assistance for the needy, infrastructure construction, etc. We will focus on consolidating and extending the results of poverty alleviation and its effective connection with rural revitalization, help targeted areas to achieve industrial thrive, ecological livability, civilized countryside, effective governance and economic prosperity and contribute more to becoming a modern socialist country and the realization of Chinese dream of great rejuvenation of the Chinese nation. The main measures include: developing and expanding characteristic industries, fulfilling advantage in whole industrial chain, supporting tourism development planning of targeted poverty alleviation areas, introducing signature tourism-related products, boosting the development of the homestay industry; stimulating employment continuously, increasing publicity, mobilization and special job fairs to support employment, promoting building-up of labor demonstration villages, providing skills training for rural entrepreneurs and unemployed people; further promoting poverty alleviation through development of education campaign "Spring Buds Action", sticking to the spirit of reducing poverty physically and mentally, introducing "CSCEC Happiness Courses Plan", improving education infrastructure and competency of teachers and facilitating the integrated development of urban and rural compulsory education; increasing support to e-commerce businesses, maintaining assistance in procurement and marketing of e-commerce businesses, refining online and offline sales systems, promoting the commercialization and branding of agricultural specialty products; further enhancing Party-building in pairs with other Party units to increase interaction and exchange between the Company's relevant Party units and the Party units in local villages by taking the opportunity of learning and education of CPC's history, and to trigger the party organizations' role as the fortress and the general public's endogenous motivated force by arranging joint themed CPC day and Party member voluntary services.

(II) Social responsibility commitments√ Applicable N/A

The Company will disclose the 2020 Social Responsibility Report headed "CSCEC 2020 Sustainability Report" on the website of Shanghai Stock Exchange. Please refer to the relevant content of the report for relevant information of social responsibility commitments of the Company.

(III) Environmental information**1. Explanation on environmental protection efforts of the highly polluting companies and their key subsidiaries as announced by the environmental protection authority** Applicable N/A**2. Explanation on environmental protection efforts of companies other than highly polluting companies**√ Applicable N/A

Guided by President Xi Jinping's ideology on ecological civilization, the Company thoroughly implements the decision and deployment on ecological environmental protection of the Party Central Committee and the State Council, earnestly materializes the new development concept and fulfills the Company's responsibility of environmental protection to continue to promote the in-depth ecological environment protection.

During the Reporting Period, the Company was not aware of any unexpected environmental incidents or major environmental pollution accidents. The Company closely focuses on the latest national policies and regulations, strives to improve the environmental protection management system, continuously carries out the identification and rectification of environmental risks and hazards, and continuously increases supervision and regulation through special inspections and comprehensive examinations. The Company is highly concerned about the awareness and capacity building of environmental protection, incorporates environmental management training into the overall training plan, and organizes training and publicity activities through on-site training, experience exchange, case sharing, internal observation, etc. Throughout the year, the Company organizes more than 1,200 various training and publicity events on environmental protection, with more than 38,000 participants, and hosts more than 173 observation activities at the local and municipal levels.

The Company continuously strengthens the environmental protection and pollution prevention and control of construction projects. For construction projects invested by the Company, it insists on conducting assessment on environmental impact according to law, and comprehensively incorporates environmental protection requirements into the entire process of design, construction and operation to ensure the simultaneous design, construction, production and delivery of pollution prevention facilities and the main construction works. For the construction projects the Company undertakes, the Company carries out identification of material environmental elements and environmental management planning as required, specifies the environmental management objectives of the project concerned, equips itself with and regulates the operation of various pollution prevention and control facilities. In addition, we highly value the promotion and application of energy-saving and environmental protection technologies, namely "four-new" technologies. We strive to reduce pollution and material loss at source, reduce energy consumption and improve recycling efficiency through the promotion of the new, green and smart construction with a view to advancing the environmental protection and pollution prevention and control efforts.

3. Explanation on reasons for not disclosing environmental information by companies other than highly polluting companies Applicable N/A**4. Explanation on the subsequent progress or changes in the environmental information disclosure during the Reporting Period** Applicable N/A**(IV) Other explanation** Applicable N/A

XVIII. Convertible Corporate Bonds**(I) Issue of convertible bonds**

Applicable N/A

(II) Holders and guarantors of convertible bonds during the Reporting Period

Applicable N/A

(III) Changes in convertible bonds during the Reporting Period

Applicable N/A

Accumulated number of shares converted from convertible bonds during the Reporting Period

Applicable N/A

(IV) Previous adjustments to conversion price

Applicable N/A

(V) Information on the Company's liability and the changes in credit standing as well as the cash arrangement for the future annual debt repayment

Applicable N/A

(VI) Other information of convertible bonds

Applicable N/A

XIX. Index of Information Disclosure

During the Reporting Period, the Company published 187 documents on the website of the Shanghai Stock Exchange (www.sse.com.cn), and related announcements were also published in the China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times.

No.	Matter	Disclosure Date
1	CSCEC: Briefing on Business from January to December 2019	January 10, 2020
2	CSCEC: Announcement on Significant Project	January 18, 2020
3	CSCEC: Independent Opinions of Independent Directors on Appointment of the Company's Auditor for Financial Reports in 2020	February 4, 2020
4	CSCEC: Notice on Convening of the 2020 First Extraordinary General Meeting	February 4, 2020
5	CSCEC: Independent Director's Prior Approval of Opinions on Appointment of the Company's Auditor for Financial Reports in 2020	February 4, 2020
6	CSCEC: Independent Opinions of Independent Directors on Redemption of 150,000,000 Unlisted Preferred Shares of the Company	February 4, 2020
7	CSCEC: Announcement on Amendments to the Articles of Association of China State Construction Engineering Corporation Limited and the Rules of Procedure of the General Meeting of China State Construction Engineering Corporation Limited	February 4, 2020
8	CSCEC: Announcement on Change of Auditor for Financial Reports	February 4, 2020
9	CSCEC: Rules of Procedure of the General Meeting (2020 Revised Draft)	February 4, 2020
10	CSCEC: Articles of Association (2020 Revised Draft)	February 4, 2020
11	CSCEC: Announcement on Resolutions of the 18th Meeting of Second Session of Board of Supervisors	February 4, 2020

No.	Matter	Disclosure Date
12	CSCEC: First Holding Announcement on Redemption of Unlisted Preferred Shares	February 4, 2020
13	CSCEC: Announcement on Resolutions of the 34th Meeting of Second Session of Board of Directors	February 4, 2020
14	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	February 5, 2020
15	CSCEC: Announcement on the Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares	February 5, 2020
16	CSCEC: Information on the 2020 First Extraordinary General Meeting	February 12, 2020
17	CSCEC: Briefings on Business in January 2020	February 15, 2020
18	CSCEC: Announcement on Significant Project	February 20, 2020
19	CSCEC: Second Holding Announcement on Redemption of Unlisted Preferred Shares	February 20, 2020
20	CSCEC: Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phase II and III Restricted Shares and Notice to the Creditors	February 20, 2020
21	CSCEC: Announcement on Resolutions of the 2020 First Extraordinary General Meeting	February 20, 2020
22	CSCEC: Legal Opinions on the 2020 First Extraordinary General Meeting	February 20, 2020
23	CSCEC: Articles of Association (Revised in February 2020)	February 20, 2020
24	CSCEC: Rules of Procedure of the General Meeting (Revised in February 2020)	February 20, 2020
25	CSCEC: Third Holding Announcement on Redemption of Unlisted Preferred Shares	February 21, 2020
26	CSCEC: Announcement on Distribution of Dividends for Preferred Shares (Tranche I) of 2019-2020	February 22, 2020
27	CSCEC: Holding Announcement on the Suspension of Trading of Unlisted Preferred Shares	February 26, 2020
28	CSCEC: Announcement on Redemption and Delisting of All Unlisted Preferred Shares	February 26, 2020
29	CSCEC: Announcement on Results of the Redemption of All Unlisted Preferred Shares	March 4, 2020
30	CSCEC: Announcement on Appointment of the President of the Company	March 5, 2020
31	CSCEC: Independent Opinions of Independent Directors on Appointment of Zheng Xuexuan as the Company's President	March 5, 2020
32	CSCEC: Announcement on Resolutions of the 35th Meeting of the Second Session of Board of Directors	March 5, 2020
33	CSCEC: Briefings on Business from January to February 2020	March 14, 2020
34	CSCEC: Announcement on Significant Project	March 20, 2020
35	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Repurchase and Cancellation of Part of Restricted Shares under Phase I, II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	April 13, 2020
36	CSCEC: Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme	April 13, 2020
37	CSCEC: Briefings on Business from January to March 2020	April 17, 2020
38	CSCEC: Advance Announcement on Performance Presentation and Cash Dividend Meeting of 2019	April 22, 2020
39	CSCEC: 2019 Sustainability Report	April 25, 2020
40	CSCEC: Summary of 2019 Annual Report	April 25, 2020
41	CSCEC: Announcement on Daily Related Party Transactions under the Comprehensive Services Framework Agreement and the Financial Services Framework Agreement Signed with China State Construction Engineering Corporation	April 25, 2020
42	CSCEC: Independent Opinions of Independent Directors on Proposal of the Company's Daily Related Party Transactions in 2020	April 25, 2020
43	CSCEC: Accounting Firm's Audit Report on the Company's Internal Control	April 25, 2020
44	CSCEC: Independent Opinions of Independent Directors on Financing Guarantee of the Company in 2020	April 25, 2020
45	CSCEC: Independent Opinions of Independent Directors on the Concurrent Position of Zheng Xuexuan, Wang Yunlin, Zhao Xiaojiang, Ma Zeping, Zhou Yong and Wang Xiangming as Senior Executive of the Controlling Shareholder	April 25, 2020
46	CSCEC: Independent Opinions of Independent Directors on the 2019 Profit Distribution Plan of the Company	April 25, 2020

No.	Matter	Disclosure Date
47	CSCEC: Announcement on Resolutions of the 37th Meeting of the Second Session of the Board of Directors	April 25, 2020
48	CSCEC: Independent Director's Prior Approval of Opinions on Change of the Company's Auditor for Internal Control in 2020	April 25, 2020
49	CSCEC: 2019 Annual Financial Statements and Audit Report	April 25, 2020
50	CSCEC: Special Report on Fund Occupation by Controlling Shareholder and Other Related Parties	April 25, 2020
51	CSCEC: Independent Director's Prior Approval of Opinions on Proposal in Respect of Daily Related Party Transactions of the Company for 2020	April 25, 2020
52	CSCEC: Announcement on Resolutions of the 19th Meeting of the Second Session of the Board of Supervisors	April 25, 2020
53	CSCEC: Independent Opinions of Independent Directors on Change of the Company's Auditor for Internal Control in 2020	April 25, 2020
54	CSCEC: Announcement on Proposed Additional Financing Guarantee in 2020	April 25, 2020
55	CSCEC: Work Report of Independent Directors in 2019	April 25, 2020
56	CSCEC: Announcement on Significant Project	April 25, 2020
57	CSCEC: 2019 Annual Report	April 25, 2020
58	CSCEC: Announcement on Change of Auditor for Internal Control	April 25, 2020
59	CSCEC: 2019 Internal Control Evaluation Report	April 25, 2020
60	CSCEC: Announcement on Profit Distribution for 2019	April 25, 2020
61	CSCEC: Report on the Performance of Duties of the Audit Committee of the Board of Directors for 2019	April 25, 2020
62	CSCEC: Special Notes and Special Reports on Changes in Accounting Policies for 2019	April 25, 2020
63	CSCEC: Notice of Convening Annual General Meeting of 2019	April 25, 2020
64	CSCEC: Announcement on Resolutions of the 20th Meeting of the Second Session of the Board of Supervisors	April 30, 2020
65	CSCEC: Report of Q1 2020	April 30, 2020
66	CSCEC: Announcement on Resolutions of the 38th Meeting of the Second Session of the Board of Directors	April 30, 2020
67	CSCEC: Report of Q1 2020	April 30, 2020
68	CSCEC: Rules of Procedure of the Board of Directors (2020 Revised Draft)	May 14, 2020
69	CSCEC: Announcement on Resolutions of the 39th Meeting of the Second Session of the Board of Directors	May 14, 2020
70	CSCEC: Announcement on Additional Temporary Proposals at 2019 Annual General Meeting	May 14, 2020
71	CSCEC: Briefings on Business from January to April 2020	May 14, 2020
72	CSCEC: Announcement on Resolutions of the 21st Meeting of the Second Session of the Board of Supervisors	May 14, 2020
73	CSCEC: Information on 2019 Annual General Meeting	May 15, 2020
74	CSCEC: Announcement on Significant Project	May 22, 2020
75	CSCEC: Rules of Procedure of the Board of Directors (Revised in May 2020)	May 26, 2020
76	CSCEC: Legal Opinions of 2019 Annual General Meeting	May 26, 2020
77	CSCEC: Announcement on Resolutions of 2019 Annual General Meeting	May 26, 2020
78	CSCEC: Announcement on Resolutions of the 22nd Meeting of the Second Session of the Board of Supervisors	May 29, 2020
79	CSCEC: Announcement on Resolutions of the 40th Meeting of the Second Session of the Board of Directors	May 29, 2020
80	CSCEC: Briefings on Business from January to May 2020	June 16, 2020
81	CSCEC: Announcement on Implementing Rights and Interests Distribution for 2019	June 17, 2020
82	CSCEC: Condensed Report on Change in Shareholding	June 20, 2020
83	CSCEC: Holding Announcement on Changes in Equity of Shareholders Holding More Than 5%	June 20, 2020
84	CSCEC: Announcement on Significant Project	June 23, 2020

No.	Matter	Disclosure Date
85	CSCEC: Briefings on Business from January to June 2020	July 24, 2020
86	CSCEC: Announcement on Significant Project	July 25, 2020
87	CSCEC: Announcement on Investment in Historical Landscape Reservation and Urban Renovation Project of Shanghai	July 29, 2020
88	CSCEC: Announcement on Resolutions of 41st Meeting of the Second Session of the Board of Directors	July 29, 2020
89	CSCEC: Announcement on Resolutions of 23rd Meeting of the Second Session of the Board of Supervisors	July 30, 2020
90	CSCEC: Announcement on Resignation of Supervisors and Nomination of Candidates for Supervisors	July 30, 2020
91	CSCEC: Announcement on Resolutions of 42nd Meeting of the Second Session of the Board of Directors	August 6, 2020
92	CSCEC: Notice of Convening the 2020 Second Extraordinary General Meeting	August 6, 2020
93	CSCEC: Announcement on Resolutions of 24th Meeting of the Second Session of the Board of Supervisors	August 6, 2020
94	CSCEC: Information of the 2020 Second Extraordinary General Meeting	August 14, 2020
95	CSCEC: Briefings on the Business from January to July 2020	August 21, 2020
96	CSCEC: Announcement on Significant Project	August 22, 2020
97	CSCEC: Legal Opinions on the 2020 Second Extraordinary General Meeting	August 22, 2020
98	CSCEC: Announcement on Resolutions of the 2020 Second Extraordinary General Meeting	August 22, 2020
99	CSCEC: Announcement on Resolutions of the 25th Meeting of the Second Session of the Board of Supervisors	August 25, 2020
100	CSCEC: Announcement on Resolutions of the 26th Meeting of the Second Session of the Board of Supervisors	August 28, 2020
101	CSCEC: 2020 Half-annually Report	August 28, 2020
102	CSCEC: Announcement on Resolutions of the 43rd Meeting of the Second Session of the Board of Directors	August 28, 2020
103	CSCEC: Summary of 2020 Half-annually Report	August 28, 2020
104	CSCEC: Announcement on Participating in the Collective Reception Day for Investors of Listed Companies in Beijing in 2020	September 1, 2020
105	CSCEC: Announcement on Appointment of Vice President of the Company	September 12, 2020
106	CSCEC: Announcement on Resolutions of the 44th Meeting of the Second Session of the Board of Directors	September 12, 2020
107	CSCEC: Independent Opinions of Independent Directors on Appointment of Shan Guangxi as Vice President of the Company	September 12, 2020
108	CSCEC: Announcement on Resolutions of the 45th Meeting of the Second Session of the Board of Directors	September 18, 2020
109	CSCEC: Announcement on Resolutions of the 27th Meeting of the Second Session of the Board of Supervisors	September 18, 2020
110	CSCEC: Measures for Implementation, Assessment and Management of Phase IV Restricted A Share Incentive Scheme	September 18, 2020
111	CSCEC: Announcement on Summary of Phase IV Restricted A Share Incentive Scheme (Draft)	September 18, 2020
112	CSCEC: Independent Opinions of Independent Directors on the Phase IV Restricted A Share Incentive Scheme (Draft) of China State Construction Engineering Corporation Limited	September 18, 2020
113	CSCEC: Phase IV Restricted A Share Incentive Scheme (Draft)	September 18, 2020
114	CSCEC: Briefings on Business from January to August 2020	September 19, 2020
115	CSCEC: Announcement on Significant Project	September 29, 2020
116	CSCEC: Announcement on Results of International Credit Rating	October 9, 2020
117	CSCEC: Announcement on Approval of the Phase IV Restricted A Share Incentive Scheme by the State-owned Assets Supervision and Administration Commission of the State Council	October 14, 2020
118	CSCEC: Briefings on Business from January to September 2020	October 23, 2020
119	CSCEC: Legal Opinions of King & Wood Mallesons on Repurchase of Shares by Centralized Bidding Trading of China State Construction Engineering Corporation Limited	October 24, 2020
120	CSCEC: Announcement on Significant Project	October 24, 2020
121	CSCEC: Repurchase Report on the Repurchase of Shares of the Company through Centralized Bidding Trading	October 24, 2020
122	CSCEC: Independent Opinions of Independent Directors on Resolutions regarding Share Repurchase Proposal by Centralized Bidding Trading	October 24, 2020

No.	Matter	Disclosure Date
123	CSCEC: Announcement on Resolutions of the 46th Meeting of the Second Session of the Board of Directors	October 24, 2020
124	CSCEC: Announcement on Resolutions of the 28th Meeting of the Second Session of the Board of Supervisors	October 24, 2020
125	CSCEC: 2020 Report of Q3	October 29, 2020
126	CSCEC: Report of Q3 2020	October 29, 2020
127	CSCEC: Announcement on the Shareholding of the Top Ten Shareholders and Top Ten Shareholders Not Subject to Sales Restrictions	October 29, 2020
128	CSCEC: Independent Opinions of Independent Directors on Appointment of Zhang Zhaoxiang as the New Director of the Second Session of Board of Directors	October 29, 2020
129	CSCEC: Announcement on Resolutions of the 47th Meeting of the Second Session of the Board of Directors	October 29, 2020
130	CSCEC: Announcement on Resolutions of the 29th Meeting of the Second Session of the Board of Supervisors	October 29, 2020
131	CSCEC: Announcement on First Share Repurchase by Centralized Bidding Trading	October 31, 2020
132	CSCEC: Announcement on the Progress of Repurchase of Shares through Centralized Bidding Trading	November 4, 2020
133	CSCEC: Announcement on Repurchased Shares of up to 1% in Aggregate and Progress of Share Repurchase by Centralized Bidding Trading	November 7, 2020
134	CSCEC: Announcement on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	November 10, 2020
135	CSCEC: Opinions of Independent Directors on Prior Approval of the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	November 10, 2020
136	CSCEC: Independent Opinions of Independent Directors on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	November 10, 2020
137	CSCEC: Announcement on Resolutions of the 48th Meeting of the Second Session of the Board of Directors	November 10, 2020
138	CSCEC: Announcement on Resolutions of the 30th Meeting of the Second Session of the Board of Supervisors	November 10, 2020
139	CSCEC: Briefings on Business from January to October 2020	November 18, 2020
140	CSCEC: Announcement on Resolutions of the 31st Meeting of the Second Session of the Board of Supervisors	November 21, 2020
141	CSCEC: Notice of Convening the 2020 Third Extraordinary General Meeting	November 21, 2020
142	CSCEC: Announcement on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme	November 21, 2020
143	CSCEC: Legal Opinions on Relevant Matters regarding the Repurchase and Cancellation of Part of Restricted Shares in Respect of Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	November 21, 2020
144	CSCEC: Announcement on Resolutions of the 49th Meeting of the Second Session of the Board of Directors	November 21, 2020
145	CSCEC: Independent Opinions of Independent Directors of List of Participants and Information on the Grant of Phase IV Restricted A Share Incentive Scheme	November 21, 2020
146	CSCEC: Legal Opinions of Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	November 21, 2020
147	CSCEC: Announcement on Independent Directors' Solicitation of Proxy Voting Rights	November 21, 2020
148	CSCEC: Announcement on Significant Project	November 24, 2020
149	CSCEC: Information of the 2020 Third Extraordinary General Meeting	November 28, 2020
150	CSCEC: Announcement on Resolutions of the 32nd Meeting of the Second Session of the Board of Supervisors	December 2, 2020
151	CSCEC: Explanation on the Result of Review by the Board of Supervisors and the Publication of the List of Participants of the Company's Phase IV Restricted A Shares	December 2, 2020
152	CSCEC: Announcement the Progress of Repurchase of Shares through Centralized Bidding Trading	December 3, 2020
153	CSCEC: Announcement on Repurchased Shares of up to 2% in Aggregate of Share Repurchase by Centralized Bidding Trading	December 3, 2020
154	CSCEC: Legal Opinions of King & Wood Mallesons on the 2020 Third Extraordinary General Meeting of China State Construction Engineering Corporation Limited	December 8, 2020
155	CSCEC: Measures on the Management of Provision of Security to Third Parties (Trial)	December 8, 2020
156	CSCEC: Measures on Raised Funds Management (Revision in December 2020)	December 8, 2020
157	CSCEC: Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors	December 8, 2020
158	CSCEC: Self-examination Report on the Trading of Shares of the Company by Persons with Inside Information Related to Phase IV Restricted A Share Incentive Scheme	December 8, 2020
159	CSCEC: Announcement on Resolutions of the 2020 Third Extraordinary General Meeting	December 8, 2020

No.	Matter	Disclosure Date
160	CSCEC: Announcement on the Implementation Results of Share Repurchase and Changes in Shares	December 15, 2020
161	CSCEC: Briefings on Business from January to November 2020	December 18, 2020
162	CSCEC: Announcement on Changes in Accounting Policies	December 24, 2020
163	CSCEC: Announcement on Resolutions of the 50th Meeting of the Second Session of the Board of Directors	December 24, 2020
164	CSCEC: Announcement on Resolutions of the 33rd Meeting of the Second Session of the Board of Supervisors	December 24, 2020
165	CSCEC: Independent Opinions of Independent Directors on Granting under Phase IV Restricted A Share Incentive Scheme	December 24, 2020
166	CSCEC: List of Participants (2,765) of Phase IV Restricted A Share Incentive Scheme	December 24, 2020
167	CSCEC: Legal Opinions of King & Wood Mallesons on Matters of Granting under Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	December 24, 2020
168	CSCEC: Announcement on Granting under Phase IV Restricted A Share Incentive Scheme	December 24, 2020
169	CSCEC: Independent Opinions of Independent Directors on Adopting New Lease Standards	December 24, 2020
170	CSCEC: Announcement on Significant Project	December 26, 2020
171	CSCEC: Opinions of Independent Directors on Prior Approval of Renewal of Financial Service Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation	December 30, 2020
172	CSCEC: Announcement on Resolutions of the 51st Meeting of the Second Session of the Board of Directors	December 30, 2020
173	CSCEC: Independent Opinions of Independent Directors on First Tranche of Unlocking in 2020 under the Phase III Restricted A Share Incentive Scheme	December 30, 2020
174	CSCEC: Notice of Convening the 2021 First Extraordinary General Meeting	December 30, 2020
175	CSCEC: Announcement on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transaction	December 30, 2020
176	CSCEC: Announcement on Resolutions of the 34th Meeting of the Second Session of the Board of Supervisors	December 30, 2020
177	CSCEC: Opinions of Independent Directors on Prior Approval of Renewal of Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation	December 30, 2020
178	CSCEC: Announcement on Provision of Entrusted Loans to the Company by its Controlling Shareholder and Related Party Transaction	December 30, 2020
179	CSCEC: Independent Opinions of Independent Directors on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation	December 30, 2020
180	CSCEC: Announcement on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme	December 30, 2020
181	CSCEC: Independent Opinions of Independent Directors on Provision of Entrusted Loans to the Company by China State Construction Engineering Corporation	December 30, 2020
182	CSCEC: Opinions of Independent Directors on Prior Approval of Provision of Entrusted Loans to the Company by China State Construction Engineering Corporation	December 30, 2020
183	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding the Repurchase and Cancellation of Part of Restricted Shares in Respect of Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	December 30, 2020
184	CSCEC: Announcement on Renewal of Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transaction	December 30, 2020
185	CSCEC: Independent Opinions of Independent Directors on Third Tranche of Unlocking in 2020 under the Phase II Restricted A Share Incentive Scheme	December 30, 2020
186	CSCEC: Independent Opinions of Independent Directors on Renewal of Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation	December 30, 2020
187	CSCEC: Information of 2021 First Extraordinary General Meeting	December 31, 2020

SECTION VI CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. Changes in Ordinary Share Capital

(I) Table of changes in ordinary shares

1. Table of changes in ordinary shares

As of the end of the Reporting Period, the changes in the Company's share capital structure are as follows:

	Before the change		Increase/decrease upon the change (+,-)				After the change		Unit: Share
	Number	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Subtotal	Number	
I. Shares subject to trading moratorium	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
Including: Shares held by domestic non-state-owned legal persons									
Shares held by domestic natural persons	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
4. Shares held by foreign entities									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Circulating shares not subject to trading moratorium	41,141,075,044	98.01				112,527,800	112,527,800	41,253,602,844	98.30
1. RMB ordinary shares	41,141,075,044	98.01				112,527,800	112,527,800	41,253,602,844	98.30
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of ordinary shares	41,975,629,711	100.00				-10,558,200	-10,558,200	41,965,071,511	100.00

2. Explanation on changes in ordinary shares

Applicable N/A

As of the end of the Reporting Period, there were two changes in the Company's shares, which were caused by the Company's unlocking of restricted shares, repurchase and cancellation of some restricted shares. The details are as follows:

- (1) The Company completed the unlocking of the second tranche of 112,527,800 restricted shares under the Phase II restricted A share incentive scheme, converting circulating restricted shares subject to trading moratorium to circulating shares not subject to trading moratorium. The total share capital of the Company amounted to 41,975,629,711 shares. For details, please refer to the Announcement on the Second Tranche of Unlocking in 2019 in respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares of the Company published on February 5, 2020.
- (2) The Company completed the repurchase from the participants and cancellation of 10,558,200 restricted shares that were not eligible for unlocking. After the completion of the repurchase and cancellation, the registered capital (and share capital) of the Company was decreased by RMB10,558,200 (and 10,558,200 shares) to RMB41,965,071,511 (and 41,965,071,511 shares). For details, please refer to the Announcement on Implementation of Repurchase for Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 13, 2020.

3. The impact, if any, of changes in ordinary shares on financial indicators such as earnings per share, net asset per share for the latest year and the latest period

Applicable N/A

4. Other disclosures that the Company deemed necessary or were required by securities regulatory authorities

Applicable N/A

(II) Changes in shares subject to trading moratorium

Applicable N/A

Unit: Share

Name of Shareholder	Number of shares subject to trading moratorium at the beginning of the year	Number of shares released from trading moratorium for the year	Number of new shares subject to trading moratorium for the year	Number of shares subject to trading moratorium at the end of the year	Reason for the trading moratorium	Date of release from trading moratorium
Participants of Restricted Stock Incentive Plan	834,554,667	-123,086,000	0	711,468,667	During the trading moratorium period	/
Total	834,554,667	-123,086,000	0	711,468,667	/	/

For details, please refer to the above "Explanation on changes in ordinary shares".

II. Issuance and Listing of Securities

(I) Issue of securities during the Reporting Period

Applicable N/A

Unit: 100 million shares Currency: RMB

Types of shares and their derivative securities	Date of issue	Issue price (or interest rate)	Number of shares issued	Date of listing	Number of Shares permitted to be listed for trading	Ending date of the trading
Ordinary Shares						
RMB Ordinary Shares (A Shares)	July 22, 2009	4.18	120	July 29, 2009	120	/
Convertible corporate bonds, convertible bonds with detachable warrants and corporate bonds						
/	/	/	/	/	/	/
Other derivative securities						
Preferred Shares	March 2, 2015	100	1.5	March 20, 2015	1.5	March 2, 2020

Issue of securities during the Reporting Period (please provide separately the particulars of bonds with different interest rates for duration):

Applicable N/A

For the issuance of the Company's preferred shares, please refer to the relevant information as set out under Section VII "INFORMATION RELATED TO PREFERRED SHARES" hereof.

(II) Changes in the Company's total number of ordinary shares and structure of shareholders and changes in structure of asset and liability of the Company

Applicable N/A

(III) Existing internal employee shares

Applicable N/A

III. Shareholders and De Facto Controller

(I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	557,337
Total number of ordinary shareholders at the end of the month immediately before the date of disclosure of the Annual Report	546,613
Total number of preferred shareholders with voting rights restored as of the end of the Reporting Period	N/A
Total number of preferred shareholders with voting rights restored at the end of the month immediately before the date of disclosure of the Annual Report	N/A

(II) Shareholding of top ten shareholders, top ten shareholders of circulating shares (or holders of shares not subject to trading moratorium) as of the end of the Reporting Period

Unit: Share

Shareholding of top ten shareholders							
Name of shareholder (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	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 legal person
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 account for securities repurchase of China State Construction Engineering Corporation Limited	912,036,000	912,036,000	2.17	0	Nil	0	Other
Central Huijin Asset Management Co., Ltd.	0	596,022,420	1.42	0	Nil	0	State-owned legal person
GIC PRIVATE LIMITED	-71,927,024	215,721,132	0.51	0	Nil	0	Foreign legal person
Industrial & 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
Portfolio 106 of the National Social Security Fund	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 Investment Fund* (广发高端制造股票型发起式证券投资基金)	113,552,899	113,552,899	0.27	0	Nil	0	Securities investment fund

Shareholdings of the top ten 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	
China State Construction Engineering Corporation	23,630,695,997	RMB ordinary shares	23,630,695,997	
China Securities Finance Corporation Limited	1,258,300,998	RMB ordinary shares	1,258,300,998	
Hong Kong Securities Clearing Company Limited	1,149,124,426	RMB ordinary shares	1,149,124,426	
Special account for securities repurchase of China State Construction Engineering Corporation Limited	912,036,000	RMB ordinary shares	912,036,000	
Central Huijin Asset Management Co., Ltd.	596,022,420	RMB ordinary shares	596,022,420	
GIC PRIVATE LIMITED	215,721,132	RMB ordinary shares	215,721,132	
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	156,169,063	RMB ordinary shares	156,169,063	
Bank of Communications – E Fund 50 Index Securities Investment Fund	136,642,126	RMB ordinary shares	136,642,126	
Portfolio 106 of the National Social Security Fund	135,394,213	RMB ordinary shares	135,394,213	
Shanghai Pudong Development Bank Co., Ltd. - Guangfa High-end Manufacturing Equity Initiative Securities Investment Fund* (广发高端制造股票型发起式证券投资基金)	113,552,899	RMB ordinary shares	113,552,899	
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 preferred shareholders with voting rights restored and number of shares held	N/A			

Number of shares held by top ten holders of shares subject to trading moratorium and trading moratorium

Applicable N/A

Please refer to the relevant content of “(II) Changes in Shares Subject to Trading Moratorium” under “I. Changes in Ordinary Share Capital” in this Section.

(III) Strategic investors or general legal persons becoming the top 10 shareholders as a result of new share placement

Applicable N/A

IV. Controlling Shareholder and De Facto Controller

(I) Controlling shareholder

1. Legal person

Applicable N/A

Name	China State Construction Engineering Corporation
Person in charge of the company or legal representative	Zhou Naixiang
Date of establishment	It was established on June 11, 1982 following the official announcement of the former Ministry of Urban and Rural Construction and Environmental Protection, and the former State Administration for Industry and Commerce issued a business license to China State Construction Engineering Corporation on March 25, 1983. It was transformed to a wholly state-owned company on November 28, 2017, and changed its name to China State Construction Engineering Corporation.
Principal activities	The operation of state-owned assets within the scope authorized by the State Council; undertaking of survey, design, construction, installation and consultation of civil and constructional engineering at home and abroad; operation of real estate; decoration works; sculpture and frescoes business; undertaking of foreign economic assistance projects of the state; contracting of foreign-related projects in the PRC, organization of non-trade enterprises overseas, carrying out of labor service cooperation in the PRC using foreign resources, funds and technology, and export business of equipment and materials required for foreign projects; production and operation of construction materials and other non-metallic mineral products, metal products for construction, tools, construction engineering machinery and drilling machinery; import and export of goods, import and export of technology, agent service for import and export; project investment; real estate development; engineering survey and design; construction project management; technical consulting, technical services; property management. (Enterprises may independently choose business items and carry out business activities in accordance with the law; as for items subject to approval in accordance with the law, relevant business activities shall be carried out with the approval of the competent authorities and within the scope of the approval; business activities of the forbidden and restricted projects as required by the municipal industry policies are not allowed.)
Shareholding and equity participation in other domestic and overseas listed companies during the Reporting Period	China State Construction Engineering Corporation holds 27.05% shares of CSCEC Scimee Sci. & Tech. Co., Ltd. (stock abbreviation: SCIMEE, stock code: 300425.SZ) through its wholly-owned subsidiary, Beijing Zhongjian Qiming Enterprise Management Co., Ltd. (北京中建启明企业管理有限公司) ("Zhongjian Qiming"). Zhongjian Qiming is the controlling shareholder of SCIMEE.
Other matters	/

2. Natural person

Applicable N/A

3. Special explanation on absence of a controlling shareholder of the Company

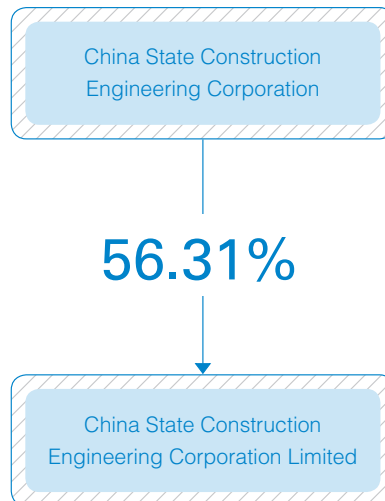
Applicable N/A

4. Details of the index and the date of changes of the controlling shareholder during the Reporting Period

Applicable N/A

5. **Chart showing the ownership and controlling relationship between the Company and the controlling shareholder**

Applicable N/A



(II) **De Facto Controller**

1. **Legal person**

Applicable N/A

Name State-owned Assets Supervision and Administration Commission of the State Council

2. **Natural person**

Applicable N/A

3. **Special explanation on absence of a de facto controller of the Company**

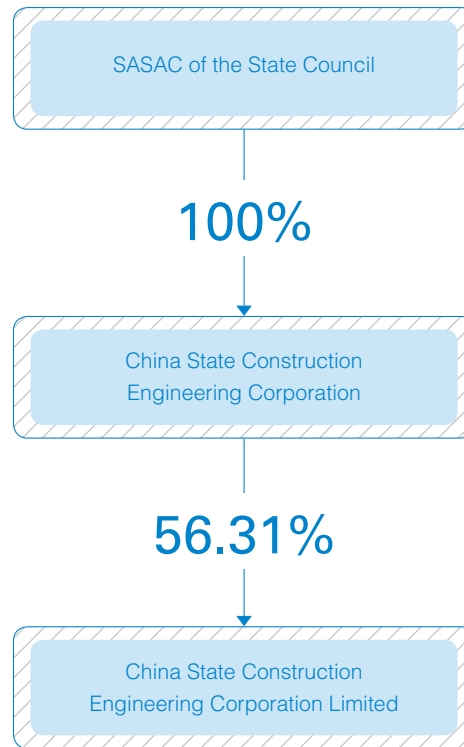
Applicable N/A

4. **Details of the index and the date of changes of the de facto controller during the Reporting Period**

Applicable N/A

5. Chart showing the ownership and controlling relationship between the Company and the de facto controller

Applicable N/A



6. The de facto controller controlling the Company through a trust or other asset management company

Applicable N/A

(III) Other information of the controlling shareholder and the de facto controller

Applicable N/A

V. Other Corporate Shareholders Holding More than 10% of the Shares

Applicable N/A

VI. Explanation on Restrictions on the Reduction of Shareholding

Applicable N/A

SECTION VII INFORMATION RELATED TO PREFERRED SHARES

√ Applicable □ N/A

I. Issuance and Listing of Preferred Shares in the Past Three Years as of the End of the Reporting Period

Unit: ten thousand shares

Code of preferred shares	Abbreviation of preferred shares	Date of issue	Issue price (in RMB)	Dividend rate (%)	Number of shares issued	Date of listing	Number of shares permitted to be listed for trading	Delisting date
360007	China Construction Preferred Stock 1	March 2, 2015	100	5.8%	15,000	March 20, 2015	15,000	March 2, 2020
	Use progress and changes of proceeds	<p>On March 6, 2015, upon consideration and approval at the 76th meeting of the first session of the Board of the Company, it was agreed to replace the self-pooled upfront investment in projects to be invested through fund raising with the proceeds from preferred shares of RMB12.763 billion. The Company's independent directors and the Board of Supervisors agreed on the matter. For details of and investment in the projects, please refer to the relevant announcements such as CSCEC: Announcement on the Replacement of the Self-Pooled Upfront Investment in Projects to be Invested Through Fund Raising with the Proceeds from Preferred Shares issued by the Company on March 10, 2015. In accordance with the commitment made in the application document for the issuance of preferred shares, the remaining proceeds from preferred shares of RMB2.212 billion were used for the category III of projects, i. e. supplementing the Company's general working capital. As of the end of the Reporting Period, all the proceeds from the Company's initial non-public issuance of preferred shares of RMB15.0 billion have been fully utilized. Please refer to the relevant content of (a) "Preferred share" under Note V. 43 "Other equity instruments" to the Financial Statements under Section XI "FINANCIAL REPORT" hereof.</p>						

II. Preferred Shareholders

(I) Total number of preferred shareholders

Total number of preferred shareholders as of the end of the Reporting Period	0
Total number of preferred shareholders at the end of the month immediately before the date of disclosure of the Annual Report	0

(II) Other matters

√ Applicable □ N/A

The Proposal on Relevant Matters Regarding the Redemption of 150,000,000 Unlisted Preferred Shares of China State Construction Engineering Corporation Limited was considered and approved at the 34th meeting of the second session of Board of Directors of the Company on February 3, 2020; the Proposal on Relevant Matters Regarding the Redemption of 150,000,000 Unlisted Preferred Shares of China State Construction Engineering Corporation Limited, the Proposal on Amendments to the Articles of Association of China State Construction Engineering Corporation Limited and the Proposal on Amending the Rules of Procedure of the General Meeting of China State Construction Engineering Corporation Limited were considered and approved at the Company's first extraordinary general meeting in 2020 on February 19, 2020. The Company redeemed all preferred shares held by all the preferred shareholders of the Company on March 2, 2020.

III. Profit Distribution of Preferred Shares

(I) Profit distribution

√ Applicable □ N/A

According to the Articles of Association of the Company, the Company pays dividends in cash once a year, which will carry fixed dividend rate with single step-up in dividend rate arrangement. For the preferred shares issued in the first tranche, the dividend rate for the first five dividend accruing years has been determined at 5.80% through inquiry methods, and remained unchanged. If the Company does not exercise its redemption rights entirely, from the sixth dividend accruing year onwards, the dividend rate per share will be the dividend rate for the first five dividend accruing years plus 2 percentage points, and will remain unchanged after adjustments to the dividend rate for the sixth dividend accruing year. The preferred shares issued in different tranches will have equal priority to dividend distribution. The Company may distribute dividends to the preferred shareholders if there are distributable profit left after recovering losses and making allocations to its reserve according to relevant laws. The dividends on the preferred shares are not cumulative. Unless the occurrence of any trigger events for compulsory payment, the general meeting of the Company shall be entitled to determine to cancel the payment of part or full current dividend on the preferred shares. Once the preferred shareholders under the issuance have received dividends at the specified dividend rate, they shall not be entitled to the distribution of the remaining profit together with ordinary shareholders.

Please refer to the Articles of Association, the Prospectus for the Non-public Issuance of Preferred Shares of CSCEC, Report on the Issuance of Non-public Issuance of Preferred Shares of CSCEC and other related announcements published by the Company on March 7, 2015, as well as the relevant content of (a) "Preferred Share" under Note V. 43 "Other equity instruments" to the Financial Statements under Section XI "FINANCIAL REPORT" hereof.

(II) Distribution amount and distribution ratio for preferred shares in the recent three years (the Reporting Period inclusive)

Applicable N/A

Unit: '000 yuan Currency: RMB

	Distribution amount	Distribution ratio
2019-2020	870,000	Dividend rate of 5.80%
2018-2019	870,000	Dividend rate of 5.80%
2017-2018	870,000	Dividend rate of 5.80%

Other explanation:

On April 11, 2019 and May 7, 2019, the 23rd meeting of the second session of the Board of the Company and the 2018 annual general meeting considered and approved the Proposal on the Dividend Distribution Plan in 2019-2020 for Preferred Shares of RMB15.0 billion of China State Construction Engineering Corporation Limited, a cash dividend of RMB5.80 (tax inclusive) per preferred share will be distributed to the preferred shareholders (tranche I) whose names appear on the register of members of the Company, as maintained by China Securities Depository and Clearing Corporation Limited, Shanghai Branch, after the close of trading hours of the Shanghai Stock Exchange on February 28, 2020, based on the 150 million preferred shares (tranche I) which were issued at a dividend rate of 5.80%. For details, please refer to the Announcement on Distribution of Dividends for Preferred Shares (Tranche I) of 2019-2020 issued on February 22, 2020. As of March 2, 2020, the plan has been implemented.

(III) If the Company records profits and the parent company records a positive undistributed profit during the Reporting Period but no profit is distributed for preferred shares, the Company shall disclose the reasons and the usage of the undistributed profits and the usage plan in details

Applicable N/A

(IV) Other explanation

Applicable N/A

IV. Repurchase and Conversion of the Company's Preferred Shares during the Reporting Period

(I) Repurchase

Applicable N/A

Code of preferred shares	Abbreviation of preferred shares	Date of repurchase	Repurchase price (RMB per share)	Pricing principle	Number of shares repurchased (ten thousand shares)	Proportion (%)	Total funds for repurchase (in RMB100 million)	Source of funds	Term of share repurchase	Subjects to exercising repurchase option	Impact on the share capital structure of the Company
360007	China Construction Preferred Stock 1	March 2, 2020	100	Par value of preferred shares plus dividends resolved to be paid but not yet paid in the current period (RMB5.80 per share)	15,000	100	150	Self-finance	March 2, 2020	CSCEC	Ordinary shares are not affected, and the number of preferred shares is nil

Explanation on matters such as the procedure for considering the repurchase of preferred shares

As approved at the Company's first extraordinary meeting in 2020 on February 19, 2020, the redemption and cancellation of all the issued 150,000,000 preferred shares of China Construction Preferred Stock 1 was completed on March 2, 2020. For details, please refer to relevant announcements of the Company:

1. The Proposal on Relevant Matters Regarding the Redemption of 150,000,000 Unlisted Preferred Shares of China State Construction Engineering Corporation Limited was considered and approved at the 34th meeting of the second session of the Board and the 18th meeting of the second session of Board of Supervisors on February 3, 2020;
2. The Company issued the First Holding Announcement on Redemption of Unlisted Preferred Shares on February 4, 2020;
3. The Proposal on Relevant Matters Regarding the Redemption of 150,000,000 Unlisted Preferred Shares of China State Construction Engineering Corporation Limited was considered and approved at the 2020 first extraordinary general meeting of the Company on February 19, 2020;
4. The Company issued the Second Holding Announcement on Redemption of Unlisted Preferred Shares on February 20, 2020;
5. The Company issued the Third Holding Announcement on Redemption of Unlisted Preferred Shares on February 21, 2020;
6. The Company issued the Announcement on Redemption and Delisting of All Unlisted Preferred Shares and the Holding Announcement on the Suspension of Trading of Unlisted Preferred Shares on February 26, 2020;
7. The Company issued the Announcement on Results of the Redemption of All Unlisted Preferred Shares on March 4, 2020.

(II) Conversion

Applicable N/A

No terms for compulsory conversion to ordinary shares are provided in China Construction Preferred Stock 1.

V. Restoration and Exercise of Relevant Voting Rights that the Company shall Disclose If the Voting Rights of Preferred Shares Restored

Applicable N/A

VI. Accounting Policies Adopted by the Company for Preferred Shares and Reasons Therefor

Applicable N/A

Pursuant to the requirements of Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments and Provisions for Differentiation between Financial Instruments and Equity Instruments and Relevant Accounting Treatment issued by the Ministry of Finance, the actual amount received from total issuance amount of China Construction Preferred Stock 1 net of related transaction costs was accounted for as other equity instruments.

VII. Miscellaneous

Applicable N/A

SECTION VIII DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. Changes in Shareholding and Remuneration

(I) Changes in shareholding and remuneration of incumbent and resigned directors, supervisors and senior management during the Reporting Period

√ Applicable □ N/A

Unit: 0,000 shares

Name	Position	Gender	Age	Commencement date of the term of office	Expiry date of the term of office	Number of shares hold at the beginning of the year	Number of shares hold at the end of the year	Share changes during the year	Reason for changes	Total pre-tax remuneration received from the Company during the Reporting Period (0'000 yuan)	Whether to obtain remuneration from related parties of the Company
Incumbent directors, supervisors and senior management											
Zhou Naixiang	Chairman	Male	59	October 10, 2019	January 8, 2021	0	0	0	/	/	Yes
	Director	Male	54	May 7, 2019	January 8, 2021						
Zheng Xuexuan	President	Male	54	March 4, 2020	Upon a new appointment/dismissal by the Board of Directors	50.4	50.4	0	/	/	Yes
Zhang Zhaoxiang	Director	Male	57	December 7, 2020	January 8, 2021	0	0	0	/	/	Yes
Yang Chunjin	Independent director	Male	70	January 9, 2018	January 8, 2021	0	0	0	/	6	No
Yu Hailong	Independent director	Male	70	January 9, 2018	January 8, 2021	0	0	0	/	6	No
Jia Chen	Independent director	Male	65	January 9, 2018	January 8, 2021	0	0	0	/	6	No
Zheng Changhong	Independent director	Male	65	January 9, 2018	January 8, 2021	0	0	0	/	6	No
Shi Zhiping	Chairman of the Board of Supervisors	Male	57	August 21, 2020	January 8, 2021	83.7	83.7	0	/	142.76	No
Li Jianbo	Supervisor	Male	63	January 9, 2018	January 8, 2021	44.8	44.8	0	/	6	No
Tian Shifang	Supervisor	Male	63	January 9, 2018	January 8, 2021	15.4	15.4	0	/	6	No
Ning Wangchu	Employee representative supervisor	Male	63	January 9, 2018	January 8, 2021	22.12	22.12	0	/	6	No
Lu Yanbin	Employee representative supervisor	Male	63	January 9, 2018	January 8, 2021	15.4	15.4	0	/	6	No

Unit: 0,000 shares

Name	Position	Gender	Age	Commencement date of the term of office	Expiry date of the term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Share changes during the year	Reason for changes	Total pre-tax remuneration received from the Company during the Reporting Period (0'000 yuan)	Whether to obtain remuneration from related parties of the Company
Wang Yunlin	Vice president, chief financial officer	Male	57	January 15, 2019	Upon a new appointment/dismissal by the Board of Directors	0	0	0	/	/	Yes
Zhao Xiaojiang	Vice president	Male	55	January 19, 2016	Upon a new appointment/dismissal by the Board of Directors	0	0	0	/	/	Yes
Ma Zeping	Vice president	Male	58	December 1, 2010	Upon a new appointment/dismissal by the Board of Directors	50.4	50.4	0	/	/	Yes
Zhou Yong	Vice president	Male	50	January 28, 2019	Upon a new appointment/dismissal by the Board of Directors	83.7	83.7	0	/	/	Yes
Shan Guangxiu	Vice president	Female	50	September 11, 2020	Upon a new appointment/dismissal by the Board of Directors	122.046	122.046	0	/	78.01 ^{Note 2}	Yes
Huang Kesi	Vice president	Male	60	October 27, 2017	Upon a new appointment/dismissal by the Board of Directors	134.716	134.716	0	/	121.43	No
Xue Keqing	Secretary to the board	Male	57	June 15, 2018	Upon a new appointment/dismissal by the Board of Directors	129.9	129.9	0	/	119.83	No
Resigned directors, supervisors and senior management											
Gao Lieyang	Former chairman of the Board of Supervisors	Male	55	January 9, 2018	July 29, 2020	16.8	16.8	0	/	101.66	No
Total	/	/	/	/	/	769.382	769.382	0	/	611.69	/

Note 1: The terms of office of the second session of both the Board of Directors and Board of Supervisors have been expired on January 8, 2021. As the nomination and election of candidates for the new sessions of Board of Directors and Board of Supervisors of the Company have not yet been finished, the term of office of the second sessions of the Board and Board of Supervisors, as well as the special committees under the Board of Directors have been extended correspondingly. The Company will complete the election of directors and supervisors as practicable as possible and perform relevant information disclosure obligations in a timely manner. The election of directors and supervisors for new session of the Board of Directors and Board of Supervisors will not affect the normal operation of the Company.

Note 2: The total remuneration before tax obtained before being nominated as a leader of China State Construction Engineering Corporation.

Note 3: Considering the appointment and dismissal of the leadership of China State Construction Engineering Corporation by the Organization Department of the CPC Central Committee and the SASAC of the State Council, remuneration of the leaders of China State Construction Engineering Corporation will be paid by China State Construction Engineering Corporation and disclosed on the Company's official website. Leaders who work part-time in CSCEC have been approved by the CSRC.

Name	Major work experience
Zhou Naixiang	<p>Party Secretary and Chairman of China State Construction Engineering Corporation, Chairman of China State Construction Engineering Corporation Limited. Senior engineer, a master's degree holder. Former deputy general manager of Jiangsu Provincial Construction Engineering Corporation (Construction Group Corporation), deputy mayor of Taizhou City, Jiangsu Province, standing committee member and executive deputy mayor of Taizhou City, Jiangsu Province, director and Party Secretary of Jiangsu Tourism Bureau, and Party Secretary, deputy director of Jiangsu Provincial Department of Housing and Urban-Rural Development, deputy secretary, acting mayor and mayor of Suzhou Municipal Party Committee of Jiangsu Province, secretary of Suzhou Municipal Party Committee of Jiangsu Province, member of the Standing Committee of Jiangsu Provincial Party Committee and secretary of the Suzhou Municipal Party Committee. He has been the Party Secretary of China State Construction Engineering Corporation since August 2019, Chairman of China State Construction Engineering Corporation Since September 2019, and Chairman of China State Construction Engineering Corporation Limited since October 2019. He is a representative of the 19th NPC, alternate member of the 19th Central Committee of the Communist Party of China, and representative of the 12th National People's Congress.</p>
Zheng Xuexuan	<p>Director, general manager, deputy secretary of the Party Committee of China State Construction Engineering Corporation, director and president of China State Construction Engineering Corporation Limited, professor-level senior engineer and PhD holder. He has served as deputy general manager and general manager of Manager Department of CSCEC Algeria, chairman, and Party Committee secretary of CSCEC Algeria; deputy general manager of Overseas Cooperation Division of CSCEC; executive director and Party Committee member of CSCEC International Operations; executive general manager of Overseas Business Department of CSCEC; assistant general manager and general manager of Human Resources Department of China Construction Engineering Corporation Limited. Since November 2015, he has been a member of the Party Committee of the former China State Construction Engineering Corporation. He has been the deputy general manager of China State Construction Engineering Corporation Limited since January 2016, the deputy general manager of the former China State Construction Engineering Corporation from January 2017, director and deputy secretary of the Party Committee of China State Construction Engineering Corporation since September 2018, director of China State Construction Engineering Corporation Limited since May 2019, general manager of China State Construction Engineering Corporation since November 2019, and president of China State Construction Engineering Corporation Limited since March 2020. Representative of the 17th National People's Congress of the Communist Party of China, National Model Worker.</p>
Zhang Zhaoxiang	<p>Director, deputy secretary of the Party Committee of China State Construction Engineering Corporation, director of China State Construction Engineering Corporation Limited, professor-level senior engineer and Master's degree holder. He successively served as vice president, president and secretary of the Party Committee of China Nonferrous Engineering and Research Institute (中国有色工程设计研究总院), chairman of the board and general manager of China ENFI Engineering Corporation (中国恩菲工程技术有限公司), president, vice chairman and secretary of the Party Committee of Metallurgical Corporation of China Ltd., standing committee member of the Party Committee, general manager, deputy secretary of the Party Committee, director, general manager and secretary of the Party Committee of China Metallurgical Group Corporation, deputy general manager and member of the party group of China Minmetals Corporation. He has been a deputy secretary of the Party Committee of China State Construction Engineering Corporation since July 2020, a director of China State Construction Engineering Corporation since August 2020 and a director of China State Construction Engineering Corporation Limited since December 2020.</p>
Yang Chunjin	<p>Independent director of China State Construction Engineering Corporation Limited, professor-level senior engineer, enjoying special government subsidy from the State Council, a bachelor's degree holder. He has been the deputy director of the cadre department of the Ministry of Water and Electricity since October 1986, the director of the personnel and labor department of the Ministry of Water Resources since June 1988, the deputy director of the personnel and labor department of the Ministry of Water Resources since July 1992, general manager and party secretary of Jianghe Water Conservancy and Hydropower Development Company (中国江河水利水电开发公司) since September 1995, general manager and party secretary of China Water Conservancy Investment Group Co., Ltd. since June 2001, and deputy general manager and member of the Party Committee of China Three Gorges Corporation since March 2009.</p>

Name	Major work experience
Yu Hailong	<p>Independent director of China State Construction Engineering Corporation Limited, professor-level senior engineer and holder of master in engineering management. Mr. Yu served as deputy director of the Personnel Bureau of the State Economic and Trade Commission (国家经委人事局) since February 1983, director of the office and the project investigation department of China Kangfu International Leasing Co., Ltd. under the Ministry of Foreign Trade and Economic Cooperation (国家外经贸部中国康富国际租赁公司) since February 1988, and deputy director of the General Office (in charge of work) of Machinery and Electric Qingfang Investment Co., Ltd. under the State Planning Commission (国家计委机电轻纺投资公司) since June 1992. Mr. Yu served as director of the office and secretary of the Communist Party Committee of State Development & Investment Corporation (国家开发投资公司), and general manager of State Development & Investment (Electronics) Corporation (国投电子公司) and State Development & Investment (High Technology and Pioneering) Corporation (国投高科技创业公司) since March 1994. He served as general manager and deputy secretary of the Communist Party Committee of China New Era Group Corporation (中国新时代控股(集团)公司) since April 2002. From January 2010, he served as the general manager and secretary of the Communist Party Committee of China New Era Group Corporation, and from May 2010, he served as the general manager, standing committee member of the Party Committee and director of China Energy Conservation and Environmental Protection Group.</p>
Jia Chen	<p>Independent director of China State Construction Engineering Corporation Limited and professor-level senior engineer. Mr. Jia graduated from Liaoning Financial and Trade College (now Dongbei University of Finance and Economics) with a bachelor's degree in economics in February 1982. Worked in the Ministry of Finance from February 1982 to December 2013, he successively served as deputy director, director, deputy head of the Accounting Division of the Ministry of Finance, deputy head of General Affairs Division of the Ministry of Finance, chief of law affairs division of the Ministry of Finance, head of division of corporation of the Ministry of Finance, and chief of the taxation division of the Ministry of Finance. From December 2013 to August 2016, he served as a party member and deputy general manager of China North Industries Group Corporation. In March 2017, he was hired as an external director of China Mobile Communications Corporation. He used to be the executive director of the Accounting Society of China, the executive director of the China Association of Chief Financial Officers, the executive director of Society of Public Finance of China, the vice chairman of the Asset Management Association of China, and the deputy director of the Office of the State Council's Leading Group for the Promotion of SMEs.</p>
Zheng Changhong	<p>Independent director of China State Construction Engineering Corporation Limited, professor-level senior engineer and a holder of doctoral degree in engineering. Mr. Zheng held positions as deputy head of Beijing Erqi Locomotive Works (北京二七机车厂), director of the general office, a director and deputy general manager of China National Railway Locomotive & Rolling Stock Industry Corporation (中国铁路机车车辆工业总公司), a director and deputy general manager, deputy general manager, secretary of the Party Committee and deputy general manager and the secretary of the Party Committee of CSR Group Corporation (中国南车集团公司), an Executive director, vice chairman, president, chairman and secretary of the Party Committee of CSR Corporation Limited (中国南车股份有限公司), as well as an executive director, vice chairman and secretary of the Party Committee of CRRC Corporation Limited (中国中车集团).</p>
Shi Zhiping	<p>Chairman of the Board of Supervisors, chief information officer of China State Construction Engineering Corporation Limited, a researcher-level senior engineer and holder of bachelor's degree. He successively served as the deputy head of the technology introduction center and vice director of business division of Science and Technology Information Institute of the Ministry of Machinery and Electronics Industry (机械电子工业部科技情报所), director of the business division of the Science and Technology Information Research Institute of the Ministry of Machinery Industry, assistant to the dean of the Science and Technology Information Research Institute of the Ministry of Machinery Industry, assistant to the dean of the Institute of Mechanical Industry Information and director of the Literature Resource Center, deputy dean and standing committee member of the Party Committee of the Institute of Mechanical Industry Information and the director of information center of the SASAC. He has served as an assistant president and chief information officer of China State Construction Engineering Corporation Limited since July 2014, chairman of the Board of Supervisors of China State Construction Engineering Corporation Limited since August 2020. He no longer served as an assistant president of China State Construction Engineering Corporation Limited since August 2020.</p>

Name	Major work experience
Li Jianbo	Supervisor of China State Construction Engineering Corporation Limited, senior engineer and holder of master in industrial engineering. Mr. Li has served as the deputy director and director of the coordination office of the Personnel Bureau of China State Construction, the deputy manager of the personnel department of China State Construction, the general manager of the human resources department of China State Construction, the vice chairman, secretary of the Party Committee and deputy general manager of China Overseas Holdings Limited. From March 2018, he no longer served as vice chairman, secretary of the Party Committee and deputy general manager of China Overseas Holdings Limited.
Tian Shifang	Supervisor of China State Construction Engineering Corporation Limited and a senior accountant. Mr. Tian has served as the deputy director of the Audit Department of China Construction Eighth Engineering Division Corp. Ltd., chief accountant and Party Committee member of China Construction Eighth Engineering Division Second Company, director, chief accountant and Party Committee member of China Construction Port Group Co., Ltd., director, chief financial officer, and Party Committee member of China State Construction Harbour Construction Co., Ltd. (renamed in December 2019 as China Construction Harbour and Channel Engineering Bureau Group Co., Ltd.). Since March 2020, he no longer served as a director, chief financial officer, and Party Committee member of China Construction Harbour and Channel Engineering Bureau Group Co., Ltd.
Ning Wangchu	Supervisor of China State Construction Engineering Corporation Limited, senior political engineer and bachelor's degree holder. He has served as minister of the Propaganda Department of the Party Committee, deputy secretary of the Party Committee, chairman of the Trade Union, secretary of the Discipline Inspection Commission and supervisor and inspector of China Southwest Architectural Design and Research Institute. Since February 2018, he no longer served as inspector of China Southwest Architectural Design and Research Institute.
Lu Yanbin	Supervisor of China State Construction Engineering Corporation Limited, a senior engineer and bachelor's degree holder. He successively served as Secretary of the Party Committee and General Manager of Nanjing Branch of China Construction Second Bureau Second Company (中建二局二公司), General Manager of China Construction Second Bureau Second Company, Deputy General Manager, standing committee member of the Party Committee and Director of China Construction Second Bureau Co., Ltd. (中建二局有限公司), and inspector of China Construction Second Engineering Division Corp. Ltd. (中国建筑第二工程局有限公司). From February 2018, he no longer served as inspector of China Construction Second Engineering Division Corp. Ltd.
Wang Yunlin	Chief Accountant of China State Construction Engineering Corporation, a member of the Party Committee, vice president and chief financial officer of China State Construction Engineering Corporation Limited, researcher-level senior accountant and master's degree holder. He has served as the chief accountant of the Second Research Institute of CASIC (Group) Company, the deputy director and minister of the Finance Department of CASIC (Group) Company, the chairman of Aerospace Securities Co., Ltd., and the deputy chief accountant of CASIC (Group) Company, Member of the Party Committee and Chief Accountant of China Aerospace Science and Industry Corporation Limited. He served as a member of Party Committee and Chief Financial Officer of China State Construction Engineering Corporation since December 2018, and vice president and chief financial officer of China State Construction Engineering Corporation Limited since January 2019.
Zhao Xiaojiang	Deputy general manager and member of Party Committee of China State Construction Engineering Corporation, vice president of China State Construction Engineering Corporation Limited, senior engineer, and a Ph.D. holder. He has served as Secretary of the General Office of the State Council (at the bureau level), Deputy Mayor of Nanjing (posted), a Standing Committee member of Party Committee and Deputy Mayor of Nanjing (posted), Deputy Secretary of Yangzhou Municipal Committee (at the municipal level), Deputy Secretary Lianyungang Municipal Committee, Mayor and Secretary of the Party Committee of the Municipal Government of Lianyungang. He has been a member of the Party Committee of the former China State Construction Engineering Corporation since November 2015, the vice president of China State Construction Engineering Corporation Limited since January 2016, and the vice general manager of the former China State Construction Engineering Corporation since January 2017.

Name	Major work experience
Ma Zeping	Deputy general manager and member of Party Committee of China State Construction Engineering Corporation, vice president of China State Construction Engineering Corporation Limited, professor-level senior engineering, holder of a part-time postgraduate diploma. He has served as the former deputy director of China Construction Eighth Engineering Division; general manager of infrastructure department of China State Construction Engineering Corporation; executive director and deputy general manager of CSCEC International Operations; assistant general manager of China State Construction Engineering Corporation; Chairman of the Board of China State Construction Railway Construction Co., Ltd.; Chairman of China State Construction Harbour Construction Co., Ltd.; Secretary of Party Work Committee and General Manager of Infrastructure Business Department of China State Construction Engineering Corporation Limited; Executive Director and General Manager of China Construction Infrastructure Co., Ltd. (中国建设基础设施有限公司). He has been the vice president of China State Construction Engineering Corporation Limited since December 2010, a member of the Party Committee of the former China State Construction Engineering Corporation since November 2015, and the deputy general manager of China State Construction Engineering Corporation since January 2017. National model worker.
Zhou Yong	Deputy general manager and member of Party Committee of China State Construction Engineering Corporation, vice president of China State Construction Engineering Corporation Limited, professor-level senior engineering, holder of bachelor's degree. Mr. Zhou has served as Vice Chairman, Executive Director and Chief Executive Officer of China State Construction International Holdings Limited, Vice Chairman, Deputy General Manager and Member of Party Committee of China Overseas Holdings Limited, Chairman of the Board and Secretary of Party Committee of China State Construction International Holdings Limited, chairman of the Board of Directors and secretary of the Party Committee of China Overseas Holdings Limited. He has been a member of the Party Committee of China State Construction Engineering Corporation since December 2018, and the Deputy General Manager of China State Construction Engineering Corporation and Vice President of China State Construction Engineering Corporation Limited since January 2019. He is a Member of the 13th National Political Consultative Committee.
Shan Guangxiu	Deputy general manager, Party Committee member of China State Construction Engineering Corporation, vice president of China State Construction Engineering Corporation Limited, senior economist, a master's degree holder. She successively served as a deputy general manager of the human resources department (cadre affairs department) of the former China State Construction Engineering Corporation, a director, deputy secretary of the Party Committee and deputy general manager of China Construction First Group Corporation Limited and general manager of the human resources department (cadre affairs department) of China State Construction Engineering Corporation. She has been a deputy general manager and Party Committee member of China State Construction Engineering Corporation since June 2020 and a vice president of China State Construction Engineering Corporation Limited since September 2020.
Huang Kesi	Vice president of China State Construction Engineering Corporation Limited, Chairman of the Board and secretary to Party Committee of China Construction Second Engineering Division Corp. Ltd., a professor-level senior engineer and holder of master's degree of business administration. He successively served as chief economist, deputy director, a standing committee member of Party Committee, director, general manager, chairman, Party Committee secretary of China Construction Eighth Engineering Division Corp. Ltd., and chairman of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. He has been the vice president of China State Construction Engineering Corporation Limited since October 2017, and the chairman and secretary of the Party Committee of China Construction Second Engineering Division Corp. Ltd. since January 2020. He is also a model worker of SOE and was granted the National May 1st Labor Medal.

Name	Major work experience
Xue Keqing	Secretary to the Board of China State Construction Engineering Corporation Limited, senior accountant, an MBA degree, director of the Chinese Tax Institute, director of Accounting Society of China, and the consulting expert of the third session of management accounting of the Ministry of Finance. He has served as the deputy manager of financial and capital department, general manager of investment department, general manager of capital department, general manager of financing and investment department of China State Construction Engineering Corporation; general manager of capital department and general manager of finance department of China State Construction Engineering Corporation Limited; vice chairman and general manager of China State Construction Finance Co., Ltd.; executive director of COHL; deputy chief accountant of China State Construction Engineering Corporation Limited and the chief financial officer of China State Construction Engineering Corporation Limited. He has been the secretary to the Board of Directors of China State Construction Engineering Corporation Limited since June 2018.

Other explanation

Applicable N/A

1. On March 4, 2020, the Company held the 35th meeting of the second session of the Board of Directors and agreed to appoint Mr. Zheng Xuexuan as the Company's president.
2. On July 29, 2020, the Company held the 23rd meeting of the second session of the Board of Supervisors. The Company agreed Mr. Gao Lieyang's resignation as a supervisor and chairman of the Board of Supervisors due to job arrangement.
3. On August 21, 2020, the Company held the second extraordinary general meeting in 2020 of the Company and Mr. Shi Zhiping was appointed as a supervisor of the Company.
4. On August 24, 2020, the Company held the 25th meeting of the second session of the Board of Supervisors and Mr. Shi Zhiping was appointed as the chairman of the Board of Supervisors of the Company.
5. On September 11, 2020, the Company held the 44th meeting of the second session of the Board of Directors and agreed to appoint Ms. Shan Guangxiu as a vice president of the Company.
6. On December 7, 2020, the Company held the third extraordinary general meeting in 2020 and Mr. Zhang Zhaoxiang was appointed as a director of the second session of the Board of Directors of the Company.

(II) Stock options granted to directors and senior management during the Reporting Period

√ Applicable □ N/A

Unit: 0'000 shares

Name	Position	Number of restricted shares held at the beginning of the year	Number of restricted shares granted during the Reporting Period	Grant price of restricted shares (yuan)	Unlocked shares	Locked shares	Number of restricted shares held as of the date of disclosure	Market price at the end of the Reporting Period (0'000 yuan)
Zhou Naixiang	Chairman	0	0	0	0	0	0	0
Zheng Xuexuan	Director, President	0	0	0	0	0	0	0
Zhang Zhaoxiang	Director	0	0	0	0	0	0	0
Wang Yunlin	Vice president, chief financial officer	0	0	0	0	0	0	0
Zhao Xiaojiang	Vice president	0	0	0	0	0	0	0
Ma Zeping	Vice president	0	0	0	0	0	0	0
Zhou Yong	Vice president	71.8	0	0	11.9	59.9	32	297.703
Shan Guangxiu	Vice president	71.8	0	0	11.9	59.9	32	297.703
Huang Kesi	Vice president	71.8	0	0	11.9	59.9	32	297.703
Xue Keqing	Secretary to the Board of Directors	71.8	0	0	11.9	59.9	104	297.703
Total	/	287.2	0	/	47.6	239.6	200	1,190.812

II. Incumbent and Resigned Directors, Supervisors and Senior Management during the Reporting Period

(I) Positions held in the Company's shareholders

√ Applicable □ N/A

Name	Name of the Company's shareholders	Positions in the Company's shareholders	Commencement date of the term of office	Expiry date of the term of office
Zhou Naixiang	China State Construction Engineering Corporation	Party secretary, chairman	August 2019, September 2019	/
Zheng Xuexuan	China State Construction Engineering Corporation	Director, general manager, deputy party secretary	September 2018, November 2019, September 2018	/
Zhang Zhaoxiang	China State Construction Engineering Corporation	Director, deputy party secretary	August 2020, July 2020	/
Wang Yunlin	China State Construction Engineering Corporation	Chief accountant, member of Party Committee	December 2018, December 2018	/
Zhao Xiaojiang	China State Construction Engineering Corporation	Deputy general manager, member of Party Committee	January 2017, November 2015	/
Ma Zeping	China State Construction Engineering Corporation	Deputy general manager, member of Party Committee	January 2017, November 2015	/
Zhou Yong	China State Construction Engineering Corporation	Deputy general manager, member of Party Committee	January 2019, December 2018	/
Shan Guangxiu	China State Construction Engineering Corporation	Deputy general manager, member of Party Committee	June 2020, June 2020	/

Employment at shareholder entities

In January 2017, China State Construction, a controlling shareholder of the Company, received the Notice on the Appointment of 4 Personnel including Liu Jinzhang (Guo Zi Ren Zi [2017] No. 2) from the SASAC of the State Council, appointing Zhao Xiaojiang, Ma Zeping and Zheng Xuexuan as Deputy General Managers of China State Construction (Now renamed as China State Construction Engineering Corporation); in September 2018, the Company's controlling shareholder China State Construction Engineering Corporation received the Notice on the Appointment and Removal of Zheng Xuexuan and Liu Jinzhang (Guo Ren Zi [2018] No. 349) from the State Council, appointing Zheng Xuexuan as a director of China State Construction Engineering Corporation, and removing Zheng Xuexuan from the post of deputy general manager of China State Construction Engineering Corporation; in December 2018, the Company's controlling shareholder, China State Construction Engineering Corporation, received the Notice on Wang Yunlin's Appointment (Guo Ren Zi [2018] No. 418) from the State Council, appointing Wang Yunlin as chief accountant of China State Construction Engineering Corporation. In January 2019, the Company's controlling shareholder, China State Construction Engineering Corporation, received the Notice on Zhou Yong's Appointment (Guo Ren Zi [2019] No. 6) from the State Council, appointing Zhou Yong as the deputy general manager of China State Construction Engineering Corporation. In September 2019, the Organization Department of the Communist Party of China Central Committee announced the decision of the Central Committee of the Party on the adjustment of the main leaders of China State Construction Engineering Corporation: Comrade Zhou Naixiang was appointed as the Chairman of China State Construction Engineering Corporation; Comrade Guan Qing was removed from the position of Chairman of China State Construction Engineering Corporation. In November 2019, the Organization Department of the Communist Party of China Central Committee announced the decision of the Central Committee of the Party on the adjustment and supplement of the general manager of China State Construction Engineering Corporation: Comrade Zheng Xuexuan was appointed as the general manager of China State Construction Engineering Corporation. In June 2020, China State Construction, a controlling shareholder of the Company received the Notice on the Appointment of Shan Guangxiu (Guo Ren Zi [2020] No. 149) from the State Council, appointing Shan Guangxiu as a deputy general manager of China State Construction Engineering Corporation. In August 2020, China State Construction, a controlling shareholder of the Company received the Notice on the Appointment of Zhang Zhaoxiang (Guo Ren Zi [2020] No. 205) from the State Council, appointing Zhang Zhaoxiang as a director of China State Construction Engineering Corporation.

Name	Name of the Company's shareholders	Positions in the Company's shareholders	Commencement date of the term of office	Expiry date of the term of office
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Such personnel were granted a waiver by the China Securities Regulatory Commission from compliance with part-time job restrictions. Please refer to the Announcement on Exempting Several Executives from Part-time Employment Restrictions issued on April 11, 2017, the Announcement on Appointment of Vice President and Chief Financial Officer of the Company issued on January 16, 2019, the Announcement on Appointment of Vice President of the Company issued on January 29, 2019, the Announcement on Appointment of the President of the Company released on March 5, 2020 and the Appointment of Vice President of the Company issued on September 12, 2020.

(II) Employment at other entities

Applicable N/A

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Yu Hailong	Metallurgical Corporation of China Ltd.	Independent director	November 2014	/
Jia Chen	China Mobile Communications Corporation	External director	March 2017	/
Zheng Changhong	China Communications Construction Company	Independent non-executive director	November 2017	November 2020
Zheng Changhong	Overseas Chinese Town Group Company	Independent director	January 2018	/
Xue Keqing	Everbright Securities Company Limited	Director	November 2017	December 2020
Employment at other entities	/			

III. Remunerations of Directors, Supervisors and Senior Management

Applicable N/A

Decision-making procedures for remunerations of the directors, supervisors and senior management	The business performance evaluation and personal performance evaluation are carried out by SASAC of the State Council and the Board of Directors, and the remuneration is subject to approval by SASAC of the State Council.
Basis for determining the remunerations of the directors, supervisors and senior management	Based on relevant policies of SASAC of the State Council on the remuneration management of heads of central enterprises and external directors, and the remuneration management measures of China State Construction Engineering Corporation Limited.
Actual payments of remunerations of the directors, supervisors and senior management	The total remuneration (including basic salary, performance bonus, insurance benefits and allowances) received by the current directors (excluding independent directors), supervisors and senior management of the Company for the year was RMB5,876,900. The total allowances for the four independent directors for the year was RMB240,000. Please refer to "I. Changes in Shareholding and Remuneration" in this section.
Remunerations received in aggregate by all the directors, supervisors and senior management at the end of the Reporting Period	RMB6,116,900

IV. Changes in Directors, Supervisors and Senior Management

Applicable N/A

Name	Positions held	Change	Reason for change
Zheng Xuexuan	Chairman	Appointment	Work required
Zhao Zhaoxiang	Director	Election	Work required
Shi Zhiping	Chairman of the Board of Supervisors	Election	Work required
Shan Guangxiu	Vice president	Appointment	Work required
Gao Lieyang	Chairman of the Board of Supervisors	Resign	Work arrangement

V. Explanation on being Punished by Securities Regulatory Authority in the Past Three Years

Applicable N/A

VI. Employees of Parent Company and Major Subsidiaries

(I) Employees

Number of existing staff of the Company	358
Number of existing staff of principal subsidiaries	356,506
Total number of existing staff	356,864
Number of resigned or retired staff to whom the Company and principal subsidiaries are liable (Total number of retired cadres and staff at the end of 2020)	78,332
Expertise	
Category	Number of Staff
Operation and management	11,803
Project construction	196,390
Prospecting and design	20,476
Properties development	44,128
Professional management	84,067
Total	356,864
Educational level	
Category	Number of Staff
Master's Degree or above	26,973
Undergraduate Degree	222,197
Associate Degree	51,107
Technical secondary school and below	56,587
Total	356,864

(II) Remuneration Policy

Applicable N/A

The Company adheres to market and performance orientation, and strengthens salary evaluation and incentives. The Company closely associates remuneration distribution with corporate benefits and personal performance, and the remuneration is directly proportional to performance, which effectively mobilizes the enthusiasm, initiative and creativity of employees. Meanwhile, with a focus on value creation, it adheres to linkage of work efficiency, strengthens benchmarking management, improves performance-based salary management, strengthens the pertinence, accuracy and effectiveness of remuneration distribution, so as to continuously improve the effective and constrained remuneration distribution system, and promote corporate vitality, competitiveness and creativity.

(III) Training Program

Applicable N/A

Focusing closely on the “14th Five-Year Plan” and key annual work points, adhering to a clear-cut stand on politics to ensure the full and complete implementation of central documents, and relying on “leadership, professionalism and occupational capabilities”, the Company further improved the key talent cultivation project of CSCEC, steadily promoted the construction of training systems, and continuously improved education and training ability, to strengthen overall coordination and organization guidance, promote the smooth development of education and training, and provide internal drivers for the Company's talent team building.

(IV) Labor Service Outsourcing

Applicable N/A

VII. Miscellaneous

Applicable N/A

As of the end of the Reporting Period, the Company's talent structure had been further optimized, and the proportion of employees with a bachelor's degree or above reached 69.8%.

SECTION IX CORPORATE GOVERNANCE

I. Explanation on Corporate Governance

Applicable N/A

During the Reporting Period, the Company strictly operated in accordance with the laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as the administrative regulations issued by the China Securities Regulatory Commission and the relevant requirements of various rules formulated by the Shanghai Stock Exchange. It established and perfected a standardized and comprehensive corporate governance structure, and effectively constructed a set of systematic and complete corporate governance systems. In 2020, the Company revised 8 basic corporate governance instruments including the Articles of Association, Rules of Procedure of the General Meeting, and Rules of Procedure of the Board of Directors, optimized the authorization mechanism of the Board of Directors to the managers, and promoted the working mechanisms of general meeting, the Board of Directors, the Board of Supervisors, managers, and independent directors to a further standardized and efficient level. The Company continued to track legislative developments, implemented the country's latest corporate governance requirements, interpreted and analyzed the key points of the new Securities Law in a timely manner, and organized learning and publicity and implementation of such provisions to further improve the corporate governance.

During the Reporting Period, the Company thoroughly implemented the spirit and requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council and the Announcement on Launching Special Actions on Governance of Listed Companies issued by the China Securities Regulatory Commission to actively promote special corporate governance actions. Based on the self-inspection list, the Company formulated special implementation plans to conduct a comprehensive review and self-examination of the Company's basic condition, the operation and decision-making of the organization, the independence of the Company, related party transactions, capital transactions, external guarantees, the establishment of an internal control system, information disclosure and transparency, institutional (foreign) investors, etc., so as to effectively enhance the endogenous power of corporate governance, promote governance efficiency, and promote high-quality development.

During the Reporting Period, the Company continued to improve the quality of information disclosure. Combining statutory information disclosure and voluntary information disclosure, the Company completed the preparation and disclosure of 187 compliance reports, including periodic announcements and ad hoc announcements, involving the related party transactions, external investments, external guarantees, share repurchase and equity incentive and other matters. The Company was awarded Grade A in the 2019-2020 Information Disclosure Work Evaluation of the Shanghai Stock Exchange. In order to further improve the level of internationalization of periodic reports and facilitate international partners and foreign investors to understand the Company's condition in depth, the Company published the English version of the 2019 annual report and the 2020 interim report globally for the first time.

During the Reporting Period, the Company paid attention to the management and maintenance of investor relations. The Company overcame the adverse effects of the pandemic and conducted investor communication in an innovative manner by carrying out investor communication at multiple levels and in innovative ways, communicates with investors through performance roadshows, general meeting of shareholders, cash dividend briefings, investment strategy meetings, investor collective reception day activities, etc., with the flexible use of video, telephone, on-site and other forms, and giving full play to the investor hotline, IR mailbox, SSE e-interactive platform. A total of 208 questions at SSE e-interactive platform and 199 effective investor hotline calls were answered throughout the year. Active communications were conducted with mainstream index compilation agency. Investor open day event was organized and nearly 50 investors were invited to China Construction Science and Industry to exchange their opinions on new intelligent manufacturing. The Company listened to and properly handled the opinions and suggestions put forward by shareholders and investors.

During the Reporting Period, the Company strictly complied with the Administrative Measures for Information Disclosure and Internal Reports of Material Information, the Administrative Measures for Accountability Regarding Major Errors in the Annual Report Information Disclosure, the Regulations on the Management of Funds from Related Party Transactions, Measures on the Management of Shares of the Company Held by the Directors, Supervisors and Senior Management and the Changes thereof and the Administrative Measures on Insider Registration. There was no major violation of relevant rules.

During the Reporting Period, there was no serious corporate governance non-compliance with relevant regulations and requirements of the China Securities Regulatory Commission. The Company was not subject to administrative punishment or notification criticism by the China Securities Regulatory Commission, nor was it punished by other regulatory agencies or condemned by the stock exchange.

During the Reporting Period, the Company was selected into the "SSE Corporate Governance Sector" for 10 consecutive years, became a sample stock of the SSE Corporate Governance Index, and won a number of honors such as "Sustainable Development Contribution Award" by CAIJING (《财经》); the Board of Directors won the "Best Board of Directors" award from the Golden Round Table of the Board of Directors for 9 consecutive years.

If there is any serious corporate governance non-compliance with relevant requirements of the China Securities Regulatory Commission, please provide the reasons

Applicable N/A

II. Overview on the General Meeting of Shareholders

Session	Date of general meeting	Search index of the designated website for publishing resolutions	Date of disclosure of resolutions
The first extraordinary general meeting in 2020	February 19, 2020	www.sse.com.cn	February 20, 2020
2019 annual general meeting	May 25, 2020	www.sse.com.cn	May 26, 2020
The second extraordinary general meeting in 2020	August 21, 2020	www.sse.com.cn	August 22, 2020
The third extraordinary general meeting in 2020	December 7, 2020	www.sse.com.cn	December 8, 2020

Description of General Meetings

Applicable N/A

During the Reporting Period, a total of 4 proposals were considered at the first extraordinary general meeting in 2020 of the Company, and all were approved by voting. A total of 15 proposals were considered at the 2019 annual general meeting of the Company, and all were approved by voting. A total of 2 proposals were considered at the second extraordinary general meeting in 2020 of the Company, and all were approved by voting. A total of 7 proposals were considered at the third extraordinary general meeting in 2020 of the Company, and all were approved by voting. The resolutions were disclosed on the websites of the Shanghai Stock Exchange, China Securities Journal, the Shanghai Securities News, the Securities Times and the Securities Daily.

III. Performance of Directors' Duties

(I) Attendance of directors at Board meetings and general meetings

Name of director	Independent director or not	Attendance at Board meetings						Attendance at general meetings Times of attendance
		No. of meetings to attend during the year	Attendance in person	Attendance by means of communication	Attendance by proxy	Absence	Absence from meetings for two consecutive times	
Zhou Naixiang	No	18	2	14	2	0	No	2
Zheng Xuexuan	No	18	4	14	0	0	No	1
Zhang Zhaoxiang	No	2	1	1	0	0	No	0
Yang Chunjin	Yes	18	3	14	1	0	No	1
Yu Hailong	Yes	18	4	14	0	0	No	0
Jia Chen	Yes	18	4	14	1	0	No	1
Zheng Changhong	Yes	18	4	14	1	0	No	2

On October 28, 2020, as recommended by the Company's Personnel and Remuneration Committee, upon consideration and approval at the 47th meeting of the second session of the Board of the Company, it was agreed to appoint Zhang Zhaoxiang as a candidate for director of the second session of the Board of China State Construction Engineering Corporation Limited, and such proposal was submitted to the shareholders' general meeting for consideration. On December 7, 2020, the Company held the third extraordinary general meeting in 2020, which reviewed and approved the Proposal on Election of Zhang Zhaoxiang as Director of the Second Session of the Board of China State Construction Engineering Corporation Limited. Mr. Zhang Zhaoxiang was thus elected as the director of the Company. For details, please refer to the Announcement on Resolutions of the 2020 Third Extraordinary General Meeting of China State Construction Engineering Corporation Limited issued on December 8, 2020.

The seven directors, i.e., Mr. Zhou Naixiang, Mr. Zheng Xuexuan, Mr. Zhang Zhaoxiang, Mr. Yang Chunjin, Mr. Yu Hailong, Mr. Jia Chen and Mr. Zheng Changhong are members of the second session of the Board of the Company.

Description of the members of the Board who failed to attend Board meetings in person for two consecutive times

Applicable N/A

No. of Board meetings held during the year	18
Including: No. of on-site Board meetings	4
No. of Board meetings convened by means of communication	14
No. of Board meetings held both on-site and by means of communication	0

(II) Disagreement of the independent directors on matters related to the Company

Applicable N/A

(III) Miscellaneous

Applicable N/A

The Company's independent directors reviewed and supervised the performance of president Mr. Zheng Xuexuan, vice president and chief financial officer Mr. Wang Yunlin, vice president Mr. Zhao Xiaojiang, vice president Mr. Ma Zeping, vice president Mr. Zhou Yong and vice president Ms. Shan Gaungxiu, who also served as senior executives of the Company's controlling shareholder, China State Construction Engineering Corporation, and expressed the following independent opinions: Mr. Zheng Xuexuan, Mr. Wang Yunlin, Mr. Zhao Xiaojiang, Mr. Ma Zeping, Mr. Zhou Yong and Ms. Shan Gaungxiu earnestly and diligently fulfilled their commitments, performed their duties as senior management of the Company as a priority, well handled the relation between the Company and the controlling shareholder, and maintained the interests of the Company and all shareholders in 2020, and they did not do anything that would harm the shareholders of the Company, especially minority shareholders because of their part-time jobs.

IV. Details that Shall be Disclosed Where There Is Any Disagreement as to Important Advice and Recommendations Made by the Special Committees of the Board in the Performance of Their Duties during the Reporting Period

Applicable N/A

The Company's Board of Directors has set up three special committees, namely the Strategy Committee, Personnel and Remuneration Committee, and Audit Committee, which seriously organize research and diligently examine professional issues, and effectively exert the full advising and decision support functions of the special committees. During the Reporting Period, the special committees under the Board of Directors held 23 meetings and reviewed 47 issues (including 12 reports).

The Strategy Committee held 1 meeting and reviewed 1 proposal. Specifically: On April 23, 2020, the Company convened the fourth meeting of the Strategy Committee under the second session of the Board to consider the Proposal on the 2020 Investment Budget Report of China State Construction Engineering Corporation Limited. The Strategy Committee improves the scientificity and rigor of the Company's investment decision-making process through objective and scientific review of the Company's investment management budget.

The Personnel and Remuneration Committee held 10 meetings and reviewed 14 proposals. Specifically: In strict accordance with the relevant regulations, through comprehensive and objective, systematic and in-depth research and discussion, and in combination with the Company's reform and development strategy and actual work needs, the Personnel and Remuneration Committee revised the Administrative Measures on Remuneration and Assessment of Senior Management of China State Construction Engineering Corporation Limited, formed the Measures for Implementation, Assessment and Management of Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited, and comprehensively considered and strictly reviewed the specific implementation plans for unlocking, repurchase and granting of restricted shares, giving full play to independence, objectivity and prudence, and effectively safeguarding the Company's healthy, stable and sustainable development.

The Audit Committee convened 12 meetings, reviewed 20 proposals and listened to 12 working reports. Specifically: The Audit Committee performed its duties strictly in accordance with relevant regulations, strictly reviewed the internal audit work plan, urged the establishment, improvement and effective implementation of the Company's internal control system, and promoted the improvement of scientific and objective decision-making of the Company. First, it urged the certified public accountants to submit audit or review reports within the agreed time limit, which effectively promoted and guaranteed the Company's annual report preparation, auditing, internal control and final accounts, and other related work. Second, it focused on the audit plan and the progress of pre-review work and consolidated financial statements, problems found in audits, and rectification, etc., actively and continuously carried out effective and high-quality communication with the annual auditing certified public accountants, and actively promoted the resolution of the problems found in the communication in a timely manner. Third, it promoted the professional prudence and independence of related work by changing financial report auditing institution and internal control auditing institution. Fourth, it further promoted the institutionalization, standardization and systematization of the Company's internal control governance system through careful consideration of the related party transaction plan, applying to the controlling shareholder for entrusted loans and related party transactions, altering accounting policies and other proposals. Lastly, it carefully listened to the accountant's review report and the Company's financial final accounts report and strictly reviewed the Company's annual financial report, interim report and quarterly report, to identify the weak spots and potential management risks in the Company's operation and management process in a timely manner, and provided guidance to the management on the issues found.

V. Board of Supervisors' Explanation on the Risks Identified

√ Applicable □ N/A

During the Reporting Period, the Company's Board of Supervisors performed its duties conscientiously in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Articles of Association and Rules of Procedure of Board of Supervisors. Focusing on risk prevention and control, the Board of Supervisors supervised the finances, internal controls and performance of duties of directors and senior management, the details of which are as follows:

(I) Work of the Board of Supervisors

1. Focus on supervision and inspection

During the Reporting Period, based on the Company's major risk management and with a focus on the Company's development quality and asset operation efficiency and investment risks, the Board of Supervisors guided and organized the Office of the Board of Supervisors to conduct supervision, investigation and inspection on key aspects based on audit findings:

The Board of Supervisors conducted special investigations on the impact of the pandemic in light of its sudden outbreak. Comprehensively understanding the implementation of the anti-pandemic-related benefit policies and the impact of the pandemic on production and operation and major economic indicators, the Board of Supervisors summarized typical experiences and put forward management recommendations and improvement measures to facilitate the completion of the Company's annual business and production goals and tasks.

The Company conducted special investigations in the first-line production and operation units. Based on the Company's key work deployment and major risk prevention and control, the Company understood the production and operation conditions after the pandemic, focused on the typical experience during the "13th Five-Year Plan" and the strategic concept of the "14th Five-Year Plan", analyzed the problems in the development process, and explored and provided innovative targeted suggestions for the Company to maximize its strengths and avoid weaknesses.

The Board of Supervisors paid attention to the internal control audit of the Company to enhance its internal control development. The Company focused on financing management, management of completed projects fulfillment, investment management, real estate project marketing and cost management, etc., covering the key control points of the internal control process at the company level, contract costs, capital management, investment management, etc., to further promote the standardization and refinement of corporate management.

2. Major risks identified

During the Reporting Period, the Board of Supervisors discovered certain risks in the following areas during the supervision and inspection process:

- (1) The macroeconomic landscape remains complex and changeable. There are many uncertainties in the development of the pandemic and the external environment. The complicated and severe world economy, unstable and uneven economic recovery and various derivative risks caused by the pandemic cannot be ignored. The traditional investment structure is gradually shifting to a novel investment structure dominated by modern service industries and high-tech manufacturing. The growth momentum of real estate and infrastructure investment may gradually slow down, and it will be more difficult to break through in a continuous manner.
- (2) The prevention of risks in overseas operations shall be strengthened. The recovery of the European and American economies is weak, and some emerging markets are still suffering from the pandemic. The overestimated economic recovery has increased the political uncertainty in some countries and regions, and the sovereign debt risks of some emerging markets are alarming. In addition, the management capabilities and management levels of overseas institutions and projects still need to be continuously improved.
- (3) The ability to promote high-quality development with informatization shall be improved. The Company should lay a solid foundation, make up for shortcomings, and accelerate development in terms of promoting integrated management and control of the Group through information construction, using industrial digitization to improve lean management, and expanding the digital industry to integrate into the new digital economy. It has to further stimulate the vitality of elements. The construction of key systems for informatization remains to be continued.
- (4) The internal control of certain business procedures shall be continuously improved. In general, there is no systematic deficiency in our internal control system, but several rules or business procedures of a few units shall be further revised or improved. Some units have not implemented several internal control links according to the system, and should further strengthen the implementation of the system.

The Board of Supervisors has reported the above issues and risks to the management of the Company, and put forward tailored suggestions. The Company actively urged the relevant units to follow the suggestions and rectify the identified issues. The specific issues have been effectively resolved, and the problems that require long-term rectification continue to be resolved in stages according to the rectification plan.

3. Meetings of the Board of Supervisors

During the Reporting Period, the supervisors of the Company attended 4 general meetings, 4 board meetings and 6 Audit Committee meetings as well as important meetings in the Company's daily operations to regularly understand and timely grasp the Company's daily operating conditions and important decision-making conditions and carry out supervision according to law. The Board of Supervisors held 17 meetings, namely the 18th to 34th meetings of the second session of the Board of Supervisors, reviewed and approved 53 proposals and issued relevant written announcements. The details of the meetings are as follows:

Date of meeting	Name of meeting	Content of proposal	Form of meeting
February 3, 2020	The 18th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Appointment of Auditors for the 2020 Financial Report of China State Construction Engineering Corporation Limited The Proposal on Relevant Matters regarding the Redemption of the 150,000,000 Unlisted Preferred Shares of China State Construction Engineering Corporation Limited The Proposal on Amendments to the Articles of Association of China State Construction Engineering Corporation Limited The Proposal on Amendments to the Rules of Procedure of General Meeting of China State Construction Engineering Corporation Limited The Proposal on the Convening of the First Extraordinary General Meeting in 2020 of China State Construction Engineering Corporation Limited 	In writing
April 24, 2020	The 19th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> Work Report of the Board of Directors in 2019 of China State Construction Engineering Corporation Limited Work Report of Independent Directors in 2019 of China State Construction Engineering Corporation Limited Work Report of the Board of Supervisors in 2019 of China State Construction Engineering Corporation Limited Report on the Performance of Duties of the Audit Committee of the Second Session of the Board of Directors for 2019 of China State Construction Engineering Corporation Limited President's Work Report for 2019 of China State Construction Engineering Corporation Limited Senior Management's Report for 2019 of China State Construction Engineering Corporation Limited The Proposal on 2019 Final Budget Report of China State Construction Engineering Corporation Limited The Proposal on 2019 Profit Distribution Plan of China State Construction Engineering Corporation Limited The Proposal in Respect of the Special Notes and Special Reports on Changes in Accounting Policies for 2019 and Special Report of China State Construction Engineering Corporation Limited The 2019 Annual Report of China State Construction Engineering Corporation Limited The 2019 Internal Control Evaluation Report of China State Construction Engineering Corporation Limited 2019 Sustainability Report of China State Construction Engineering Corporation Limited Financial Budget Report in 2020 of China State Construction Engineering Corporation Limited Proposal in Respect of Daily Related Party Transactions of China State Construction Engineering Corporation Limited for 2020 The Proposal on Changing the Internal Control Auditors in 2020 of China State Construction Engineering Corporation Limited Investment Budget Report for 2020 of China State Construction Engineering Corporation Limited The Proposal on the Proposed Additional Financing Guarantee in 2020 of China State Construction Engineering Corporation Limited The Proposal on Domestic Bond Issue Quota Reserve of China State Construction Engineering Corporation Limited The Proposal on Maintenance of Liability Insurance for Directors, Supervisors and Senior Management of China State Construction Engineering Corporation Limited and Its Subsidiaries for 2020 	In writing
April 29, 2020	The 20th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the First Quarterly Financial Report in 2020 of China State Construction Engineering Corporation Limited The Proposal on the First Quarterly Report in 2020 of China State Construction Engineering Corporation Limited 	In writing
May 13, 2020	The 21st meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Amendments to the Rules of Procedure of the Board of Directors of China State Construction Engineering Corporation Limited 	In writing
May 28, 2020	The 22nd meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Rules of Procedure of Chairman's Executive Meeting of China State Construction Engineering Corporation Limited The Proposal on the Rules of Procedure of General Manager's Executive Meeting of China State Construction Engineering Corporation Limited 	In writing
July 29, 2020	The 23rd meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Nominating Candidate for Supervisors of China State Construction Engineering Corporation Limited 	In writing
August 5, 2020	The 24th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Amendments to the Allowances Policy for Directors and Supervisors of China State Construction Engineering Corporation Limited 	In writing
August 24, 2020	The 25th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Election of the Chairman of the Second Session of Board of Supervisors of China State Construction Engineering Corporation Limited 	On-site

Date of meeting	Name of meeting	Content of proposal	Form of meeting
August 27, 2020	The 26th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on President's Semi-annual Report in 2020 of China State Construction Engineering Corporation Limited The Proposal on Interim Financial Analysis Report in 2020 of China State Construction Engineering Corporation Limited The Proposal on Interim Report in 2020 of China State Construction Engineering Corporation Limited 	In writing
September 17, 2020	The 27th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Phase IV Restricted A Share Incentive Scheme (Draft) of China State Construction Engineering Corporation Limited and Summary The Proposal on Measures for Implementation, Assessment and Management of Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited 	In writing
October 23, 2020	The 28th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Repurchase of Shares of the Company through Centralized Bidding Trading 	In writing
October 28, 2020	The 29th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Third Quarterly Financial Analysis Report in 2020 of China State Construction Engineering Corporation Limited The Proposal on the Third Quarterly Report in 2020 of China State Construction Engineering Corporation Limited 	In writing
November 9, 2020	The 30th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Capital Increase in China State Construction Finance Co., Ltd by the Company and Its Controlling Shareholders and Related Party Transactions 	In writing
November 20, 2020	The 31st meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the List of Participants and Information on the Grant of Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited The Proposal on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited 	In writing
December 1, 2020	The 32nd meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on Publicity of the List of Participants of the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited 	In writing
December 23, 2020	The 33rd meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Granting under the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited The Proposal on Adopting the New Lease Standards of China State Construction Engineering Corporation Limited 	In writing
December 29, 2020	The 34th meeting of the second session of the Board of Supervisors	<ol style="list-style-type: none"> The Proposal on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited The Proposal on the First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited The Proposal on the Repurchase of Part of Participants' Shares under the Phase II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited The Proposal on the Audit Arrangement for the Financial Report of Overseas Subsidiaries in 2020 of China State Construction Engineering Corporation Limited The Proposal on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation The Proposal on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation The Proposal on the Provision of Entrusted Loan by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited 	In writing

(II) Independent opinion of the Board of Supervisors

1. Overall management and performance evaluation

During the Reporting Period, in light of the COVID-19 pandemic and the complex and changeable external environment, the Company thoroughly implemented the decision and deployment of the Party Central Committee and the State Council under the guidance of President Xi Jinping's thought on socialism with Chinese characteristics for a new era, proactively made concrete efforts, calmly responded to changes in the external environment, actively identified and assessed risks, formulated and issued the Major Risk Prevention and Control Report of China State Construction Engineering Corporation to effectively prevent various risks. In 2020, the Company's production and operation achieved substantial growth against the trend under extremely difficult conditions. The foundation was further consolidated.

Meanwhile, the Board of Supervisors believed that the Company should further give full play to its leading role among central enterprises, improve the quality of operation and development, and steadily move towards its strategic goal of "one creation and five aspects of strength". The Board of Supervisors provided the following recommendations for the Company: First, comprehensively deepen reform and innovation to serve the overall national development; second, attach great importance to cash flow control, and continue to promote leverage reduction; third, continue to strengthen project management, create high-quality projects to enhance brand reputation; fourth, steadily practice overseas high-quality development and cultivate global competitive advantages; fifth, enhance risk prevention to promote the Company's stable and long-term development.

2. Independent opinions on specific matters

(1) Compliance of the Company's operation

During the Reporting Period, the Company operated in accordance with the Company Law and the Articles of Association and related policies and regulations, and the decision-making procedures were legal and effective. The directors and senior management of the Company performed their duties diligently and conscientiously and were not found to have violated any laws, regulations or the Articles of Association, or damage the interests of the Company and its shareholders.

(2) Authenticity of financial reports

During the Reporting Period, the Company's financial statements were prepared in compliance with the relevant regulations of the Accounting Regulations for Enterprises and the Accounting Standards for Enterprises. The Company's 2020 financial report truly reflects its financial condition and operating results. Ernst & Young Hua Ming LLP (Special General Partnership) issued a standard unqualified audit report, which is objective and fair.

(3) The Company's acquisition and disposal of assets

During the Reporting Period, the Company and its subsidiaries completed 0 major external merger and acquisition and deregistered 66 subsidiaries. During the Reporting Period, the Company's acquisition and disposal of assets were not found to be detrimental to the interests of shareholders or the interests of the Company.

(4) The Company's related party transactions

During the Reporting Period, the Company's related party transactions mainly involved related party sales, related party purchases, property leasing, capital borrowing interest, trademark licensing, entrusted loans provided by related parties to the Company and co-investment with related parties, etc., which are necessary and inevitable for ordinary production and operation, and have a positive significance for the Company's development. The Company formulated and reviewed the Proposal in Respect of Daily Related Party Transaction of China State Construction Engineering Corporation Limited for 2020, and specially reviewed and approved the Proposal on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions, the Proposal on the Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation, the Proposal on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation, and the Proposal on the Provision of Entrusted Loan by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited. The procedures of consideration and voting are legal and valid. The Company (and/or the Company's controlled subsidiaries) and the related parties respectively signed specific execution contracts in accordance with the requirements of the plan, which comply with relevant provisions, and the pricing of related party transactions was fair. The related party transactions were not found to be detrimental to the interests of shareholders or the interests of the Company.

(5) Special explanation on the Company's 2020 Internal Control Evaluation Report

During the Reporting Period, the Board of Supervisors paid attention to and urged the rectification of the Company's internal control system construction and internal control testing. No violations of the Guidelines for Internal Control of Listed Companies and the Basic Internal Control Norms for Enterprises have been found. The evaluation report on the Company's internal control objectively, truthfully and accurately reflected the actual situation of the Company's internal control.

In 2021, the Board of Supervisors of the Company will further promote innovation in accordance with the requirements to promote the modernization of the governance system and governance capabilities of enterprises, strictly perform its duties and strengthen supervision in accordance with the Company Law, the Articles of Association and the Listing Rules to ensure the legitimate rights and interests of the Company and its shareholders, and fully play its role in corporate governance of the Company.

VI. Statement of the Company's Inability to Ensure Independence and Maintain Its Independent Operation with Its Controlling Shareholder in Several Aspects such as Business, Personnel, Assets, Institutions and Financing

Applicable N/A

Corresponding solutions, working progress and subsequent working plans of the Company in case of horizontal competition

Applicable N/A

VII. Appraisal Mechanism for Senior Management and the Establishment and Implementation of Incentive Mechanism during the Reporting Period

Applicable N/A

For details, please refer to "SECTION VIII DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES" hereof.

VIII. Disclosure of Internal Control Self-evaluation Report

Applicable N/A

During the Reporting Period, the Company continued to optimize the internal control system, revised and improved the internal control rules, and ensured the effective implementation of various rules. It further streamlined and standardized various business processes to improve the Company's management and risk prevention and control. The Company has continuously improved its internal control process, covering all aspects including decision-making, execution, supervision, and feedback. The comprehensiveness and effectiveness of the Company's internal control have been further improved.

For details of the Company's internal control evaluation report, please refer to 2020 Internal Control Evaluation Report of CSCEC as reviewed and approved by the 53rd meeting of the second session of the Board of the Company and disclosed on the website of the Shanghai Stock Exchange.

Description of material defects of internal control during the Reporting Period

Applicable N/A

IX. Information on Internal Control Audit Report

Applicable N/A

Upon approval by shareholders at the general meeting, the Company engaged Ernst & Young Hua Ming LLP (Special General Partnership) to audit the effectiveness of the Company's internal control related to the financial report as of December 31, 2020, which issued a standard unqualified internal control audit report.

For details of the internal control audit report, please refer to 2020 Internal Control Audit Report of CSCEC as considered and approved at the 53rd meeting of the second session of the Board and disclosed on the website of the Shanghai Stock Exchange.

Whether the Internal Control Audit Report is disclosed: Yes

Type of opinion of the internal control audit report: Standard unqualified opinion

X. Miscellaneous

Applicable N/A

SECTION X INFORMATION ON CORPORATE BONDS

Applicable N/A

SECTION XI FINANCIAL REPORT

I. Audit Report

Applicable N/A

Attached hereto

II. Financial Statements

Attached hereto

SECTION XII INDEX OF DOCUMENTS AVAILABLE FOR INSPECTION

Index of documents available for inspection	Financial statements signed and sealed by the legal representative (Chairman), person-in-charge of the accounting affairs (chief financial officer) and person-in-charge of the accounting department (head of the accounting department)
	The original audit report with the seal of the accounting firm and signatures and seals of the certified public accountants
	The originals of all Company documents and manuscripts of announcements publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the Reporting Period

China State Construction Engineering Corporation Limited

Chairman: Zhou Naixiang

Date of approval by the Board of Directors for submission: April 16, 2021

AMENDMENTS

Applicable N/A

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For the year ended 31 December, 2020

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AUDITOR'S REPORT

Ernst & Young Hua Ming (2021) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

To the Shareholders of China State Construction Engineering Corporation Limited,

(I) Opinion

We have audited the financial statements of China State Construction Engineering Corporation Limited (hereinafter the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2020, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2020, and their financial performance and cash flows for the year ended in accordance with the requirements of Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2021) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(III) Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from construction contracts	
<p>The revenue of the Company is mainly derived from construction contracts and recognised based on the performance progress over the period of the contract. Depending on the nature of construction projects, determined by input method, the performance progress is measured by reference to the percentage of actual contract costs incurred to the total budgeted costs. Management makes estimates on the revenue and budgeted costs at the inception of each contract. Management shall continuously review and revise financial impacts arising from the changes in the estimated total revenue and budgeted costs based on factors such as scope changes and cost to completion throughout the contract period.</p> <p>Estimates in respect of revenue, budgeted costs as well as the progress of related construction services involve management's use of significant estimates and judgements, and have significant impact on the recognition of revenue. Therefore, we identified the revenue recognition from construction contracts as a key audit matter.</p> <p>The accounting policies and disclosures are included in notes III. 23 and III. 34 and note V. 49 to the financial statements.</p>	<p>We obtained an understanding of, tested and evaluated the relevant controls over revenue recognition from construction contracts, including the key internal control of preparation of revenue and budgeted costs, the determination of performance progress, and the calculation of revenue according to the performance progress.</p> <p>We obtained the list of construction contracts from management, and we performed the following procedures on a sample basis:</p> <ul style="list-style-type: none"> • Reviewed the key terms of the construction contracts, revenue and budgeted costs from management, as well as supporting documents such as changes on budgeted costs, variation orders made to the original contracts and claims and incentives, evaluating the appropriateness of management's estimation basis of revenue and budgeted costs; • Tested the accuracy of actual costs incurred during the year by reviewing supporting documents and verifying whether the actual costs were recorded in the appropriate accounting period; • Recalculated the accuracy of performance progress according to actual contract cost incurred and budgeted costs, and performed analytical review procedures on gross margin of significant construction works; • Visiting selected samples of sites of construction projects to observe the progress, discussing with the site project management, comparing the performance progress with ledger record, and evaluating the reasonableness of the performance progress of the construction projects. <p>Meanwhile, we evaluated the adequacy of disclosure of revenue recognition from construction contracts.</p>

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2021) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(III) Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of accounts receivable, contract assets and long-term receivables	
<p>The impairment allowance of accounts receivable, contract assets and long-term receivables was recognised based on expected credit losses (ECLs). The management determines the ECLs based on reasonable and supportable information on past events, current conditions and forecasts of future economic conditions etc., which involves significant management's judgements and estimates. The balances of the Company's accounts receivable, contract assets and long-term receivables are significant, and their recoverability has a significant impact on the financial statements. Therefore, we identified the impairment of accounts receivable, contract assets and long-term receivables as a key audit matter.</p> <p>The accounting policies and disclosures are included in notes III. 9 and III. 24 and note V. 4, V. 9 and V. 13 to the financial statements.</p>	<p>We obtained an understanding of, tested and evaluated the relevant controls over the impairment test of accounts receivable, contract assets and long-term receivables.</p> <p>For accounts receivable, contract assets, and long-term receivables which the management assesses the ECLs individually, we checked supporting documents to assess the customers' payment ability and the historical settlement of the contract assets on a sample basis. Combined with the customers' financial position, credit status, project progress, historical payment record and forecasted future economic situation, we evaluated the rationality and sufficiency of the management's provision of ECLs.</p> <p>For accounts receivable, contract assets and long-term receivables which the management assesses the ECLs collectively by reference to the credit risk characteristics based on the historical payment, settlement and ageing profile, combined with the current condition and forward-looking adjustments, we evaluated the appropriateness of classification by the management and the estimated ECLs rate for different categories. On a sample basis, we assessed the accuracy of the credit risk classification and ageing profiles of accounts receivable, contract assets and long-term receivables, and recalculated the provision of ECLs.</p> <p>We inspected the subsequent payments of accounts receivable and long-term receivables and the subsequent settlements of contract assets on a sample basis.</p> <p>Meanwhile, we evaluated the adequacy of disclosure of impairment of accounts receivable, contract assets and long-term receivables.</p>

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2021) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(IV) Other information

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(V) Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(VI) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2021) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(VI) Auditor's responsibilities for the audit of the financial statements (continued)

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide statements to the governance regarding compliance with ethical requirements relating to independence, communicating with them all relationships and other matters that may reasonably be considered to affect the independence, as well as the relevant precautions (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chinese Certified Public Accountant: Zhou Ying

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Yang Shujuan

Chinese Certified Public Accountant: Shen Yan

Beijing, China

16 April, 2021

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note V	31 December 2020	31 December 2019
Current assets			
Cash and bank balances	1	295,857,190	292,441,419
Financial assets held for trading	2	244,459	902,072
Notes receivable	3	31,989,282	26,918,443
Accounts receivable	4	160,441,814	153,961,875
Accounts receivables financing	5	3,788,082	3,674,166
Prepayments	6	42,243,346	55,084,548
Other receivables	7	54,626,721	53,186,521
Inventories	8	675,125,328	578,917,620
Contract assets	9	141,065,956	150,975,326
Current portion of non-current assets	10	77,936,729	57,463,704
Other current assets	11	94,311,158	87,980,288
Total current assets		1,577,630,065	1,461,505,982
Non-current assets			
Debt investments	12	14,605,329	17,759,804
Other debt investments		356,377	612,106
Long-term receivables	13	177,642,042	164,825,662
Long-term equity investments	14	86,439,061	74,916,901
Investments in other equity instruments	15	5,838,384	8,069,043
Other non-current financial assets		335,510	50,510
Investment properties	16	97,123,680	76,301,157
Fixed assets	17	39,126,960	37,554,496
Construction in progress	18	10,933,089	10,085,813
Intangible assets	19	22,558,997	16,409,157
Goodwill	20	2,290,261	2,347,428
Long-term prepaid expenses	21	1,098,709	935,800
Deferred tax assets	22	16,249,442	15,129,128
Other non-current assets	23	139,945,933	147,948,942
Total non-current assets		614,543,774	572,945,947
TOTAL ASSETS		2,192,173,839	2,034,451,929

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2020	31 December 2019
Current liabilities			
Short-term borrowings	25	29,317,096	28,498,331
Notes payable	26	5,265,592	7,030,414
Accounts payable	27	502,386,965	493,129,630
Advances from customers	28	607,427	449,953
Contract liabilities	29	309,479,052	281,789,584
Employee benefits payable	30	8,200,560	7,757,862
Taxes and surcharges payable	31	64,026,873	59,368,941
Other payables	32	118,273,242	114,030,641
Current portion of non-current liabilities	33	88,146,285	89,017,494
Other current liabilities	34	70,311,655	64,654,827
Total current liabilities		1,196,014,747	1,145,727,677
Non-current liabilities			
Long-term borrowings	35	292,897,038	247,800,428
Bonds payable	36	88,782,471	99,596,598
Long-term payables	37	17,500,260	19,897,230
Long-term employee benefits payable	38	1,999,420	2,064,489
Provisions	39	3,849,660	4,108,734
Deferred income	40	482,490	444,795
Deferred tax liabilities	22	6,056,150	4,655,710
Other non-current liabilities	41	7,496,502	8,320,948
Total non-current liabilities		419,063,991	386,888,932
TOTAL LIABILITIES		1,615,078,738	1,532,616,609
Shareholders' equity			
Paid-in capital	42	41,965,072	41,975,630
Other equity instruments	43	10,000,000	20,975,410
Including: Preference shares		—	14,975,410
Perpetual bonds		10,000,000	6,000,000
Capital reserve	44	10,265,751	12,027,610
Less: Treasury shares		(4,204,385)	(2,501,460)
Other comprehensive income	45	(1,179,401)	(1,776,745)
Special reserve	46	135,769	88,474
General risk reserve		1,383,765	1,151,202
Surplus reserve	47	10,101,632	7,716,149
Retained earnings	48	231,953,228	197,541,411
Total equity attributable to the shareholders		300,421,431	277,197,681
Non-controlling interests		276,673,670	224,637,639
Total shareholders' equity		577,095,101	501,835,320
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,192,173,839	2,034,451,929

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2020	2019
Revenue	49	1,615,023,327	1,419,836,588
Less: Cost of sales	49	1,440,131,634	1,262,226,200
Taxes and surcharges	50	15,895,535	17,220,003
Selling and distribution expenses	51	5,522,266	4,330,826
General and administrative expenses	52	28,982,939	27,685,477
Research and development expenses	53	25,522,546	17,289,939
Finance expenses	54	7,797,699	7,911,711
Including: Interest expenses		12,423,310	10,476,405
Interest income		3,760,919	3,648,525
Add: Other income		612,604	301,988
Investment income	55	6,151,615	4,212,538
Including: Share of profit of associates and joint ventures		5,918,135	4,673,782
Losses from derecognition of financial assets measured at amortised cost		(2,200,204)	(2,330,684)
Gains/(losses) arising from changes in fair value	56	50,773	(484,752)
Credit impairment losses	57	(3,341,524)	(2,271,556)
Asset impairment losses	58	(328,482)	(1,266,669)
Gains on disposals of assets		166,167	131,105
Operating profit		94,481,861	83,795,086
Add: Non-operating income	59	809,174	1,294,032
Less: Non-operating expenses	60	1,000,430	3,621,272
Profit before income taxes		94,290,605	81,467,846
Less: Income tax expenses	62	23,340,225	18,262,603
Profit		70,950,380	63,205,243
Classified by continuity of operations			
Profit from continuing operations		70,950,380	63,205,243
Classified by ownership of the equity			
Profit attributable to owners of the parent		44,944,250	41,881,399
Profit attributable to non-controlling interests		26,006,130	21,323,844

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2020	2019
Other comprehensive income, net of tax		938,030	606,129
Attributable to owners of the parents		908,034	580,780
Other comprehensive income that will not be reclassified to profit or loss		(776,873)	1,033,764
Remeasurement gains or losses of a defined benefit plan		(44,024)	(27,690)
Changes in fair value of investments in other equity instruments		(732,849)	1,061,454
Other comprehensive income that may be reclassified to profit or loss		1,684,907	(452,984)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		95,073	(189,202)
Changes in fair value of other debt investments		(22,825)	11,483
Exchange differences on translation of foreign currency financial statements		1,612,659	(275,265)
Attributable to non-controlling interests		29,996	25,349
Total comprehensive income		71,888,410	63,811,372
Attributable to owners of the parent		45,852,284	42,462,179
Attributable to non-controlling interests		26,036,126	21,349,193
Earnings per share	63		
Basic earnings per share (RMB/share)		1.07	0.97
Diluted earnings per share (RMB/share)		1.07	0.96

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Attributable to shareholders of the Company											Total shareholders' equity	
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive incomes	Special reserves	General risk reserves	Surplus reserves	Retained earnings	Subtotal		Non-controlling interests
		Preference shares	Perpetual bonds										
I. Balance at the beginning of the year	41,975,630	14,975,410	6,000,000	12,027,610	(2,501,460)	(1,776,745)	88,474	1,151,202	7,716,149	197,541,411	277,197,681	224,637,639	501,835,320
II. Changes for the year	-	-	-	-	-	908,034	-	-	-	44,944,250	45,852,284	26,036,126	71,888,410
1. Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	-	12,666,433	12,666,433
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	-	(10,975,410)	23,430,843	12,455,433
(3) Share-based payments	-	-	-	511,805	-	-	-	-	-	-	511,805	12,022	523,827
(4) Effect on changes in shareholding of subsidiaries	-	-	-	(260,799)	-	-	-	-	-	-	(260,799)	(256,611)	(517,410)
(5) Buyback and cancellation of locked restricted shares	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	-	-	-
(6) Effect on buyback of restricted shares and grants to employees	-	-	-	(2,001,452)	(2,790,830)	-	-	-	-	-	(4,792,282)	-	(4,792,282)
(7) Effect on unlocking restricted shares	-	-	-	-	1,051,692	-	-	-	-	-	1,051,692	-	1,051,692
(8) Others	-	-	-	14,242	-	-	-	-	-	(29,067)	(14,825)	(175,419)	(190,244)
3. Profit distribution	-	-	-	-	-	-	-	-	-	2,385,483	(2,385,483)	-	-
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	(232,563)	(232,563)	-	-
(2) Appropriation to general risk reserve	-	-	-	-	-	-	232,563	-	-	(7,763,538)	(7,763,538)	(7,257,600)	(15,021,138)
(3) Profit distribution to shareholders	-	-	-	-	-	-	-	-	-	(402,574)	(402,574)	(2,434,574)	(2,837,148)
(4) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer within equity	-	-	-	-	-	(310,690)	-	-	-	310,690	-	-	-
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(310,690)	-	-	-	-	-	-	-
5. Special reserve	-	-	-	-	-	-	26,513,826	-	-	-	26,513,826	86,967	26,600,793
(1) Appropriation to safety production expenses	-	-	-	-	-	-	(26,466,531)	-	-	-	(26,466,531)	(72,156)	(26,538,687)
(2) Use of safety production expenses	-	-	-	-	-	-	-	-	-	(29,898)	(29,898)	-	(29,898)
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Balance at the end of the year	41,965,072	-	10,000,000	10,265,751	(4,204,385)	(1,179,401)	135,769	1,383,765	10,101,632	231,953,228	300,421,431	275,673,670	577,095,101

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2019

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Attributable to shareholders of the Company											Non-controlling interests	Total shareholders' equity
	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	General risk reserves	Surplus reserves	Retained earnings	Subtotal		
		Preference shares	Perpetual bonds										
I. Balance at the end of prior year	41,985,174	14,975,410	7,966,770	11,262,289	(2,924,442)	(1,699,877)	77,329	656,661	6,003,665	165,628,207	243,961,186	185,303,070	429,264,256
Add: Other changes in accounting policies	-	-	-	-	-	(657,646)	-	-	72,060	516,681	(68,907)	(86,418)	(155,325)
II. Balance at the beginning of the year	41,985,174	14,975,410	7,966,770	11,262,289	(2,924,442)	(2,357,525)	77,329	656,661	6,075,725	166,144,888	243,892,279	185,216,652	429,108,931
III. Changes for the year	-	-	-	-	-	583,025	-	-	-	41,881,389	42,464,424	21,349,193	63,813,617
1. Total comprehensive income	-	-	-	-	-	583,025	-	-	-	41,881,389	42,464,424	21,349,193	63,813,617
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	5,915,864
(2) Capital contributions by the holders of other equity instruments	-	-	(1,996,770)	-	-	-	-	-	-	-	(1,996,770)	21,519,257	19,522,487
(3) Share-based payments	-	-	-	654,785	-	-	-	-	-	-	654,785	105,136	759,921
(4) Effect on changes in shareholding of subsidiaries	-	-	-	36,131	-	-	-	-	-	(1,054)	37,077	(1,175,966)	(1,138,889)
(5) Buyback and cancellation of locked restricted shares	(9,544)	-	-	(22,323)	31,867	-	-	-	-	-	-	-	-
(6) Others	-	-	-	94,728	391,115	-	-	-	-	-	485,843	-	485,843
3. Profit distribution	-	-	-	-	-	-	-	-	1,640,424	(1,640,424)	-	-	-
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	-	1,640,424	(1,640,424)	-	-	-
(2) Appropriation to general risk reserve	-	-	-	-	-	-	-	494,541	-	(494,541)	-	-	-
(3) Profit distribution to shareholders	-	-	-	-	-	-	-	-	-	(7,052,853)	(7,052,853)	(5,634,839)	(12,687,692)
(4) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	-	(1,302,795)	(1,302,795)	(2,674,493)	(3,977,288)
4. Transfer within equity	-	-	-	-	-	(2,245)	-	-	-	2,245	-	-	-
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(2,245)	-	-	-	2,245	-	-	-
5. Special reserve	-	-	-	-	-	-	23,237,877	-	-	-	23,237,877	73,383	23,311,260
(1) Appropriation to safety production expenses	-	-	-	-	-	-	(23,226,732)	-	-	-	(23,226,732)	(56,546)	(23,283,280)
(2) Use of safety production expenses	-	-	-	-	-	-	-	-	-	-	4,546	-	4,546
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	41,975,630	14,975,410	6,000,000	12,027,610	(2,501,460)	(1,776,745)	88,474	1,151,202	7,716,149	197,541,411	277,197,681	224,637,639	501,835,320

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2020	2019
I. Cash flows from operating activities			
Cash receipts from sales of goods and rendering of services		1,718,935,581	1,504,062,812
Refund of taxes and surcharges		195,961	89,985
Cash receipts relating to other operating activities	64	16,405,472	19,369,597
Sub-total cash flows from operating activities		1,735,537,014	1,523,522,394
Cash payments for goods and services		1,543,777,349	1,394,717,262
Cash payments to and on behalf of employees		78,597,334	73,848,103
Payments of taxes and surcharges		65,839,462	59,391,122
Cash payments relating to other operating activities	64	27,051,088	29,785,984
Sub-total cash flows used in operating activities		1,715,265,233	1,557,742,471
Net cash flows from/(used in) operating activities	65	20,271,781	(34,220,077)
II. Cash flows from investing activities			
Cash receipts from disposal of investments		6,358,245	8,393,599
Cash receipts from returns on investments		3,944,880	4,957,371
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		3,277,269	2,186,400
Net cash receipts from disposal of subsidiaries and other business units		20,018	48,539
Net cash receipts from acquisition of subsidiaries and other business units		–	467,693
Cash receipts relating to other investing activities	64	15,930,043	16,235,302
Sub-total cash flows from investing activities		29,530,455	32,288,904
Cash payments to acquire fixed assets, intangible assets and other long-term assets		49,497,737	20,436,792
Cash payments for investments		13,207,131	11,280,575
Net cash payments to acquire subsidiaries and other business units		2,496,697	–
Cash payments relating to other investing activities	64	16,956,675	20,384,348
Sub-total cash flows used in investing activities		82,158,240	52,101,715
Net cash flows used in investing activities		(52,627,785)	(19,812,811)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2020	2019
III. Cash flows from financing activities			
Cash receipts from capital contributions		57,099,738	29,815,290
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		47,099,738	29,815,290
Cash receipts from borrowings		271,654,818	184,449,477
Cash receipts from issuance of bonds		21,637,147	15,130,566
Cash receipts relating to other financing activities	64	14,260,156	10,533,485
Sub-total cash flows from financing activities		364,651,859	239,928,818
Repayments of borrowings		254,857,899	161,987,155
Cash payments for distribution of dividends or profit and interest expenses		40,939,333	37,387,427
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		10,065,197	8,009,883
Cash payments to acquire non-controlling interest of subsidiaries		517,410	222,492
Other cash payments relating to financing activities	64	37,519,166	14,023,834
Sub-total cash flows used in financing activities		333,833,808	213,620,908
Net cash flows from financing activities		30,818,051	26,307,910
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		(2,328,275)	642,592
V. Net decrease in cash and cash equivalents			
		(3,866,228)	(27,082,386)
Add: Cash and cash equivalents at the beginning of the year		271,727,808	298,810,194
VI. Cash and cash equivalents at the end of the year	65	267,861,580	271,727,808

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

COMPANY BALANCE SHEET

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note XV	31 December 2020	31 December 2019
Current assets			
Cash and bank balances		24,262,315	21,561,651
Notes receivable		129,092	102,188
Accounts receivable	1	24,796,051	28,086,588
Accounts receivable financing		1,300	6,100
Prepayments		7,975,589	7,039,642
Other receivables	2	22,028,907	22,569,711
Inventories		114,451	340,527
Contract assets		6,673,619	7,495,304
Current portion of non-current assets		5,329,588	4,291,107
Other current assets		4,006,076	4,132,472
Total current assets		95,316,988	95,625,290
Non-current assets			
Debt investments		8,597,518	8,115,503
Long-term receivables		4,109	–
Long-term equity investments	3	184,728,922	170,723,729
Investments in other equity instruments		1,148,493	1,837,882
Other non-current financial assets		300,000	–
Investment properties		590,927	621,752
Fixed assets		799,412	839,905
Construction in progress		82,790	53,957
Intangible assets		128,294	107,442
Long-term prepaid expenses		24,084	3,037
Deferred tax assets		756,192	333,973
Other non-current assets		5,600,968	7,879,408
Total non-current assets		202,761,709	190,516,588
TOTAL ASSETS		298,078,697	286,141,878

The accompanying notes form an integral part of these financial statements.

COMPANY BALANCE SHEET (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2020	31 December 2019
Current liabilities		
Short-term borrowings	29,526,988	16,019,470
Accounts payable	43,286,709	43,506,320
Contract liabilities	15,009,805	14,774,502
Employee benefit payable	376,220	521,869
Taxes payable	2,488,417	777,906
Other payables	48,191,653	41,148,194
Current portion of non-current liabilities	8,918,702	13,075,858
Other current liabilities	3,451,995	3,803,807
Total current liabilities	151,250,489	133,627,926
Non-current liabilities		
Long-term borrowings	3,323,000	3,845,000
Bonds payable	9,991,784	12,886,322
Long-term payables	13,861,836	17,093,457
Long-term employee benefit payable	148,830	122,053
Provisions	25,092	28,540
Deferred income	4,521	7,455
Total non-current liabilities	27,355,063	33,982,827
TOTAL LIABILITIES	178,605,552	167,610,753
Shareholders' equity		
Paid-in capital	41,965,072	41,975,630
Other equity instruments	10,000,000	20,975,410
Including: Preference shares	–	14,975,410
Perpetual bonds	10,000,000	6,000,000
Capital reserve	29,016,685	30,537,559
Less: Treasury shares	(4,204,385)	(2,501,460)
Other comprehensive income	(738,725)	126,114
Special reserve	25,106	–
Surplus reserve	10,101,632	7,716,149
Retained earnings	33,307,760	19,701,723
Total shareholders' equity	119,473,145	118,531,125
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	298,078,697	286,141,878

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

COMPANY INCOME STATEMENT

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note XV	2020	2019
Revenue	4	93,591,736	111,416,548
Less: Cost of sales	4	92,105,955	108,104,981
Taxes and surcharges		101,818	173,291
General and administrative expenses		1,100,393	1,249,089
Research and development expenses		106,352	48,364
Finance expenses		2,354,191	2,147,074
Including: Interest expenses		2,277,633	2,271,228
Interest income		234,754	218,747
Add: Other income		12,869	8,813
Investment income	5	28,912,147	17,848,100
Including: Share of losses of associates and joint ventures		(23,933)	(8,118)
Credit impairment losses		(410,674)	(693,852)
Asset impairment losses		(363,436)	(97,881)
Gains on disposals of assets		858	328
Operating profit		25,974,791	16,759,257
Add: Non-operating income		8,097	31,593
Less: Non-operating expenses		42,395	30,151
Profit before income taxes		25,940,493	16,760,699
Less: Income tax expenses		2,140,049	356,456
Profit		23,800,444	16,404,243
Including: Profit from continuing operations		23,800,444	16,404,243
Other comprehensive income, net of tax		(507,651)	173,163
Other comprehensive income that will not be reclassified to profit or loss		(169,398)	180,882
Remeasurement gains or losses of a defined benefit plan		(8,370)	(3,910)
Changes in fair value of investments in other equity instruments		(161,028)	184,792
Other comprehensive income that may be reclassified to profit or loss		(338,253)	(7,719)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(164)	345
Exchange differences on translation of foreign currency financial statements		(338,089)	(8,064)
Total comprehensive income		23,292,793	16,577,406

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
		Preference shares	Perpetual bonds								
I. Balance at the beginning of the year	41,975,630	14,975,410	6,000,000	30,537,559	(2,501,460)	126,114	-	7,716,149	19,701,723	118,531,125	
II. Changes for the year											
1. Total comprehensive income	-	-	-	-	-	(507,651)	-	-	23,800,444	23,292,793	
2. Owners' contributions and reductions in capital											
(1) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	(10,975,410)	
(2) Share-based payments	-	-	-	506,233	-	-	-	-	-	506,233	
(3) Buyback and cancellation of locked restricted shares	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	
(4) Effect on buyback of restricted shares and grants to employees	-	-	-	(2,001,452)	(2,790,830)	-	-	-	-	(4,792,282)	
(5) Effect on unlocking restricted shares	-	-	-	-	1,051,692	-	-	-	-	1,051,692	
3. Profit distribution											
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	2,385,483	(2,385,483)	-	
(2) Profit distribution to shareholders	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)	(7,763,538)	
(3) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	(402,574)	(402,574)	(402,574)	
4. Transfer within equity											
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(357,188)	-	-	357,188	-	
5. Special reserve											
(1) Appropriation to safety production expenses	-	-	-	-	-	-	834,406	-	-	834,406	
(2) Use of safety production expenses	-	-	-	-	-	-	(809,300)	-	-	(809,300)	
III. Balance at the end of the year	41,965,072	-	10,000,000	29,016,695	(4,204,385)	(738,725)	25,106	10,101,632	33,307,760	119,473,145	

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2019

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
		Preference shares	Perpetual bonds							
I. Balance at the end of prior year	41,985,174	14,975,410	7,996,770	29,955,921	(2,924,442)	(257,500)	-	6,003,665	12,645,010	110,380,008
Add: Other changes in accounting policies	-	-	-	-	-	210,451	-	72,060	648,542	931,053
II. Balance at the beginning of the year	41,985,174	14,975,410	7,996,770	29,955,921	(2,924,442)	(47,049)	-	6,075,725	13,293,552	111,311,061
III. Changes for the year										
1. Total comprehensive income	-	-	-	-	-	173,163	-	-	16,404,243	16,577,406
2. Owners' contributions and reduction in capital										
(1) Capital contributions by the holders of other equity instruments	-	-	(1,996,770)	-	-	-	-	-	-	(1,996,770)
(2) Share-based payments	-	-	-	554,496	-	-	-	-	-	554,496
(3) Buyback and cancellation of locked restricted shares	(9,544)	-	-	(2,323)	31,867	-	-	-	-	-
(4) Others	-	-	-	49,465	391,115	-	-	-	-	440,580
3. Profit distribution										
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	1,640,424	(1,640,424)	-
(2) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,052,853)	(7,052,853)
(3) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(1,302,795)	(1,302,795)
4. Special reserve										
(1) Appropriation to safety production expenses	-	-	-	-	-	-	1,112,655	-	-	1,112,655
(2) Use of safety production expenses	-	-	-	-	-	-	(1,112,655)	-	-	(1,112,655)
IV. Balance at the end of the year	41,975,630	14,975,410	6,000,000	30,537,559	(2,501,460)	126,114	-	7,716,149	19,701,723	118,531,125

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	2020	2019
I. Cash flows from operating activities		
Cash receipts from sales of goods and rendering of services	104,193,886	118,794,506
Refund of taxes and surcharges	45,982	563
Cash receipts relating to other operating activities	8,257,093	6,270,607
Sub-total cash flows from operating activities	112,496,961	125,065,676
Cash payments for goods and services	98,878,560	109,905,675
Cash payments to and on behalf of employees	1,775,759	1,915,066
Payments of taxes and surcharges	1,335,772	946,219
Cash payments relating to other operating activities	4,329,908	7,598,603
Sub-total cash flows used in operating activities	106,319,999	120,365,563
Net cash flows from operating activities	6,176,962	4,700,113
II. Cash flows from investing activities		
Cash receipts from disposal of investments	417,343	1,772,318
Cash receipts from returns on investments	28,768,632	19,211,427
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	515	2,776
Cash receipts relating to other investing activities	1,909,891	2,266,843
Sub-total cash flows from investing activities	31,096,381	23,253,364
Cash payments to acquire fixed assets, intangible assets and other long-term assets	244,550	201,915
Cash payments for investments	13,235,510	8,298,400
Cash payments relating to other investing activities	1,039,292	3,075,237
Sub-total cash flows used in investing activities	14,519,352	11,575,552
Net cash flows from investing activities	16,577,029	11,677,812

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	2020	2019
III. Cash flows from financing activities		
Cash receipts from capital contributions	10,000,000	–
Cash receipts from borrowings	51,500,000	22,000,000
Cash receipts relating to other financing activities	5,256,079	2,248,813
Sub-total cash flows from financing activities	66,756,079	24,248,813
Repayments of borrowings	48,022,000	23,415,000
Cash payments for distribution of dividends or profit and interest expenses	11,088,697	10,844,930
Other cash payments relating to financing activities	28,104,100	8,767,963
Sub-total cash flows used in financing activities	87,214,797	43,027,893
Net cash flows used in financing activities	(20,458,718)	(18,779,080)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(160,243)	(147,879)
V. Net increase/(decrease) in cash and cash equivalents	2,135,030	(2,549,034)
Add: Cash and cash equivalents at the beginning of the year	21,528,343	24,077,377
VI. Cash and cash equivalents at the end of the year	23,663,373	21,528,343

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. General information

China State Construction Engineering Corporation Limited ("the Company") was established as a joint stock limited company under the People's Republic of China ("PRC") laws and regulations in accordance with the approval of Guo Zi Gai Ge [2007] No. 1495 issued by State-owned Assets Supervision and Administration Commission of the State Council ("SASAC") on 6 December 2007. The founder-members of the Company are China State Construction Engineering Corporation ("CSCEC"), China National Petroleum Corporation, Baosteel Group Corporation and Sinochem Corporation (the latter three are called by "other founder-members").

In November 2017, after approval by SASAC, CSCEC was transformed from a wholly people-owned enterprise to a wholly state-owned company. After the transformation, the Company's name was changed to China State Construction Engineering Co., Ltd. ("CSCEC"), and its contributor was SASAC who represents the State Council.

The Company was established on 10 December 2007 in Beijing, PRC, and its head quarter is situated in Beijing, PRC. The parent company and the ultimate parent company of the Company is CSCEC. The Company was listed on Shanghai Stock Exchange ("A shares") for trading in July 2009. As at 31 December 2020, total share capital of the Company was approximately RMB42 billion at the par value of RMB1.00 per share. As at 31 December 2020, CSCEC held approximately 23,630,700,000 shares, representing 56.31% of the total share capital.

The approved scope of business of the Company and its subsidiaries (together "the Group") includes survey, design, construction, installation, consultation, development, decoration service, manufacturing, wholesale, retail and imports and exports. The core operations include: offering a full range of construction-related services to foreign and domestic civil engineering and building construction such as construction, installation and consultation, investment and construction of infrastructure projects, foreign and domestic real estate investment and development, architecture and infrastructure construction survey and design, decoration engineering, landscape engineering design and construction, industrial investment, contracting for foreign projects in PRC, import and export, production and distribution of construction materials and other non-metal mineral products, construction-related metalwork and tools and construction engineering and drilling equipment, and financial business such as lending and borrowing within the Group.

These financial statements are authorised for issue by the Company's Board of Directors on 16 April 2021.

Please refer to Note VI for details of significant subsidiaries included in the consolidation scope in the current year. The Group does not have any significant subsidiaries newly included in the consolidation scope or excluded from the consolidation scope in the current year.

II. Basis of preparation of the financial statements

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, implementation guidance, interpretations, other relevant regulations issued subsequently by the Ministry of Finance (the "MOF") (hereinafter collectively referred to as "ASBEs").

The financial statements have been presented on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant requirements.

III. Significant accounting policies and estimates

Specific accounting policies and estimates were decided by the Group according to the characteristics of its production and operation, mainly including measurement of expected credit losses on receivables and contract assets, valuation method of inventories, recognition and measurement of revenue.

1. Statement of compliance with ASBEs

The consolidated and company financial statements present fairly and fully the financial position of the Group and the Company as at 31 December 2020, and the financial performance and the cash flows for the year ended in accordance with ASBEs.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

The Group's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise specified, all are expressed in thousands of RMB.

Each subsidiary, joint venture or associate of the Group determines its own functional currency based on the primary economic environment in which it operates.

4. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving entities under common

control, the entity that, at the combination date, obtains control of another combining entity is the absorbing entity, while that other combining entity is the entity being absorbed. The combination date refers to the date on which the merging party actually obtains control of the merged party.

The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. In a business combination not involving entities under common control, the entity that, on the acquisition date, obtains control of another combining entity is the acquirer, while that other combining entity is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognised and measured at cost, being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the fair value of the consideration transferred (or the fair value of the equity securities issued), together with the fair value of the

Group's previously held equity interest in the acquiree. If after that reassessment, the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and the Group's previously held equity interest in the acquiree is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognises the remaining difference in profit or loss.

Where a business combination not involving enterprises under common control is achieved through multiple transactions in stages, the long-term equity investments held in the acquiree before the acquisition date are remeasured at fair value at the acquisition date, with any difference between the fair value and the carrying amount included in investment income for the current period. Where the long-term equity investments held in the acquiree before the acquisition date relates to other comprehensive income measured under the equity method, the accounting treatment shall be conducted on the same basis as the direct disposal of related assets or liabilities by the invested entity, other changes in shareholders' equity except net profit or loss, other comprehensive income and profit distribution shall be transferred to income for the period in which the acquisition date falls. Where the equity instrument investments are held in the acquiree before the acquisition date, the equity instrument are investments accumulate changes in the fair value of other comprehensive income to retained earnings before the acquisition date.

5. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Subsidiary refers to the entity controlled by the company (including the divisible parts of the enterprises, the invested units, and the structured entities controlled by the company, etc).

In the preparation of the consolidated financial statements, where the accounting policies of a subsidiary are different from those of the Company have made adjustments to the financial statements of the subsidiary based on the Company's own accounting policies, Where the accounting period of a subsidiary is different from that of the Company, the Company has adjusted the financial statements of the subsidiary based on the Company's own accounting period. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any changes in facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

6. Classification of joint arrangement and joint operation

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint operators have rights to the net assets of the arrangement.

A joint operator recognises the following items in relation to its interest in a joint operation: its solely-held assets and its share of any assets held jointly; its solely-assumed liabilities and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses and its share of any expenses incurred jointly.

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

8. Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions in which the transactions occur. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the spot exchange rates prevailing on the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases and sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the marketplace. The trade date is the date that the Group committed to purchase or sell a financial asset.

Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Debt investments at fair value through other comprehensive income

The Group measures debt investment held at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no impairment allowance is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments that are financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Other financial liabilities

For such financial liabilities, the effective interest rate method is adopted and the subsequent measurement is carried out according to the amortized cost.

Impairment of financial assets

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, contract assets, and financial guarantee contracts.

For accounts receivable and contract assets excluding significant financing components, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

For accounts receivable and contract assets including significant financing components and lease receivable, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, other financial assets, and financial guarantee contracts, the Group assesses whether the credit risk has increased significantly since initial recognition at each end of the reporting period. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the end of the reporting period, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group assesses the expected credit loss of financial instruments based on individual and portfolio. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit loss of accounts receivable and contract assets on the basis of ageing portfolio.

In case the ECLs of individually assessed accounts receivable and contract assets cannot be evaluated with reasonable cost, the Group divides accounts receivable and contract assets into certain groupings based on credit risk characteristics, and calculates the ECLs of the groupings of accounts receivable. The groupings of accounts receivable are as follows:

Grouping 1	Due from government, authorities and central state-owned enterprises
Grouping 2	Due from overseas and enterprises
Grouping 3	Due from other customers

The Group, with consideration to historical credit loss experience, current conditions and forecasts of future economic conditions, prepares the cross-reference between the ageing of accounts receivable and the lifetime ECLs rates, and calculates the ECLs of the groupings of contract assets. The groupings of contract assets are as follows:

Grouping 1	Engineering projects
Grouping 2	Real estate projects
Grouping 3	Unmatured warranties
Grouping 4	PPP projects which are managed in the model of financial assets
Grouping 5	Primary land development projects
Grouping 6	Other contract assets

Based on the exposure at default and the lifetime ECLS rate, the Group calculates the ECLS of contract assets that are classified into groupings with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions.

For long-term receivables arising from sales of goods or rendering of services in the ordinary course of the activities, such as receivables for PPP projects, receivables for BT projects, receivables for primary land development, and receivables for other infrastructure projects, the Group calculates the ECLs through default risk exposure and the lifetime ECLs rate, on the basis of historical credit loss experience, the current conditions and forecasts of future economic conditions. Based on the exposure at default and the 12-month/lifetime ECLs rate, the Group calculates the ECLs of other long-term receivables with consideration of historical credit loss experience, the current conditions and forecasts of future economic conditions.

In the case where the ECLs of other receivables individually assessed cannot be evaluated with reasonable cost, the Group divides other receivables into certain groupings based on credit risk characteristics, and calculates the ECLs for the groupings. The groupings of other receivables are as follows:

Grouping 1	Guarantees, deposits and reserves receivables
Grouping 2	Advances receivable
Grouping 3	Other receivables

The Group, on the basis of the exposure at default and the 12-month/lifetime ECLs rate, calculates the ECLs of other receivables that are classified into groupings with consideration to historical credit loss experience, the current conditions and forecasts of future economic conditions.

The Group's judgement criteria for a significant increase of credit risk, the definition of credit-impaired assets, and the assumptions on the measurement of expected credit losses are disclosed in Note VIII. 3.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECLs at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Transfer of financial assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

10. Inventories

The inventories include inventories of raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties for sale.

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, laid down cost, costs of conversion and other costs.

Cost is determined using the first-in first-out or weighted average method when raw materials, turnover materials, work in progress and finished goods are delivered. The cost of finished goods and work in progress comprises raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

Properties under development and completed properties for sale mainly include costs for acquiring the land use rights, expenditures of basic facilities, expenditures of construction and installation work, borrowing costs incurred before the completion of development. Properties under development will be carried forward to the completed properties for sale according to the actual cost after the completion of the project, completed properties for sale are measured at actual cost.

Turnover materials are amortised based upon numbers of usage.

The Group adopts the perpetual inventory system.

At the end of the reporting period, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. For inventories with large quantity and low values, provision for decline in value is made based on categories of inventories, and other inventories are written down item by category. Items of inventories relating to the same product line that have the same or similar end uses or purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, are grouped and written down on an aggregate basis.

11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the acquirer's share of the carrying value of shareholder's equity of the party being absorbed at the combination date. For the difference between the initial investment cost and the book value of the merger consideration, the capital reserve shall be adjusted (if it is not enough to offset, the retained earnings shall be offset); for other comprehensive income before the merger date, the accounting treatment shall be conducted on the same basis as the direct disposal of relevant assets or liabilities by the investee. The shareholder's equity recognized due to changes in other shareholders' equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be transferred to the current profit and loss when the investment is disposed of; among them, the long-term equity investment after disposal shall be carried forward proportionally, and that converted into financial instruments after disposal shall be carried forward in full. For a long-term equity investment through a business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of combination (for a business combination not involving entities under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date), the cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer; For other comprehensive income held before the acquisition date and recognized by the equity method, the accounting treatment shall be carried out on the same basis as the direct disposal, relevant assets or liabilities by the investee, and the shareholder's equity recognized due to changes in other shareholders' equity of the investee other than net profit and loss, other comprehensive income and profit distribution, When the investment is disposed, it is transferred to the current profit and loss; among them, the long-term equity investment after disposal is carried forward proportionally, and the financial instrument converted after disposal is carried forward in full; the accumulated fair value change of the equity investment held before the purchase date as a financial instrument included in other comprehensive income is transferred to retained earnings when accounting by cost method. For a long-term equity investment acquired otherwise than through a business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by cash, the initial investment cost is the actual purchase price paid and direct costs, taxes and other necessary

expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued; for a long-term equity investment acquired through exchange of non-monetary assets, the initial investment cost is determined in accordance with *Accounting Standard for Business Enterprises No. 7 – Exchange of Non-monetary Assets*; for a long-term equity investment acquired through debt restructuring, the initial investment cost is determined in accordance with *Accounting Standard for Business Enterprises No. 12 – Debt Restructuring*.

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

The equity method is adopted when the Group has joint control, or exercises significant influence over the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after it has acquired a long-term equity investment, the Group recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's profit or loss after making appropriate adjustments to the investee's profit or loss based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods. Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Group's investments

in the associates or joint ventures (except for assets that constitute a business) (However, any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. The Group's share of the investee's equity changes, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is recognised in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss. For a long-term equity investment accounted for using the equity method, when the Group discontinues using the equity method due to disposal, all amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss in its entirety. When the Group continues to use the equity method, the amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities and reclassified to profit or loss on a pro-rata basis. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss on a pro-rata basis.

If the equity investment in the subsidiary is disposed of step by step through multiple transactions until losing control, and it belongs to a package transaction, each transaction will be treated as a transaction for disposing the subsidiary and losing control; However, the difference between the price of each disposal before the loss of control and the book value of the long-term equity investment corresponding to the disposed equity is recognised as other comprehensive income in individual financial statements, and will be transferred to the profit and loss of the current period when the control is lost. If it is not a package transaction, each transaction shall be accounted for separately. If the control is lost, in the individual financial statements, if the residual equity after disposal can exercise joint control or significant influence on the original subsidiary, it will be recognised as a long-term equity investment, which will be accounted for according to the relevant provisions of the relevant cost method to the equity method; Otherwise, it is recognised as a financial instrument, and the difference between the fair value and the book value on the date of loss of control is included in the current profits and losses.

12. Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of its investment properties. Buildings and land use rights are depreciated or amortised according to their service life and estimated net residual values rate.

13. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss as incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

In addition to the safety production expenses extracted, depreciation of fixed assets is calculated using the straight-line method. The useful lives, estimated net residual value rates and annual depreciation rates of each category of the fixed assets are as follows:

	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	8 to 35 years	0% to 5%	2.71% to 12.50%
Machinery and equipment	5 to 14 years	0% to 5%	6.79% to 20.00%
Motor vehicles	3 to 10 years	0% to 5%	9.50% to 33.33%
Office equipment, temporary facilities and others	5 to 10 years	0% to 5%	9.50% to 20.00%

Fixed assets that are held under finance leases are depreciated by applying the same policy as that for the fixed assets owned by the Group. If it can be reasonably determined that the ownership of the leased asset can be obtained at the end of the lease term, the leased asset is depreciated over its useful life; otherwise, the leased asset is depreciated over the shorter of the lease term and its useful life.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.

14. Construction in progress

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalised before the construction is ready for its intended use, and other relevant expenditures.

Construction in progress is transferred to fixed assets when it is ready for its intended use.

15. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred. Qualifying assets are assets that necessarily take a substantial period of time of acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have been incurred;
- (2) borrowing costs have been incurred; and
- (3) activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows:

- (1) where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or
- (2) where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

16. Intangible assets

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognised separately as intangible assets and initially measured at the fair value at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

Land use rights that are purchased by the Group are accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and relevant land use rights are accounted for as fixed assets and intangible assets, respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; they are accounted for as fixed assets if they cannot be reasonably allocated.

The Group is involved in a number of service franchising arrangements. The Group carries out infrastructure projects for the licensor in accordance with the preconditions set by the licensor in exchange for the right to operate the relevant assets. Prescribed in the contract after the completion of the infrastructure, the group is engaged in business have rights to access the service object for a certain period of time of charge, charge amount is uncertain, this right does not constitute an unconditional charge can determine the amount of money or the rights of other financial assets, while affirm income confirmation of intangible assets. The Group will present the franchise acquired under such franchise arrangement as an intangible asset on its balance sheet. Upon completion of the relevant infrastructure project under the franchise arrangement, the franchise shall be amortized on a straight-line basis during the franchise period.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

17. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, contract assets and contract cost assets, deferred tax assets, financial assets, using the following methods:

The Group assesses at the end of the reporting period whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for their intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A impairment allowance loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis, to each of the related asset groups unless it is impossible to allocate to the related asset groups, in which case it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

When testing an asset group (a set of asset groups) to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group (set of asset groups), excluding the amount of goodwill allocated, for impairment, i.e., the Group determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group (set of asset groups), including goodwill, for impairment, the carrying amount of the related asset group (set of asset groups) is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

18. Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

19. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

Short-term employee benefits

The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, and an enterprise pension fund, the corresponding expenses shall be included in the cost of related assets or profit or loss.

Post-employment benefits (defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment and the date that the Group recognises restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under administrative expenses, and finance expenses in the income statement: service costs comprising current service costs, past service costs, gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

Termination benefits

The Group provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Group recognises costs involving the payment of termination benefits.

Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the statutory retirement age, as approved by management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

20. Provisions

An obligation related to a contingency shall be recognised by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

21. Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserve; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest, which is made on the basis of the latest available information such as the changes in the number of covered employees. The fair value of the Share Options was determined by the Binomial Options Pricing Model, as stated in Note XI.

The cost of equity-settled transactions is recognised, together with a corresponding increase in capital reserve, over the period in which the specified performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

22. Other equity instruments

Upon the maturity of the perpetual bonds issued by the Group, the Group has the right to extend the term indefinitely. For the coupon interest of the perpetual bonds, the Group has the right to defer payment. The Group has no contractual obligation to pay cash or other financial assets, which are classified as equity instruments.

The equity instruments such as non-cumulative preference shares issued by the Group shall meet the following conditions at the same time: (1) it does not include the contractual obligation to deliver cash or other financial assets to other parties or exchange financial assets or financial liabilities with other parties under potential adverse conditions; (2) the equity instruments of the Group must be used or can be used for settlement. If it is a non derivative instrument, the equity instrument of the Group shall be used for settlement, the relevant financial instruments shall not include the contractual obligation to deliver non fixed amount of the group's own equity instruments for settlement; in the case of derivative instruments, the relevant financial instruments can only be settled by exchanging a fixed amount of cash or other financial assets with a fixed amount of the Group's own equity instruments. Therefore, the Group will calculate them as other equity instruments.

The dividend declaration and payment of the Company's preference shares shall be decided by the board of directors of the Company in accordance with the authorization of the general meeting of shareholders. Prior to the ordinary shareholders, the preference shareholders shall distribute the dividends prior to the ordinary shareholders, and the Company shall not distribute profits to the shareholders of ordinary shares until the agreed current dividend of preference shares is fully distributed. The general meeting of shareholders of the Company has the right to decide to cancel the payment of part or all of the current dividends of the preference shares, which does not constitute a default of the Company. The preference shares is a non-cumulative dividend type preference shares. The Company classifies the preference shares as other equity instruments.

23. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

Construction contracts

A construction contract between the Group and the customer usually includes performance obligations of housing construction and infrastructure construction. Because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the input method and determines the progress towards the complete satisfaction of the rendering of services on the basis of costs incurred. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

Revenue from sales of real estate

The Group's revenue from real estate development business is recognised when the control over properties is transferred to the customer. According to the terms under the sales contract and laws and regulations applicable to the contract, the control over properties can be transferred within a certain period of time or at a certain point of time. Where goods produced during the Group's performance of the contract are irreplaceable and the Group is entitled to collect payments for the part of the performance that has been completed so far during the entire contract period, revenue is recognised within a certain period of time based on the progress of performance obligation fulfilment during the contract period, and the progress of performance obligation fulfilment is determined based on the proportion of contract costs incurred for the fulfilled performance obligations to the estimated total contract costs. Otherwise, revenue is recognised when the customer obtains the physical ownership of goods or the legal ownership of completed properties and the Group obtains the present right to receive payment and probably recovers the contract consideration.

Revenue from design services

Due to the reason that the design services provided by the Group during the performance of contracts have irreplaceable uses, and the Group has the right to receive payments for the completed portions of the projects during the entire contract period. Therefore, such services are accounted for as performance obligations to be fulfilled within certain periods of time, and revenue is recognised based on the performance schedule, unless the performance of the contract cannot be reasonably determined. The Group determines the performance progress for the services rendered by using the input method. Where the performance of the contract cannot be reasonably determined, revenue is recognised at the amount of costs incurred if it is predicted that the costs can be compensated till the performance progress can be reasonably determined.

Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually only includes the performance obligation to transfer the goods. The revenue is recognised at transfer control point in time based on the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

Variable consideration

Some of the Group's contracts with customers include arrangements of variable consideration. The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Significant financing components

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining the control of the goods or services, and amortises the difference between the transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods or services. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between when the customer obtains control of the goods or services and when the customer pays for such goods or services will be one year or less.

Warranties

The Group provides a warranty in connection with the sale of a good or the construction of an asset in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides the customer the assurance that the goods sold or the assets built complies with agreed-upon specifications, the Group accounts for the warranty in accordance with Notes III.20. For a service-type warranty that provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Group accounts for it as a separate performance obligation. On the basis of the relative proportion between the stand-alone selling price of the good and the service-type warranty, a portion of the transaction price is allocated to the service-type warranty and revenue is recognised when a customer obtained control of the good. When assessing whether a service-type warranty provides a customer with a separate service in addition to the assurance that the good complies with agreed-upon specifications, the Group considers whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Group promises to perform, etc.

Contract modifications

When a modification is incurred in the construction contract between the Group and the customer:

- (1) the Group accounts for a contract modification as a separate contract if the construction services are distinct and price increases and the increased price of the contract reflects the stand-alone selling prices of the additional construction services;
- (2) the Group accounts for the contract modification as if it were a termination of the existing contract and by combining the unsatisfied and modified portion of the contract as a new contract, if the contract modification does not meet the criteria in (1) and the remaining construction services are distinct from the construction services transferred on the date of the contract modification; or
- (3) the Group accounts for the contract modification as if it were a part of the existing contract if the contract modification does not meet the criterion in (1) and the remaining construction services are not distinct from the construction services transferred at the date of the contract modification. The effect on the recognised revenue is recognised as an adjustment to the revenue at the date of the contract modification.

Recognition of revenue from Build-Operate-Transfer (“BOT”)

For BOT construction in progress, revenue from and costs for relevant construction services are recognised. Revenue from construction services is measured at the considerations received or receivable, and contract assets or intangible assets are recognised when the revenue is recognised, with the significant financing components in the contract arrangements accounted for correspondingly.

Where the contract gives the Group the right to unconditionally collect a certain amount of cash and bank balances or other financial assets from the contract awardee within a certain period after the completion of the project, contract assets are recognised when the revenue is recognised. When the Group obtains the right to receive consideration unconditionally, the contract assets will be transferred to financial assets to be accounted for.

Where the contract gives the Group the right to charge the service recipient an uncertain amount of fees within a certain period of operation after the completion of the project, since the right does not constitute a right to unconditionally collect certain amount of cash and bank balances or other financial assets, intangible assets are recognised when the revenue is recognised. When an infrastructure project is completed, relevant intangible assets are amortised on the straight-line basis over the franchise period.

Revenue is recognised for the services provided in the stage of operation, and the routine maintenance or repair expenses incurred are recognised as expenses in the current period.

Recognition of revenue from Build-Transfer (“BT”)

For construction services rendered by the Group, related revenue and costs are recognised during the stage of construction according to the construction contract. Revenue from construction services is measured at the consideration received or receivable by the Group. The Group recognises contract assets when recognising revenue, and accounts for any significant financing component in the contractual arrangement. The revenue is transferred to financial assets when the Group obtains the right to unconditionally collect consideration and is deducted against long-term receivables after the Group receives the payment from the project owner.

24. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer’s payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

Contract assets

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Notes III.9.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

25. Contract cost assets

The Group’s contract cost assets include the costs to obtain and fulfil a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

Other than the costs which are capitalised as inventories, fixed assets and intangible assets, etc., costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;
- (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- (3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

- (1) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less
- (2) the costs that are expected to be incurred to transfer those related goods or services.

The Group recognises in profit or loss a reversal of the impairment loss previously recognised to the extent that the difference between (1) and (2) exceeds the carrying amount of the asset due to the subsequent changes of the factors causing asset impairment in previous periods, but the carrying amount after the reversal does not exceed the carrying amount of the asset at the reversal date if no impairment loss is otherwise recognised.

26. Government grants

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

According to the government documents, those used for the purposes of purchase, construction or other formations of long-term assets shall be regarded as the government grants related to assets; if the government documents are not clear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the grants. The government grants related to assets shall be those based on the purchase, construction or other formations of long-term assets, and the others shall be regarded as the government grants related to income.

The group adopts the total method to measure government grants.

A government grant related to income is accounted for as follows: (i) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss over the periods in which the related costs are recognised; or (ii) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

Where the Group receives loans granted at a below-market rate of interest from a lending bank funded with financial interest subsidies, the initial carrying amount of the borrowings is the actual proceeds received, and the calculation of the borrowing costs shall be based on the principal and the below-market rate of interest.

27. Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense in profit or loss, or recognised directly in equity if it arises from a business combination or relates to a transaction or event which is recognised directly in equity.

Current tax liabilities or assets arising from the current and prior periods at the amount expected to be paid by the Group or returned by the tax authority calculated according to related tax laws.

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit or loss; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the end of the reporting period, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

28. Leases

A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset. An operating lease is a lease other than a finance lease.

As lessee of an operating lease

Lease payments under an operating lease are recognised by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss. Contingent rents are charged to profit or loss as incurred.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Contingent rents are charged to profit or loss as incurred.

As lessee of a finance lease

For an asset that is held under a finance lease, at the commencement of the lease term, the leased asset is recognised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, and the minimum lease payment is recognised as the carrying amount of the long-term payables; the difference is accounted as unrecognised finance charge, which is amortised using the effective interest method over each period during the lease term. Contingent rents are charged to profit or loss as incurred.

29. Discontinued operation

A discontinued operation is a component separately identifiable that either has been disposed of or is classified as held for sale, and satisfies one of the following conditions:

- (1) it represents a separate major line of business or geographical area of operations;
- (2) it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (3) it is a subsidiary acquired exclusively with a view to resale.

30. Share repurchase

Considerations and transaction costs paid for repurchase of our equity instruments should be accounted for a deduction from equity. In addition to share-based payment, the issuance (including refinancing), repurchase, sales or cancellations of own equity instruments shall be treated as changes in equity.

31. Profit distribution

The cash dividend is recognised as a liability upon approval in the general meeting of shareholders.

32. Safety production expenses

Safety production expenses provided according to the regulations are included in costs of related products or profit or loss, and credited to the special reserve. They are treated differently when being utilised: (i) the special reserve are debited for those expenditure with the expense nature; or (ii) the cumulative expenditures are capitalised as a fixed asset for those expenditure to be capitalised when the working condition for the intended use is reached, and at the same time, special reserve are debited with the full depreciation of the fixed asset of the same amount.

33. Fair value measurement

The Group measures part of its debt instruments and equity investments at fair value at each end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the orderly transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
- Level 3 Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation on each balance sheet date.

34. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Operating leases – the Group as lessor

The Group has entered into lease agreements on its investment property portfolio. The Group has determined these leases to be operating leases, based on an evaluation of the terms and conditions of the agreements, that it retains almost all the significant risks and rewards of ownership of these properties.

Division of investment properties and inventories

The properties constructed by the group may be used for sale, rent earning and/or capital appreciation. At the initial stage of construction, the Group classifies the property into inventory or investment property according to the holding purpose. During the period under construction, the properties used for sale after completion are classified as inventories-properties under development and included in current assets, the properties used to earn rent and/or capital appreciation after completion are classified as investment properties in progress and included in non-current assets. After completion, the properties used for sale are transferred to inventories-completed properties for sale, while the properties used to earn rent and/or capital appreciation are transferred to investment properties.

Division of investment properties and fixed assets

The Group determines whether the property it holds meets the definition of investment property and establishes relevant standards when making judgments. The Group classifies the property held for earning rent or capital appreciation, or both (including buildings under construction or development for future use for rental). The Group will consider whether the cash flow generated by the property is largely independent of other assets held by the group. Some properties are used to earn rent or capital appreciation, and the remaining part is used to produce goods, provide services or operation and management. If the part used to earn rent or capital appreciation can be sold or leased separately. If not, the property will be classified as investment property only if the part used for producing goods, providing labor services or operation and management is not significant. When determining whether the importance of auxiliary services is sufficient to make the property not meet the recognition conditions of investment property, the Group will make a separate judgment based on individual property benchmark.

Determination method of construction contract performance schedule

The Group determines the performance progress of the construction contract according to the input method. Specifically, the Group determines the performance progress according to the proportion of the accumulated actual construction cost in the estimated total cost. The accumulated actual cost includes the direct cost and indirect cost incurred in the process of the Group transferring goods to customers. The construction contract price with the customer is determined based on the construction cost. The proportion of the actual construction cost to the estimated total cost can truly reflect the performance progress of the construction service. In view of the long lifetime of the construction contract and the possibility of spanning several accounting periods, the Group will review and revise the budget with the progress of the construction contract, and adjust the revenue recognition amount accordingly.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

Revenue from sales of real estate

According to the accounting policies described in Note III. 23, the Group's revenue from real estate development business is recognised when the control over properties is transferred to the customer. According to the terms under the sales contract and laws and regulations applicable to the contract, the control over properties can be transferred within a certain period of time or at a certain point of time. Where goods produced during the Group's performance of the contract are irreplaceable and the Group is entitled to collect payments for the part of the performance that has been completed so far during the entire contract period, revenue is recognised over a certain period of time based on the progress of performance obligation fulfilment during the contract period. Otherwise, revenue is recognised when the customer obtains the physical ownership of goods or the legal ownership of completed properties, and the Group obtains the present right to receive payment and probably recovers the contract consideration.

Due to the restriction of real estate sales contract, the Group's properties generally have no alternative use. However, whether the Group has the enforcement right to collect the part that has been completed so far and use the method of recognising income over a period of time depends on the agreement of each contract term and the relevant law applicable to the contract. In order to assess whether the Group has obtained the enforcement right on the part that has been performed, the Group reviews its contract terms, relevant local laws, and takes into account the opinions of local regulatory authorities when necessary, and needs to make a lot of judgments.

When the Group signs a sales contract with a properly buyer, according to the requirements of some banks, if the buyer needs to obtain a mortgage loan from the bank to pay the house money, the Group will enter into a tripartite mortgage guarantee loan agreement with the buyer and the bank. The Group will provide phased joint liability guarantee for mortgage loans issued by banks to the properly buyer. The phased joint liability guarantee will be released after the properly buyer has completed the house ownership certificate and completed the real estate mortgage registration procedures. The Group only needs to provide guarantee to the bank for the outstanding mortgage loan of the buyer within the guarantee period. The bank will only claim against the Group if the buyer defaults and fails to repay the mortgage loan.

According to the Group's historical experience in selling similar developed products, the Group believes that during the period of phased joint liability guarantee, the ratio of the Group's guarantee liability to the bank due to the buyer's failure to repay the mortgage loan is very low, and the Group can claim the advance payment paid by the buyer for undertaking the guarantee of phased joint liability. In the case of non-repayment by the buyer, the Group can avoid loss by giving priority to the relevant property according to the relevant purchase contract. Therefore, the Group believes that the financial guarantee has no significant impact on the recognition of sales revenue of development products.

Equity instruments

Equity instruments such as non-cumulative preference shares and perpetual bonds issued by the Group do not need to be settled by the Group's own equity instruments, excluding the contractual obligations to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potential adverse conditions. Therefore, the Group calculates them as other equity instruments.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgements and estimations and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the impairment allowance may also not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the end of the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. Testing the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

Construction and service contracts

Recognition of revenue and expenses from construction and service contracts requires management to make relevant estimates. If losses are expected to occur in construction and service contracts, such losses should be recognised as current costs. The management of the Group estimates the possible losses based on the construction and service contract budget. Due to the characteristics of housing construction, infrastructure construction, and design businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement from the management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Land appreciation tax

The Group is required to pay land appreciation tax in accordance with tax laws on the value-added portion of property sales. The provision for land appreciation tax is the best estimate made by the management based on the understanding of relevant tax laws and regulations. The actual land appreciation tax liability must be determined by the tax authority when the land appreciation tax is settled. The Group has not yet determined its land appreciation tax settlement and taxation plans for certain real estate development projects with tax authorities. The final land appreciation tax calculation result may be different from the amount initially recorded, and any difference will affect the land appreciation tax expenditure and related provision amount during the period when the difference is realised.

Confirmation and allocation of properties under development

The cost of real estate construction is recorded as inventory during the construction period, and will be carried forward to the income statement after real estate sales revenue is confirmed. Before the final settlement of project costs and other related real estate development costs, such costs need to be estimated by the management of the Group based on budgeted costs and development progress. The Group's real estate development is generally carried out in stages, and the cost directly related to the development of a certain period is recorded as the cost of that period. The common costs of different stages are allocated to each stage according to the saleable area. If the final settlement of the project cost and the related cost allocation are different from the initial estimate, the increase or decrease of the project cost and other costs will affect the profit and loss in the future years.

Inventory impairment

The Group's inventory is measured at the lower of cost and net realisable value. The net realisable value of inventory refers to the estimated selling price of the inventory minus the estimated cost, estimated selling expenses and relevant taxes and fees at the time of completion. The management's calculation of the net realisable value of inventories involves the estimation of estimated selling prices, estimated costs to be incurred by the time of completion, estimated selling expenses and relevant taxes. Changes in these estimates will affect the book value of inventories and the profit and loss of future changes.

Measurement of defined benefit obligations

The Group recognised the supplementary allowances and benefits paid to certain retired and early retirement employees as liabilities. The amount of these welfare expenses and liabilities are determined using actuarial valuations conducted by independent professional actuaries. Independent professional actuaries evaluate the actuarial status of the Group's retirement plan every year. These actuarial valuations involve assumptions made on discount rates, retirement benefit inflation rates and other factors. In view of its long-term nature, the above estimates are uncertain.

Useful lives and residual values of fixed assets

After considering the residual value of the fixed assets, the Group accrues depreciation within the estimated useful life. The Group regularly reviews the estimated useful life and residual value of related assets to determine the amount of depreciation expenses that will be included in each reporting period. The useful life and residual value of assets are determined by the Group based on the past experience of similar assets and combined with expected technological changes. If the previous estimate changes significantly, the depreciation expense will be adjusted in the future period.

35. Changes in accounting policies and estimates**Changes in accounting policies****Changes in the presentation of financial statements**

According to the Question and Answer on the implementation of enterprise accounting standards issued by the Ministry of Finance in December 2020, the Group reclassified the impairment loss of contract assets originally included in the "credit impairment losses" in the income statement to "asset impairment losses". The change in accounting policy has no impact on the net profit and the equity both on the consolidated and the company levels.

Related party disclosure scope

According to Accounting Standard for Business Enterprises No. 13, from 1 January 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.

IV. Taxation

1. Main taxes and rates

Value-added tax	–	Taxable income is calculated at the corresponding tax rate as output tax, and the value-added tax is calculated on the basis of the difference after deducting the input tax allowed to be deducted in the current period. The applicable tax rates of the Group for the year ended 31 December 2020 included 13%, 9%, 6%, 5% and 3%. According to the “Regulations on Issues Related to the Pilot Reform of Business Tax to Value-Added Tax” issued by the Ministry of Finance and the State Administration of Taxation in 2016, the Group calculates tax payable at 3% and 5% of taxable income for old projects (refer to projects initially built before 1 April 2016) in the construction industry based on simple tax calculation methods and in the real estate development industry, respectively.
City maintenance and construction tax	–	Calculated and paid at 7% or 5% of the actual turnover tax paid.
Corporate income tax	–	The Group's corporate income tax in Mainland China is calculated and paid at 25% of the taxable income (except for the tax incentives described in Note IV.2). The corporate income tax in Hong Kong is calculated and paid at 16.5% of the taxable income. For other overseas regions, the taxable income shall be 0 to 35% of the taxable income.
Education surcharge	–	Calculated and paid at 3% of the actual turnover tax paid.
Land appreciation tax	–	If the Group transfers land use rights and the property rights of buildings or other attachments on the ground for a fee, the land appreciation tax is calculated and paid at a four-tier progressive tax rate of 30% to 60%.
Real estate tax	–	Real estate tax is levied at 1.2% of the original value of the property or 12% of the rental income.

2. Preferential tax treatments

The corporate income tax preferences enjoyed by the Group are as follows:

Preferential tax treatment for key high and new technological enterprises encouraged and supported by the state

According to the income tax law and other relevant regulations, the Group's subsidiaries recognised as key high and new technological enterprises encouraged and supported by the state are as follows:

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
First Construction Co., Ltd. of China Construction Third Engineering Division	GR201842000496	15%
Second Construction Co., Ltd. of China Construction Third Engineering Division	GR202042002204	15%
Third Construction Co., Ltd. of China Construction Third Engineering Division	GR202042001764	15%
China Construction Third Engineering Design Co., Ltd.	GR201942000474	15%
China Construction Science And Industry Co., Ltd.	GR202044202198	15%
China Construction Sixth Engineering Division Co., Ltd.	GR201912000220	15%
China Construction Sixth Engineering Installation Co., Ltd.	GR202012001086	15%
Decoration Engineering Co., Ltd. of China Construction Sixth Engineering Division	GR201912002245	15%
Civil Engineering Co., Ltd. of China Construction Sixth Engineering Division	GR201912001530	15%
China Construction Eighth Engineering Division. Co., Ltd.	GR201931000151	15%
China State Construction Electronic Engineering Co., Ltd.	GR201911005213	15%
China State Construction Northeast Architectural Design Institute Co., Ltd.	GR202021001043	15%
China Municipal Engineering Northwest Design and Research institute Co., Ltd.	GR201862000089	15%
China State Construction Built Port Group	GR202037100401	15%
China State Construction Engineering Industry Technology Research Institute	GR201811001379	15%
China West Construction Hunan Co., Ltd.	GR201943000494	15%
China Construction Commodity Concrete Co., Ltd.	GR201842000632	15%
First Construction Co., Ltd. of China Construction Eighth Engineering Division	GR202037003064	15%
Wuxi Tianyu Civil Defense Architecture Design and Research institute Co., Ltd.	GR202032011349	15%
China Construction Eighth Bureau Decoration Engineering Co., Ltd.	GR201831000637	15%
Hong Kong Huayi Design Consultants (Shenzhen) Co., Ltd.	GR202044204944	15%
Shenzhen Hailong Construction Technology Co., Ltd.	GR201844201581	15%
Anhui Hailong Construction Industry Co., Ltd.	GR201834001125	15%
Southwest China Architecture Design and Research Institute Co., Ltd.	GR202051002428	15%
China Construction Port and Shipping Bureau Group Co., Ltd.	GR201831003631	15%
China Construction Engineering Design Group Corporation Limited	GR202011003894	15%

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
Shenzhen Overseas Decoration Engineering Co., Ltd.	GR202044206222	15%
Beijing China Construction Research Institute Co., Ltd.	GR202011006430	15%
Beijing Construction Engineering Quality Sixth Inspection Institute Co., Ltd.	GR201911001810	15%
China Construction First Bureau Huajiang Company	GR2018111004821	15%
China State Construction Technology (Beijing) Co., Ltd.	GR2020111001695	15%
China Construction Eighth Bureau Second Construction Co., Ltd.	GR201837001149	15%
China Construction Eighth Bureau Fourth Construction Co., Ltd.	GR201837100283	15%
China Construction Wuzhou Engineering Equipment Co., Ltd.	GR202032006648	15%
China construction eighth bureau third construction Co., Ltd.	GR201832008670	15%
Shanghai Haida Communication Co., Ltd.	GR201831001128	15%
China Construction Sixth Bureau Construction Development Co., Ltd.	GR201812000759	15%
China Construction Second Bureau Installation Engineering Co., Ltd.	GR201811000600	15%
China Construction Second Bureau First Construction Engineering Co., Ltd.	GR201811005369	15%
The Third Construction Engineering Company Ltd. Of China Construction	GR201811004750	15%
China Construction Third Bureau Group Co., Ltd.	GR201942000706	15%
China Construction Technology Chengdu Co., Ltd.	GR201951000045	15%
China Construction Xinjiang Construction Engineering Group First Construction	GR201965000169	15%
China Construction Xinjiang Construction Engineering Group Fifth Construction	GR201965000091	15%
Beijing Zhongjian Architectural Design Institute Co., Ltd.	GR201911007163	15%
Guizhou China Construction Architecture Research and Design Institute Co., Ltd.	GR202052000333	15%
China Construction Fourth Bureau (Jieyang) Investment and Construction Co., Ltd.	GR201852000109	15%
Heshan Tianshan Metal Material Products Co., Ltd.	GR201944006890	15%
Shandong Hailong Construction Technology Co., Ltd.	GR201937001855	15%
Shenzhen Xinghai IOT Technology Co., Ltd.	GR202044200845	15%
China Construction Seventh Engineering Division. Co., Ltd.	GR201941000445	15%
China State Construction Fourth Engineering Bureau Group Co., Ltd.	GR201944005866	15%
China Construction Fifth Engineering Bureau Co., Ltd.	GR202043000761	15%
China Architecture Shanghai Design Institute Co., Ltd.	GR201831000884	15%
China Construction Third Bureau Installation Engineering Co., Ltd.	GR201942002292	15%
China Construction Buer Curtain Wall Decoration Co., Ltd.	GR201843000020	15%
China State Construction Oriental Decoration Co., Ltd.	GR201831000692	15%
China Construction Second Bureau Decoration Engineering Co., Ltd.	GR202011000990	15%
China Construction Strait Construction Development Co., Ltd.	GR201935001105	15%
China State Construction Technology Henan Co., Ltd.	GR201941000149	15%
China Construction Technology Hunan Co., Ltd.	GR201843000026	15%
China State Construction Technology Group Co., Ltd.	GR202044206081	15%
China State Construction Technology Wuhan Co., Ltd.	GR202042001219	15%
China State Construction Technology Changchun Co., Ltd.	GR201922000666	15%
Xinjiang Institute of Building Research (Limited Liability Company)	GR202065000035	15%
China Construction Bridge Co., Ltd.	GR201951100648	15%
China Construction Third Bureau Intelligent Technology Co., Ltd.	GR201842001070	15%
Sixth Construction Co., Ltd. of China Construction Fourth Engineering Division	GR201934001377	15%
China Construction Fifth Bureau Third Construction Co., Ltd.	GR201843000691	15%
China Construction Fifth Bureau Installation Engineering Co., Ltd.	GR202043002082	15%
China Construction Fifth Bureau Building Energy Saving Technology Co., Ltd.	GR201843001367	15%
Civil Engineering Co., Ltd. of China Construction Fifth Engineering Division	GR201943000622	15%
China Construction Fifth Bureau Decoration Curtain Wall Co., Ltd.	GR201843000763	15%
China Construction West Construction New Material Technology Co., Ltd.	GR201951000934	15%
China Construction Xinjiang Construction Engineering (Group) Co., Ltd.	GR201865000092	15%
China Construction First Bureau Group Decoration Engineering Co., Ltd.	GR202011004486	15%
China Construction Zhongyuan Architectural Design Institute Co., Ltd.	GR201941001453	15%
China Construction Fourth Bureau Third Construction Engineering Co., Ltd.	GR201852000186	15%
China Construction Fourth Engineering Co., Ltd.	GR201952000201	15%

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
Guangdong Zhongjian New Building Components Co., Ltd.	GR201844001975	15%
China Construction Xinjiang Construction Engineering Group Third Construction Engineering Co., Ltd.	GR202065000046	15%
China Construction Railway Investment and Construction Group Co., Ltd.	GR201811008129	15%
China State Construction Technology (Shenshan Special Cooperation Zone) Co., Ltd.	GR202044204908	15%
China Construction Infrastructure Co., Ltd.	GR202011000138	15%
China Building Decoration Group Co., Ltd.	GR201911003518	15%
China Construction Fourth Bureau First Construction Engineering Co., Ltd.	GR201844005132	15%
Shanghai CSCEC Dongfu Investment Development Co., Ltd.	GR201931000710	15%
China Construction Fifth Bureau East China Construction Co., Ltd.	GR201931004205	15%
China Construction Fifth Bureau Landscape Co., Ltd.	GR201843000182	15%
China Construction Second Engineering Bureau Co., Ltd.	GR202011005634	15%
China Construction Second Bureau Second Construction Engineering Co., Ltd.	GR202044203757	15%
China State Construction Intelligent Technology Co., Ltd.	GR202011001520	15%
China Construction First Bureau Group Construction Development Co., Ltd.	GR202011001749	15%
China Construction Fourth Bureau Fifth Construction Engineering Co., Ltd.	GR202044204395	15%
China Construction Fourth Bureau Civil Engineering Co., Ltd.	GR202044205254	15%
China Construction Third Bureau Urban Construction Co., Ltd.	GR202022000413	15%
China State Construction Technology (Fuzhou) Co., Ltd.	GR202035000126	15%
Langfang Zhongjian Machinery Co., Ltd.	GR202013003092	15%
China Construction Southwest Survey, Design and Research Institute Co., Ltd.	GR202051000142	15%
China Construction Underground Space Co., Ltd.	GR201951002244	15%
China Construction Dongshe Geotechnical Engineering Co., Ltd.	GR202021001224	15%
China Construction Zhongxin Construction Engineering Co., Ltd.	GR202037101613	15%
Beijing China Construction Engineering Consultants Co., Ltd.	GR201911000724	15%

Preferential tax policy related with Western Development Strategies and Xinjiang region

Company Name	Preferential Policy (Note)	Effective tax rate
Shaanxi China Construction Northwest Engineering Supervision Co., Ltd.	Cai Shui [2011] No. 58	15%
China Northwest Architecture Design & Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
Chongqing Branch of China Architecture Southwest Design and Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
Tibet Branch of China Architecture Southwest Design and Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Southwest Survey, Design and Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Underground Space Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Zunyi Xinpu Construction Development Co., Ltd.	Cai Shui [2011] No. 58	15%
Xinjiang Construction Engineering Quality and Safety Inspection Center	Cai Shui [2011] No. 58	15%
China Construction West Construction Co., Ltd. ("Western Construction") and some of its subsidiaries	Cai Shui [2011] No. 58	15%
Yanqi County Xiqing Jiyuan Co., Ltd.	Cai Shui [2011] No. 58	15%
Shihezi City West Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
Karamay Xijian Building Materials Co., Ltd.	Cai Shui [2011] No. 58	15%
Haidong Underground Comprehensive Pipe Gallery Construction and Operation Management Co., Ltd.	Cai Shui [2011] No. 58	15%
Xi'an Xingchu Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Tunnel Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Silk Road Construction Investment Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Transportation Construction Engineering (Tibet) Co., Ltd.	Cai Shui [2011] No. 58	15%
Chongqing Maohu Infrastructure Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
China State Construction Southwest Research Institute General Contracting Engineering Co., Ltd.	Cai Shui [2011] No. 58	15%
Shihezi Jianfu Urban Pipe Corridor Construction Investment Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Wuzhou Infrastructure Investment Co., Ltd.	Cai Shui [2011] No. 58	15%
China State Construction Technology Mianyang Co., Ltd.	Cai Shui [2011] No. 58	15%

Note: According to Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies (Cai Shui [2011] No. 58) and the Notice Concerning the Continuation of the Western Development Enterprise Income Tax Policies (Ministry of Finance Notice No. 23 of 2020), the eligible enterprises are entitled 15% preferential income tax rate.

V. Notes to the consolidated financial statements

1. Cash and bank balances

	31 December 2020	31 December 2019
Cash on hands	132,591	143,503
Cash at banks	288,574,473	284,127,185
Other cash and bank balances	7,150,126	8,170,731
Total	295,857,190	292,441,419

Other cash and bank balances represents deposits for bank acceptance notes, guarantee deposits and deposits for migrant workers' wages, etc.

As at 31 December 2020, the amount of fixed deposit with maturity of more than 3 months in the Group's bank deposits is RMB6,684,616 thousand (31 December 2019: RMB1,738,949 thousand).

Restricted cash and bank balances mainly represents reserves with Central Bank, deposits for bank acceptance notes, guarantee deposits, pre-sale supervision fund and mortgage deposits. As at 31 December 2020, the restricted cash and bank balances is RMB21,310,994 thousand (31 December 2019: RMB18,974,662 thousand).

As at 31 December 2020, the offshore deposits of the Group amounted to RMB31,500,940 thousand (31 December 2019: RMB39,150,856 thousand). The amount deposited abroad and restricted in remittance recovery is RMB2,019,638 thousand (31 December 2019: RMB1,669,686 thousand).

Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates.

2. Financial assets held for trading

	31 December 2020	31 December 2019
Financial assets at fair value through profit or loss		
Debt investments	214,859	862,307
Equity investments	29,600	39,765
Total	244,459	902,072

Note 1: The fair value of an investment in debt instrument held for trading is mainly determined based on the trading price published by the financial institution in which it trades on the last trading day of the current period.

Note 2: The fair value of an investment in equity instrument held for trading is determined based on the closing price of the last trading day of the current period of the stock exchange in which the instrument trades.

3. Notes receivable

	31 December 2020	31 December 2019
Commercial acceptance bills	31,989,282	26,918,443
Less: Impairment allowance	—	—
Total	31,989,282	26,918,443

The pledged notes receivable are as follows:

	31 December 2020	31 December 2019
Commercial acceptance bills	2,028,537	689,065

As at 31 December 2020 and 31 December 2019, the notes receivable that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

V. Notes to the consolidated financial statements (continued)

3. Notes receivable (continued)

Commercial acceptance bills which had not matured but had been endorsed to other parties are as follows:

	31 December 2020		31 December 2019	
	Derecognised	Recognised	Derecognised	Recognised
Commercial acceptance bills	–	14,402,188	–	8,216,967

Regardless of whether there is a significant financing component or not, the impairment provision of the Group's notes receivables are measured based on the lifetime ECL. After evaluation, the Group believes that the commercial acceptance notes held do not have significant credit risk, and the ECLs amount is insignificant.

4. Accounts receivable

(1) The ageing of accounts receivable is analysed as follows:

	31 December 2020	31 December 2019
Within 1 year	122,961,573	128,907,499
1-2 years	34,556,970	26,160,929
2-3 years	14,180,793	10,105,158
3-4 years	6,803,561	4,272,130
4-5 years	2,645,944	3,208,114
Over 5 years	5,082,973	5,112,222
Subtotal	186,231,814	177,766,052
Less: Impairment allowance	(25,790,000)	(23,804,177)
Total	160,441,814	153,961,875

(2) Provision for impairment:

Accounts receivable and impairment allowance are disclosed by category:

	31 December 2020				
	Gross carrying amount		Impairment allowance		Carrying value
	Amount	Ratio (%)	Amount	Ratio (%)	
Impairment of individually accrued	54,492,592	29.26	13,322,049	24.45	41,170,543
Impairment of collectively accrued by credit risk portfolio	131,739,222	70.74	12,467,951	9.46	119,271,271
Total	186,231,814	100.00	25,790,000	13.85	160,441,814

	31 December 2019				
	Gross carrying amount		Impairment allowance		Carrying value
	Amount	Ratio (%)	Amount	Ratio (%)	
Impairment of individually accrued	48,548,506	27.31	12,480,028	25.71	36,068,478
Impairment of collectively accrued by credit risk portfolio	129,217,546	72.69	11,324,149	8.76	117,893,397
Total	177,766,052	100.00	23,804,177	13.39	153,961,875

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

As at 31 December 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio	Reasons
Company1	2,621,863	811,436	30.95%	Recovery possibility
Company2	1,643,000	1,643,000	100.00%	Recovery possibility
Company3	1,136,490	232,024	20.42%	Recovery possibility
Company4	980,800	980,800	100.00%	Recovery possibility
Company5	844,352	353,588	41.88%	Recovery possibility
Other	47,266,087	9,301,201	19.68%	Recovery possibility
Total	54,492,592	13,322,049		

As at 31 December 2019, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio	Reasons
Company1	2,004,490	440,988	22.00%	Recovery possibility
Company2	1,314,400	1,314,400	100.00%	Recovery possibility
Company3	1,028,096	5,140	0.50%	Recovery possibility
Company4	772,123	347,455	45.00%	Recovery possibility
Company5	517,409	103,677	20.04%	Recovery possibility
Other	42,911,988	10,268,368	23.93%	Recovery possibility
Total	48,548,506	12,480,028		

The accounts receivable with impairment allowance collectively accrued by credit risk portfolio are as follows:

Portfolio 1:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	18,771,108	2.00	375,423	21,319,859	2.00	426,397
1-2 years	6,147,525	5.00	307,376	4,604,581	5.00	230,229
2-3 years	2,305,610	15.00	345,842	1,084,543	15.00	162,681
3-4 years	591,134	30.00	177,340	451,070	30.00	135,321
4-5 years	295,105	45.00	132,797	288,985	45.00	130,043
Over 5 years	244,208	100.00	244,208	225,993	100.00	225,993
Total	28,354,690		1,582,986	27,975,031		1,310,664

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Impairment allowance (continued)

The accounts receivable with impairment allowance collectively accrued by credit risk portfolio are as follows: (continued)

Portfolio 2:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	3,155,015	6.00	189,301	6,548,628	6.00	392,918
1-2 years	588,659	12.00	70,639	376,293	12.00	45,155
2-3 years	240,065	25.00	60,016	3,476	25.00	869
3-4 years	37,907	45.00	17,058	32,565	45.00	14,654
4-5 years	4,293	70.00	3,005	5,146	70.00	3,602
Over 5 years	102,860	100.00	102,860	100,765	100.00	100,765
Total	4,128,799		442,879	7,066,873		557,963

Portfolio 3:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	66,510,054	4.50	2,992,951	69,068,852	4.50	3,108,098
1-2 years	19,743,156	10.00	1,974,316	14,681,938	10.00	1,468,194
2-3 years	7,190,056	20.00	1,438,011	4,593,972	20.00	918,794
3-4 years	2,275,042	40.00	910,017	2,261,623	40.00	904,649
4-5 years	1,173,241	65.00	762,607	1,467,057	65.00	953,587
Over 5 years	2,364,184	100.00	2,364,184	2,102,200	100.00	2,102,200
Total	99,255,733		10,442,086	94,175,642		9,455,522

The movements in impairment allowance for accounts receivable are as follows:

2020

Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
23,804,177	15,060,518	(12,166,489)	(902,942)	(5,264)	25,790,000

2019

Balance at the end of prior year	Changes in accounting policies	Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
20,453,337	3,323,905	23,777,242	5,010,216	(4,340,373)	(714,592)	71,684	23,804,177

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Impairment allowance (continued)

The major amounts reversal or collection of 2020 are as follows:

	Reason for reversal/ collection	Basis and rationality for determining the provision for impairment	Amount of reversal/ collection	Way of collection
Company 1	Accounts receivable of project collected	Collectively accrued	158,988	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	115,395	Cash
Company 3	Accounts receivable of project collected	Individually accrued	79,156	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	73,780	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	62,060	Cash
Others	Accounts receivable of project collected	Individually and Collectively accrued	11,677,110	Cash
Total			12,166,489	

(3) As at 31 December 2020, the five largest accounts receivable according to customers are analysed as follows:

	Amount	Amount of Impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	7,541,356	3,719,461	4.05%

As at 31 December 2019, the five largest accounts receivable according to customers are analysed as follows:

	Amount	Amount of Impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	5,694,178	2,107,983	3.20%

(4) The analysis of accounts receivable derecognised due to the transfer of financial assets are as follows:

For the year ended 31 December 2020, the amount of accounts receivable derecognised by the Group due to the transfer of financial assets was RMB45,613,400 thousand (2019: RMB52,727,683 thousand), and the related expenses were RMB2,200,204 thousand (2019: RMB2,330,684 thousand).

As at 31 December 2020 and 31 December 2019, accounts receivable that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

5. Accounts receivable financing

	31 December 2020	31 December 2019
Bank acceptance bills	3,788,082	3,674,166

The Group discounts and endorses some bank acceptance bills according to the needs of daily capital management. Therefore, bank acceptance bills are classified as financial assets measured at fair value and their changes included in other comprehensive income.

Accounts receivable financing that have been endorsed or discounted on the balance sheet date but not overdue are as follows:

	31 December 2020		31 December 2019	
	Derecognised	Recognised	Derecognised	Recognised
Bank acceptance bills	1,883,153	1,110,596	796,241	503,737

As at 31 December 2020 and 31 December 2019, the Group measured impairment allowance based on the expected credit loss of the entire lifetime. The bank acceptance bills held by the assessment was not subject to significant credit risk, and the amount of expected credit loss was not significant.

V. Notes to the consolidated financial statements (continued)

6. Prepayments

The ageing analysis of prepayments is as follows:

	31 December 2020		31 December 2019	
	Carrying amount	Percentage of total balance	Carrying amount	Percentage of total balance
Within 1 year	37,140,758	87.92	47,496,343	86.23
1-2 years	2,166,342	5.13	5,939,701	10.78
2-3 years	2,056,042	4.87	854,178	1.55
Over 3 years	880,204	2.08	794,326	1.44
	42,243,346	100.00	55,084,548	100.00

As at 31 Dec 2020, prepayments aged more than 1 year amounted to RMB5,102,588 thousand (31 December 2019: RMB7,588,205 thousand), mainly including advances to subcontractors and prepayments for land use rights, where the project is not completed, or land use permit has not been obtained.

As at 31 Dec 2020, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	15,441,353	36.55%

As at 31 December 2019, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	12,455,794	22.61%

7. Other receivables

	31 December 2020	31 December 2019
Other receivables	54,626,721	53,186,521

The ageing analysis of other receivables is as follows:

	31 December 2020	31 December 2019
Within 1 year	38,773,389	40,742,035
1 to 2 years	13,761,941	12,097,832
2 to 3 years	5,615,868	2,974,330
3 to 4 years	1,249,108	1,665,045
4 to 5 years	663,427	719,143
Over 5 years	1,322,441	2,069,458
Sub-total	61,386,174	60,267,843
Less: Impairment allowance	(6,759,453)	(7,081,322)
Total	54,626,721	53,186,521

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

Natures of other receivables are as follows:

	31 December 2020	31 December 2019
Deposits and petty cash receivable	20,848,096	25,925,286
Advances receivable	14,017,240	14,900,685
Receivables from related parties (Note X. 6)	6,958,959	2,852,687
Deposit receivable	3,118,642	3,358,517
Others	16,443,237	13,230,668
Sub-total	61,386,174	60,267,843
Less: Impairment allowance	(6,759,453)	(7,081,322)
Total	54,626,721	53,186,521

Changes in impairment allowance recognised for the 12-month ECLs and lifetime ECLs on other receivables are as follows:

2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected credit losses)	
Opening balance of the year	1,653,840	5,427,482	7,081,322
Changes due to the opening balance			
– Transfer to Stage 3	(65,252)	65,252	–
– Transfer to Stage 1	50,584	(50,584)	–
Provision	1,353,313	817,053	2,170,366
Reversal	(928,508)	(912,504)	(1,841,012)
Write-off	(25,231)	(583,929)	(609,160)
Others	(13,756)	(28,307)	(42,063)
Closing balance of the year	2,024,990	4,734,463	6,759,453

2019

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected credit losses)	
Opening balance of the year	2,937,708	3,879,988	6,817,696
Changes due to the opening balance			
– Transfer to Stage 3	(1,412,739)	1,412,739	–
– Transfer to Stage 1	138	(138)	–
Provision	606,631	698,790	1,305,421
Reversal	(337,400)	(554,174)	(891,574)
Write-off	(93,221)	(41,914)	(135,135)
Others	(47,277)	32,191	(15,086)
Closing balance of the year	1,653,840	5,427,482	7,081,322

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

The gross carrying amount of other receivables contributed to changes in the impairment allowance are as follows:

2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the year	47,855,701	12,412,142	60,267,843
Changes due to the opening balance			
– Transfer to Stage 3	(1,390,253)	1,390,253	–
– Transfer to Stage 1	177,612	(177,612)	–
Provision	16,723,566	2,031,629	18,755,195
Reversal	(14,550,517)	(2,319,865)	(16,870,382)
Write-off	(25,231)	(583,929)	(609,160)
Others	(33,082)	(124,240)	(157,322)
Closing balance of the year	48,757,796	12,628,378	61,386,174

2019

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the year	52,586,079	10,302,881	62,888,960
Changes due to the opening balance			
– Transfer to Stage 3	(1,680,865)	1,680,865	–
– Transfer to Stage 1	6,879	(6,879)	–
Provision	9,533,210	4,876,522	14,409,732
Reversal	(12,452,203)	(4,431,507)	(16,883,710)
Write-off	(93,221)	(41,914)	(135,135)
Others	(44,178)	32,174	(12,004)
Closing balance of the year	47,855,701	12,412,142	60,267,843

The major amounts reversal or collection of 2020 is as follows:

	Reason for reversal/collection	Receivable collected	Amount of reversal/collection	Way of collection
Company 1	Receivable collected	Collectively accrued	149,579	Cash
Company 2	Receivable collected	Individually accrued	51,191	Cash
Company 3	Receivable collected	Collectively accrued	50,718	Cash
Company 4	Receivable collected	Individually accrued	32,312	Cash
Company 5	Receivable collected	Collectively accrued	28,395	Cash
Others	Receivable collected	Individually and Collectively accrued	1,528,817	Cash
Total			1,841,012	

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

As at 31 December 2020, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Ageing	Impairment allowance Amount
Company 1	1,596,657	2.60	Account current	Within 1 year	63,866
Company 2	1,135,984	1.85	Account current	Within 1 year	11,360
Company 3	1,125,658	1.83	Cash deposit	Within 1 year, 1 to 2 years	25,513
Company 4	918,000	1.50	Account current	Within 1 year, 1 to 2 years	47,040
Company 5	790,500	1.29	Cash deposit	Within 1 year	15,810
Total	5,566,799	9.07			163,589

As at 31 December 2019, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Ageing	Impairment allowance Amount
Company 1	1,000,000	1.66	Cash deposit	1 to 2 years	40,000
Company 2	904,000	1.50	Cash deposit	Within 1 year	18,080
Company 3	662,700	1.10	Cash deposit	Within 1 year	13,254
Company 4	627,858	1.04	Cash deposit	Within 1 year	1,884
Company 5	620,000	1.03	Cash deposit	Within 1 year	12,400
Total	3,814,558	6.33			85,618

8. Inventories

	31 December 2020			31 December 2019		
	Carrying amount	Impairment provision	Net value	Carrying amount	Impairment provision	Net value
Properties under development	575,666,522	(3,537,411)	572,129,111	489,478,279	(3,580,736)	485,897,543
Completed properties for sale	79,177,264	(557,024)	78,620,240	67,414,180	(585,909)	66,828,271
Raw materials	20,157,082	(17,803)	20,139,279	22,474,381	(30,933)	22,443,448
Work in progress	702,632	–	702,632	1,133,413	–	1,133,413
Finished goods	3,292,729	(60,411)	3,232,318	2,487,860	(2,022)	2,485,838
Others	301,748	–	301,748	129,615	(508)	129,107
Total	679,297,977	(4,172,649)	675,125,328	583,117,728	(4,200,108)	578,917,620

As at 31 December 2020 and 31 December 2019, the inventories that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows:

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2020	31 December 2019
Beijing Daji Critical Reform Project	January 2003	December 2025	43,707,456	19,941,813	11,350,126
Beixin'an Shantytowns Renovation Project	July 2014	August 2022	30,360,089	10,964,057	14,571,619
Beijing Fengtai Zaojia Village Project	December 2019	September 2022	11,013,343	9,026,767	8,648,163
Beijing Yizhuang Smart City Project	December 2020	December 2022	11,845,214	8,465,780	–
Hong Kong Kai Tak 6575 Plot Project	October 2019	June 2023	11,106,502	7,845,832	7,583,992
Beixin'an Area B 673B Plot	June 2021	September 2023	10,580,950	7,191,143	–
Tianjin City Plaza	March 2014	December 2025	22,926,270	7,183,919	5,365,556
Beijing Yinghai Second House Project	November 2019	December 2021	11,120,266	6,655,173	8,511,483
Shenzhen Bright Project	December 2019	November 2021	72,405,516	6,612,058	5,722,771
Splendid Capital of China Construction	August 2018	June 2021	9,500,000	6,368,569	6,548,131
Dalian CITIC Harbour City	January 2013	December 2023	10,000,000	5,967,414	7,419,842
Shenzhen Zhonghai Huideli Garden	March 2020	June 2022	6,567,734	5,896,908	–
Guangzhou Haizhu Daganwei land Project	February 2020	June 2022	7,219,271	5,819,840	2,551,180
Beijing Shougangyuan Phase II Project	April 2020	June 2021	7,659,878	5,793,189	–
Jinan Zhonghai Huashanlongcheng Project	July 2014	July 2022	50,021,918	5,762,069	10,220,080
Shanghai Hongkou District Duolun Road Project	November 2015	December 2025	10,940,594	5,727,704	–
Chongqing Shili Yangtze River Project	July 2019	September 2021	5,676,283	5,676,283	–
Shanghai Hongqi Village	August 2018	December 2022	16,370,270	5,649,873	11,827,900
Zhuheng Land Reserve 2020-06 Lot	March 2021	December 2024	14,708,579	5,446,240	–
Zhongjian Bo Mansion	September 2018	December 2024	7,744,760	5,345,412	4,969,644
Zhongjian Star City	January 2019	June 2023	7,542,810	5,179,597	210,808
Wenhan Lake Project	October 2020	June 2023	6,984,616	5,027,679	–
Zhongjian Tianfu Mansion Phase I	July 2018	December 2024	9,796,000	4,953,608	5,786,710
Beijing Jinzhan Project	September 2020	December 2021	6,534,900	4,900,729	–
Beijing Shijingshan Shougang Park Project	March 2019	June 2021	6,267,173	4,743,854	5,542,646
Chengdu Qinhuang Temple 667 Project	July 2018	July 2024	20,618,446	4,717,380	5,125,903
Tianjin Park City	May 2013	December 2022	16,813,110	4,658,130	5,653,885
Beijing Lichun Lake Villa	July 2018	December 2021	8,098,912	4,649,489	4,085,761
Guangzhou Nanzhou Road Project	March 2021	October 2023	5,757,869	4,612,555	–
Xiamen Jimei Project 2019JP01	September 2019	June 2021	4,959,500	4,586,903	3,942,543
Changsha Wenjin Famous Garden	December 2019	December 2021	6,064,421	4,435,268	3,604,574
Guiyang Zhonghai Yingshan Lake Project	February 2020	December 2022	6,626,460	4,249,586	3,775,809
Beijing Company Rice Field Project	November 2020	December 2022	5,602,640	4,199,387	–
Ningbo Haishugaotang Project	December 2019	December 2022	5,500,000	4,159,824	3,700,548
Beijing Shougangyuan Phase III Project	August 2020	June 2022	5,027,540	3,871,233	–
Nanjing Xiyuan Mansion	July 2018	December 2021	9,200,000	3,755,828	6,257,178
Kai Tak No. 6603	October 2021	March 2025	5,662,945	3,608,982	–

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows: (continued)

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2020	31 December 2019
Changsha Group A Project	October 2020	May 2022	6,000,000	3,603,204	–
246 Xiangshan's Island Project	December 2020	June 2025	3,495,340	3,495,340	–
Suzhou Gangtian South Road	April 2019	June 2021	4,604,920	3,347,864	3,697,639
Dalian Zhonghai Park Uptown Project	November 2019	December 2021	5,595,980	3,313,806	3,175,284
Hangzhou Zhonghai Cuiyuan Project	March 2019	December 2020	4,278,711	3,215,471	3,614,765
COA 99 Hudson	February 2016	August 2020	5,707,254	3,153,988	4,524,112
Zhengzhou Zhonghai Ground 13#	May 2020	December 2021	4,100,000	3,101,924	2,252,598
Shenzhen Zhonghai Minzhi Project	March 2021	April 2023	4,264,120	3,085,106	–
Changsha Zhongjian Jinghe City Project	March 2018	June 2022	4,100,000	3,035,156	2,442,507
Dalian Taigu Square Project	December 2021	December 2027	4,000,000	2,999,786	2,999,786
Shenyang East Consulate Project	October 2020	December 2022	4,666,580	2,964,851	–
Jianguo East Road 69th Street	July 2022	June 2025	35,754,365	2,947,874	35,874
Shanghai Xiaokunshan Phase II	November 2019	November 2021	3,369,890	2,924,364	2,744,751
Shanghai Jianguoli Project	June 2019	November 2021	4,314,637	2,886,319	3,621,602
Zhonghai Songshan Lake Garden	January 2021	December 2022	4,524,794	2,856,055	–
Beijing Gongchen Street Office Project	November 2020	June 2022	4,569,990	2,808,840	–
Zhengzhou Zhonghai Markham Mansion	March 2018	December 2021	3,052,699	2,807,376	2,556,936
Tianjin Meilin Road Project	November 2019	December 2021	3,207,121	2,796,351	1,179,195
Wuhan Zuoling Project	June 2020	May 2022	4,949,630	2,777,922	–
Zhongjian Yuhu No.1	January 2018	December 2025	3,600,000	2,701,863	–
Wuhan Zhongjian Yujingxingcheng	January 2015	December 2020	8,500,000	2,672,891	3,050,268
Wuxi Xinwu District Project	April 2017	June 2020	3,301,816	2,645,821	2,164,193
Shenyang Zhonghai Huideli	January 2021	June 2022	4,268,144	2,620,731	–
Suzhou Yundong Project	April 2020	August 2022	3,820,000	2,538,545	–
Changchun Shengbei Street Project Lot 5	April 2019	December 2021	3,557,004	2,514,815	2,448,983
Xiamen T2016P02 Project	September 2017	January 2021	3,783,959	2,420,655	2,318,454
Tianjin Eco-City Project	May 2017	October 2022	3,249,670	2,398,613	2,189,259
Beijing Zhongjian Guowangfu Project	December 2013	December 2021	4,000,000	2,385,168	2,641,659
Taiyuan North Lihua Project	December 2020	May 2023	4,167,970	2,384,308	–
Wuhan Zhongjian Grand Mansion (K2/K4)	January 2015	December 2021	13,498,480	2,374,818	3,055,395
Beijing Shunyi District Houshayu Town No. 19 Block Shared Property House	September 2019	December 2021	3,004,890	2,374,572	2,117,842
Taiyuan Beihan Village Urban Reform Project	May 2019	December 2021	5,263,003	2,348,705	3,264,568
Fangshanyin	January 2021	December 2022	3,126,430	2,304,086	–
Guangzhou Guanggang 225-B Lot Project	September 2019	December 2021	2,669,910	2,284,082	2,065,696
Kunming Dongbaisha River Ground A2	April 2018	December 2021	3,217,100	2,245,072	1,950,430

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows: (continued)

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2020	31 December 2019
Shijiazhuang Zhonghai-Yunjin	June 2020	June 2022	3,564,029	2,241,600	–
Kafu Project	March 2018	June 2021	2,854,214	2,132,379	1,823,376
Xujiang'an Garden	January 2021	December 2021	3,364,040	2,113,581	–
Yuelin Xi'an	July 2019	April 2021	2,486,988	2,102,723	1,785,010
Ningbo Huaishu Plot	August 2020	July 2022	3,055,590	2,097,821	983,693
Kunming Wujiaaba Project	December 2018	December 2021	5,879,812	2,088,652	3,601,369
Taiyuan Comprehensive Reform Zone Yangzhuang Project	October 2020	December 2021	6,509,280	2,083,118	–
Zhongjian-Splendid World Zone B and C	April 2018	June 2020	2,889,406	2,067,294	1,643,878
Jinan Railway Vocational and Technical College D-2BX plot	January 2019	January 2021	3,240,153	2,054,547	1,836,315
Wanning D/E/H Plot Project	November 2018	April 2025	7,634,687	2,041,429	1,886,456
Chongqing Geneva Project	September 2012	December 2024	15,716,018	2,029,082	2,280,411
Universe Times	January 2021	September 2022	2,022,853	2,022,853	–
Hangzhou Xiangqifang Project	May 2018	July 2020	2,411,462	2,019,802	2,274,330
China Construction Huaifu-B Lot-Real Estate	July 2014	December 2021	5,700,000	2,019,618	1,954,845
Hongqi Village E03-03 Plot	July 2020	March 2023	3,003,900	2,000,696	1,033
Others				223,564,910	256,318,915
Total				575,666,522	489,478,279

The details of completed properties held for sale are as follows:

2020

Project Name	Completion time of the latest phase	31 December 2019	Additions	Deductions	31 December 2020
Nanjing Xiyuan Mansion	December 2020	–	3,294,494	(436,227)	2,858,267
Shanghai Jiufengli Phase I Project	March 2019	2,101,601	–	(53,121)	2,048,480
Chengdu Zhonghai Yunlushijia	December 2020	910,553	2,406,345	(1,781,149)	1,535,749
Jiangsu Runjiangfu Project	June 2019	1,747,317	19,000	(233,316)	1,533,001
Tianjin Park City	June 2020	788,922	1,866,901	(1,158,995)	1,496,828
Dalian CITIC Harbour City	September 2020	1,241,824	2,277,123	(2,029,022)	1,489,925
West Coast Gufang Residential Land Real Estate Development Project	December 2020	1,221,773	311,297	(57,264)	1,475,806
Jinan Bright Yuefu Project	November 2020	–	1,835,588	(408,755)	1,426,833
Jinan Zhonghai Huashanlongcheng Project	December 2020	706,901	7,307,770	(6,603,128)	1,411,543
Zhonghai Yonghexi'an Mansion	November 2019	1,541,517	18,721	(262,806)	1,297,432
Dabu Lychee Hill Project	December 2020	–	7,597,064	(6,324,812)	1,272,252
Chengdu Zhonghai Yunlushijia	December 2020	98,145	2,736,634	(1,578,072)	1,256,707
Zhaoqing Zhonghai New City Mansion	September 2019	1,341,723	–	(128,338)	1,213,385

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows: (continued)

2020 (continued)

Project Name	Completion time of the latest phase	31 December 2019	Additions	Deductions	31 December 2020
Zhonghai Yunzhu	November 2020	–	4,326,227	(3,121,529)	1,204,698
Foshan Yunlu Residence	December 2019	1,368,441	285,229	(475,366)	1,178,304
Chongqing Lixianghu Project	December 2019	744,834	281,351	(11,727)	1,014,458
Zhonghai Shijihui Garden	January 2020	–	1,256,391	(250,473)	1,005,918
Jilin Changchun Zhonghai Shengshi City C	December 2020	711,235	405,025	(130,343)	985,917
Zhongjian-No.7 Yard Project	December 2020	–	2,839,155	(1,860,788)	978,367
China-Construction-Chi Cube (Hefei China Construction Industrial Base)	December 2018	844,686	130,060	(102,509)	872,237
Songjiang Cyan-yunzhu Project	October 2020	–	2,011,441	(1,141,005)	870,436
Zhonghai Wanjin Mansion	December 2020	841,985	2,369,168	(2,360,959)	850,194
Hangzhou C19 Project	June 2020	–	2,409,116	(1,589,559)	819,557
Kowloon Peak	June 2015	827,389	–	(38,332)	789,057
Kunming Zhonghai Yunzhu	December 2019	2,146,223	34,460	(1,406,455)	774,228
Nanchang Zhonghai Yangguang Rose Garden	June 2020	891,184	295,320	(418,732)	767,772
COA 99 Hudson	December 2020	–	1,683,298	(917,265)	766,033
Zhengzhou Zhonghaiyiyuan	December 2019	884,611	124,856	(263,921)	745,546
Zhonghai City Phase IX	December 2020	–	1,307,624	(586,044)	721,580
Plot F of Chongqing Guanyin Bridge	December 2019	808,891	–	(109,319)	699,572
Guiyang Dayingpo Zhongjian Huafu Project ADEF District	December 2017	801,041	21,855	(123,996)	698,900
Urban Resident Resettlement Project	December 2020	–	1,779,765	(1,082,132)	697,633
Tianjin City Plaza	June 2020	798,812	433,093	(539,657)	692,248
Lot 12-41, No. 1 Yulu Road, Hangzhou	December 2020	779,284	62,676	(165,785)	676,175
Lot No. 42, No. 1 Royal Road, Hangzhou	December 2020	680,101	32,856	(38,233)	674,724
Zhonghai Wansongjiuli	March 2020	–	1,336,585	(662,737)	673,848
Chengdu Zhonghai Jinjiangcheng	December 2020	295,501	1,643,073	(1,270,933)	667,641
Fuzhou Zhonghai Phoenix Xi'an	December 2020	–	1,535,656	(920,499)	615,157
Qingdao Jimo Linghai-Shangxi Land Project Phase I	December 2020	185,803	1,131,390	(705,183)	612,010
Foshan Markham Mansion	December 2020	135,213	849,100	(373,375)	610,938
Fuzhou Zhonghai Jinxi Mansion	December 2019	913,868	41,308	(345,238)	609,938
Zhonghai Universe World	December 2020	–	2,473,182	(1,868,440)	604,742
Zhonghai Hongzhu Project	December 2019	698,473	–	(103,485)	594,988
Zhonghai Jinjia Huating	June 2018	1,290,288	–	(705,296)	584,992
Yuelu Mountain	December 2020	–	2,146,831	(1,564,882)	581,949
Tsingdao Linxishijia Project	June 2020	–	1,159,316	(588,029)	571,287
Chengdu Zhonghai Yuhushijia	December 2019	1,367,934	13,414	(815,886)	565,462
Chongqing Zhongjian Longxitai	December 2020	–	1,512,788	(949,148)	563,640

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of completed properties held for sale are as follows: (continued)

2020 (continued)

Project Name	Completion time of the latest phase	31 December 2019	Additions	Deductions	31 December 2020
Chongqing Dayang Stone Block L	December 2020	153,458	791,474	(387,430)	557,502
Zhonghai-Shangwan	December 2020	148,922	1,135,599	(728,117)	556,404
Goya Park Project	September 2020	–	835,870	(283,823)	552,047
Jilin Changchun Zhonghai-Shangxue Mansion Phase III	December 2020	–	1,179,262	(629,810)	549,452
Hongkou Rainbow Bay Phase IV	June 2020	–	6,496,836	(5,956,163)	540,673
Tsingdao Zhonghai Lanting Project	June 2020	2,416	1,604,438	(1,080,048)	526,806
Chongqing International Community Project	October 2015	–	559,602	(35,431)	524,171
Jinan Zhongjian Changqinghu Project	October 2020	617,651	1,976,411	(2,092,945)	501,117
Zunyi Zhongjian Xingfucheng Phase I	October 2020	17,019	939,222	(460,805)	495,436
Shenyang Banshanhuafu Project	August 2020	994,785	1,380,643	(1,886,260)	489,168
Wangjiing House	December 2020	–	1,472,265	(1,017,527)	454,738
Nanchang Zhonghai Jincheng Garden	June 2020	444,922	787,323	(790,804)	441,441
Guangzhou Zhonghai Jinyuhuating	June 2018	637,426	–	(213,597)	423,829
Zhonghai Lichun Lake Villa	December 2020	1,320,747	65,572	(986,803)	399,516
Chengdu CITIC City Right Bank Phase I	December 2018	420,000	–	(43,378)	376,622
Beixin'an Shantytowns Renovation Project	June 2020	263,798	4,219,691	(4,108,582)	374,907
China Overseas Jincheng International	November 2020	–	597,304	(224,976)	372,328
Fuzhou Zhonghai Jincheng Garden	December 2019	407,113	36,178	(82,005)	361,286
Kunming Yunlujuli Phase I	June 2018	777,342	–	(430,110)	347,232
Jinan West Railway Station Project_2011-G086	December 2020	–	495,525	(150,962)	344,563
Zhonghai Jincheng	June 2020	–	1,583,710	(1,252,832)	330,878
Zhonghai Chang'an Mansion	May 2020	–	2,676,404	(2,347,911)	328,493
Chongqing Zhongjian Yuhe City (Phase I)	December 2020	335,417	–	(8,963)	326,454
Xi'an Zhonghai Yuelishan Project B	December 2020	232,952	550,922	(461,998)	321,876
Zhonghai-Yunding Grand View Project Phase I	November 2020	355,088	997,348	(1,032,964)	319,472
Tianjin Yuetaijiayuan Project	June 2020	–	507,865	(191,328)	316,537
Zhengzhou Zhonghai Wanjinxi'an	December 2020	599,685	170,718	(459,274)	311,129
Zhonghai Tanyuan	December 2020	131,346	657,029	(482,646)	305,729
Yeji Standardized Plant Project	December 2020	310,048	109,003	(118,517)	300,534
Others		29,527,972	118,913,572	(127,970,974)	20,470,570
Total		67,414,180	216,342,332	(204,579,248)	79,177,264

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

Movements in the carrying amount of inventories are as follows:

2020

	31 December 2019	Additions	Deductions	31 December 2020
Properties under development	489,478,279	317,783,688	(231,595,445)	575,666,522
Completed properties held for sale	67,414,180	216,342,332	(204,579,248)	79,177,264
Raw materials	22,474,381	522,878,924	(525,196,223)	20,157,082
Work in progress	1,133,413	2,894,359	(3,325,140)	702,632
Finished goods	2,487,860	43,730,456	(42,925,587)	3,292,729
Others	129,615	2,723,831	(2,551,698)	301,748
Total	583,117,728	1,106,353,590	(1,010,173,341)	679,297,977

2019

	31 December 2018	Changes in accounting policies	1 January 2019	Additions	Deductions	31 December 2019
Properties under development	438,262,888	–	438,262,888	248,348,016	(197,132,625)	489,478,279
Completed properties held for sale	40,684,570	–	40,684,570	176,252,184	(149,522,574)	67,414,180
Accounts due from customers	138,643,734	(138,643,734)	–	–	–	–
Raw materials	20,742,166	–	20,742,166	293,146,263	(291,414,048)	22,474,381
Work in progress	1,356,614	–	1,356,614	2,956,217	(3,179,418)	1,133,413
Finished goods	1,992,013	–	1,992,013	33,416,159	(32,920,312)	2,487,860
Others	238,329	–	238,329	18,903,716	(19,012,430)	129,615
Total	641,920,314	(138,643,734)	503,276,580	773,022,555	(693,181,407)	583,117,728

Movements in the impairment provision of inventories are as follows:

2020

	1 January 2020	Increase during the year		Decrease during the year			31 December 2020
		Accrual	Others	Reversal	Write-off	Others	
Properties under development	3,580,736	400,000	(372,226)	–	–	(71,099)	3,537,411
Completed properties held for sale	585,909	106,862	372,226	(386,092)	(121,881)	–	557,024
Raw materials	30,933	4,110	–	(39)	(24,514)	7,313	17,803
Finished goods	2,022	59,266	–	(126)	(751)	–	60,411
Others	508	–	–	(508)	–	–	–
Total	4,200,108	570,238	–	(386,765)	(147,146)	(63,786)	4,172,649

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

Movements in the impairment provision of inventories are as follows: (continued)

2019

	31 December 2018	Changes in accounting policies	1 January 2019	Increase during the year		Decrease during the year			31 December 2019
				Accrual	Others	Reversal	Write-off	Others	
Properties under development	4,666,392	-	4,666,392	928,975	(941,883)	(911,487)	(173,501)	12,240	3,580,736
Completed properties held for sale	654,816	-	654,816	148,336	941,883	(358,049)	(801,074)	(3)	585,909
Accounts due from customers	1,588,924	(1,588,924)	-	-	-	-	-	-	-
Raw materials	33,437	-	33,437	1,388	-	(107)	(3,543)	(242)	30,933
Finished goods	1,039	-	1,039	2,451	-	-	(1,468)	-	2,022
Others	8,612	-	8,612	-	-	(1,687)	(6,417)	-	508
Total	6,953,220	(1,588,924)	5,364,296	1,081,150	-	(1,271,330)	(986,003)	11,995	4,200,108

Impairment provision of inventories is as follows:

	Net realisable value	Reasons of reversal and write-off during the year
Properties under development	Expected selling price less estimated costs to be incurred at completion, the estimated selling expenses and the relevant taxes and fees	Net realisable value increased or sales realised
Completed properties held for sale		
Raw materials		

9. Contract assets

	31 December 2020	31 December 2019
Receivables from Construction projects	139,279,091	152,335,478
Project quality warranty	82,495,557	86,371,554
Receivables from PPP projects	82,535,009	68,660,734
Primary land development	11,103,922	10,145,212
Others	8,548,233	8,575,772
Sub-total	323,961,812	326,088,750
Less: Impairment allowance	(5,331,689)	(5,584,007)
	318,630,123	320,504,743
Less: Contract assets disclosed within Current portion of non-current assets (Note V.10)	(39,798,227)	(24,598,890)
Less: Contract assets disclosed within the other non-current assets (Note V. 23)	(137,765,940)	(144,930,527)
	141,065,956	150,975,326
Including: original value of contract assets	143,392,926	153,955,659
impairment allowance of contract assets	(2,326,970)	(2,980,333)

The Group provides construction services to customers and revenue recognised based on performance progress in excess of progress billings is presented as contract assets. Upon settlement with the customers, the Group has an unconditional rights to receivable payments and the amounts recognised as contract assets are reclassified to trade receivables.

Changes in impairment allowance of contract assets are as follows:

For the year ended 31 December 2020

1 January 2020	Provision	Reversal	Other changes	31 December 2020
5,584,007	1,594,339	(1,779,231)	(67,426)	5,331,689

V. Notes to the consolidated financial statements (continued)

9. Contract assets (continued)

Changes in impairment allowance of contract assets are as follows: (continued)

For the year ended 31 December 2019

31 December 2018	Changes in accounting policies	1 January 2019	Provision	Reversal	Other changes	31 December 2019
–	4,164,628	4,164,628	2,028,522	(688,483)	79,340	5,584,007

The changes in the impairment allowance of the current part of contract assets are as follows:

For the year ended 31 December 2020

1 January 2020	Provision	Reversal	Other changes	31 December 2020
2,980,333	327,307	(943,678)	(36,992)	2,326,970

For the year ended 31 December 2019

31 December 2018	Changes in accounting policies	1 January 2019	Provision	Reversal	Other changes	31 December 2019
–	2,042,926	2,042,926	1,407,818	(350,747)	(119,664)	2,980,333

Whether the contract assets have significant financing components or not, the impairment allowance is measured according to the expected credit loss for the whole lifetime.

	31 December 2020			
	Gross Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment of individually accrued	20,488,216	14.29	1,536,364	7.50
Impairment of collectively accrued by credit risk portfolio	122,904,710	85.71	790,606	0.64
Total	143,392,926	100.00	2,326,970	1.62

	31 December 2019			
	Gross Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment of individually accrued	21,006,351	13.64	2,086,758	9.93
Impairment of collectively accrued by credit risk portfolio	132,949,308	86.36	893,575	0.67
Total	153,955,659	100.00	2,980,333	1.94

As at 31 December 2020, contract assets individually assessed for expected credit losses are as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	475,087	3,448	0.73	Note
Company 2	210,724	94,826	45.00	Note
Company 3	160,633	245	0.15	Note
Company 4	151,717	33,632	22.17	Note
Company 5	138,313	99,279	71.78	Note
Others	19,351,742	1,304,934	6.74	Note
Total	20,488,216	1,536,364		

V. Notes to the consolidated financial statements (continued)

9. Contract assets (continued)

As at 31 December 2019, contract assets individually assessed for expected credit losses are as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	498,430	149,526	30.00	Note
Company 2	243,872	243,872	100.00	Note
Company 3	190,270	13,319	7.00	Note
Company 4	138,059	8,926	6.47	Note
Company 5	121,618	121,618	100.00	Note
Others	19,814,102	1,549,497	7.82	Note
Total	21,006,351	2,086,758		

Note: The Group provides construction services to customers above. Due to the shortage of funds of the customers, the Group expected some contract assets are difficult to be settled and impairment allowance is provided accordingly.

The terminated contract assets by the Group are presented in detail in Note V. 4.

As at 31 December 2020 and 31 December 2019, the contract assets that were pledged by the Group to banks for borrowings are presented in detail in Note V. 66.

10. Current portion of non-current assets

	31 December 2020	31 December 2019
Current portion of long-term receivables (Note V. 13)	30,009,625	25,035,289
Current portion of contract assets (Note V. 9)	39,798,227	24,598,890
Current portion of debt Investments (Note V. 12)	7,805,981	7,704,140
Current portion of long-term receivables (Note V. 13)	182,608	–
Others	140,288	125,385
Total	77,936,729	57,463,704

11. Other current assets

	31 December 2020	31 December 2019
Input VAT to be credited	39,093,862	37,309,124
Prepaid taxes	29,910,131	25,737,409
Receivables from related parties (Note X. 6)	14,963,744	15,394,226
Short term debt investments measured at amortization cost	5,067,518	4,088,801
Others	6,807,172	6,933,795
Sub-total	95,842,427	89,463,355
Less: Impairment allowance	(1,531,269)	(1,483,067)
Total	94,311,158	87,980,288

V. Notes to the consolidated financial statements (continued)

12. Debt investments

	31 December 2020		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties (Note X. 6)	19,183,824	(4,669)	19,179,155
Entrusted loans	1,064,002	(5,816)	1,058,186
Including: Entrusted loans from related parties (Note X. 6)	370,923	(3,709)	367,214
Others	2,179,711	(5,742)	2,173,969
Sub-total	22,427,537	(16,227)	22,411,310
Less: Debt investments of non-current assets due within one year (Note V. 10)	7,806,980	(999)	7,805,981
Total	14,620,557	(15,228)	14,605,329

	31 December 2019		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties (Note X. 6)	20,882,550	(11,322)	20,871,228
Entrusted loans	1,557,389	(7,300)	1,550,089
Including: Entrusted loans from related parties (Note X. 6)	370,923	(3,709)	367,214
Others	3,066,176	(23,549)	3,042,627
Sub-total	25,506,115	(42,171)	25,463,944
Less: Debt investments of non-current assets due within one year (Note V. 10)	7,706,029	(1,889)	7,704,140
Total	17,800,086	(40,282)	17,759,804

13. Long-term receivables

	31 December 2020	31 December 2019
Receivables from PPP projects	90,254,972	61,254,205
Receivables from BT projects	59,661,593	60,664,928
Primary land development	30,117,104	35,654,938
Receivables from other construction projects	26,256,240	29,338,504
Project quality warranty	2,417,273	2,717,374
Due from related parties (Note X. 6)	34,600	313,695
Others	783,974	1,052,577
Sub-total	209,525,756	190,996,221
Less: impairment allowance	1,874,089	1,135,270
Sub-total	207,651,667	189,860,951
Less: due within 1 year (Note V. 10)	30,009,625	25,035,289
Total	177,642,042	164,825,662

As at 31 December 2020 and 31 December 2019, the Group pledged long-term receivables to banks for borrowings are presented in detail in Note V. 66.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments

	31 December 2020	31 December 2019
Joint ventures	39,920,192	34,648,316
Associates	46,812,925	40,562,641
Sub-total	86,733,117	75,210,957
Less: Impairment allowance	294,056	294,056
Total	86,439,061	74,916,901

2020

(a) Joint ventures

	Opening Balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/ (Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note1)		
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,726	150,610	(53)	(465)	-	-	2,452,818	-
Guiheng Investment Co., Ltd.	2,219,804	-	193,287	-	-	-	2,413,091	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,927,320	-	(1,566)	-	-	-	1,925,754	292,462
Zunyi Nanhuan Expressway Development Co. Ltd. (Note 2)	1,132,736	100,000	170,227	-	-	-	1,402,963	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	-	-	-	1,029,089	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,103,558	-	86,814	(678)	(179,558)	-	1,010,136	-
Guizhou Leirong Expressway Investment Management Co., Ltd.	459,486	497,993	-	46,868	-	-	1,004,347	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd	960,360	-	(13,577)	887	-	-	947,670	-
Shanghai Lingang New District Jingang Dongjiu Real Estate Co., Ltd	-	911,400	-	-	-	-	911,400	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	(150,000)	74,620	-	(74,620)	-	850,000	-
China Overseas Southern Airlines Construction & Development Co., Ltd.	817,998	-	7,132	-	-	-	825,130	-
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	795,597	-	(663)	-	-	-	794,934	-
Beijing Nanyue Real Estate Development Co., Ltd.	728,933	-	35,985	-	-	-	764,918	-
Anhui Bengwu Expressway Investment Management Co., Ltd.	605,617	135,426	-	(385)	-	-	740,658	-
Guangdong Guotong Logistics City Co., Ltd.	-	661,835	5,139	4	-	-	666,978	-
CSCEC Road & Bridge Group Co., Ltd.	607,293	-	45,381	(247)	-	9,392	661,819	-
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	316,757	240,000	(3,851)	-	-	-	552,906	-
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	528,106	-	5,686	-	-	-	533,792	-
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	522,661	-	10,985	(6,393)	-	-	527,253	-
Shaotong CSCEC Construction Investment & Development Co. Ltd.	504,445	-	6,928	-	-	-	511,373	-
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	245,681	233,143	-	-	-	-	478,824	-
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	488,671	-	(10,850)	-	-	-	477,821	-
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	463,456	-	11,299	(2,199)	-	-	472,556	-
Hebei Road and Bridge Group Co., Ltd.	409,465	-	30,254	(165)	-	-	439,554	-
Others	16,182,466	3,061,271	2,097,169	(104,320)	(1,473,123)	(2,239,055)	17,524,408	1,358
Joint ventures sub-total	34,648,316	6,545,918	2,750,015	(67,093)	(1,727,301)	(2,229,663)	39,920,192	293,820

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2020 (continued)

(b) Associates

	Opening balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note1)		
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	7,489,769	-	1,676,410	396,722	(309,427)	(5,622)	9,247,852	-
Anhui Guoyuan Trust Co., Ltd.	2,799,221	-	175,143	36,916	(32,966)	32,453	3,010,767	-
Jiqing Express Railway Co., Ltd.	2,082,659	322,490	(92,938)	-	-	-	2,312,211	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	-	1,662,658	-
Everbright Securities Co., Ltd.	1,460,733	-	72,704	24,240	(5,136)	(99,357)	1,453,184	-
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	900,000	342,936	-	-	-	-	1,242,936	-
Yunnan Huali expressway investment and Development Co., Ltd.	790,000	395,000	-	-	-	-	1,185,000	-
Xuzhou Line One Rail Transit Investment Development Co., Ltd.	790,000	300,000	-	-	-	-	1,090,000	-
Guangzhou Line Real Estate Development Co., Ltd.	931,775	-	286,107	-	(150,960)	-	1,066,922	-
Shandong Qilu Ningliang Expressway Co., Ltd.	1,033,900	-	-	-	-	-	1,033,900	-
Fast Shift Investments Limited	1,155,792	-	416,601	-	(490,372)	(49,732)	1,032,289	-
Jinmao Investment (Changsha) Co., Ltd.	942,442	(150,000)	346,012	-	(140,529)	-	997,925	-
Anhui Guoyuan Investment Co., Ltd.	965,609	-	29,450	(1,560)	(4,273)	(201)	989,025	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	931,354	-	55,788	-	-	-	987,142	-
Suzhou Fuyuan Real Estate Co., Ltd.	-	-	(5,490)	-	-	971,760	966,270	-
Taiyuan Zhongyin Railway Co., Ltd.	-	1,000,000	(113,394)	-	-	-	886,606	-
Guangzhou fuchuang Real Estate Development Co., Ltd.	-	680,000	(10,881)	-	-	-	669,119	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	586,430	-	26,310	-	-	-	612,740	-
Henan Xuxin Expressway Co., Ltd.	-	576,600	-	-	-	-	576,600	-
China State Construction Xi'an Urban Construction Investment Co., Ltd.	-	557,846	(8,980)	-	-	-	548,866	-
Liupanshui Dongda highway investment and Development Co., Ltd.	509,644	-	14	(8,056)	-	-	501,602	-
Shanxi International Power Group Real Estate Development Co., Ltd.	494,659	-	-	-	-	-	494,659	-
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	415,000	62,658	-	-	-	-	477,658	-
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	-	419,290	-	-	-	-	419,290	-
Other	14,980,666	(2,209,818)	397,509	(58,861)	(324,251)	562,459	13,347,704	236
Associates sub-total	40,562,641	2,738,917	3,168,120	389,401	(1,457,914)	1,411,760	46,812,925	236
Total	75,210,957	9,284,835	5,918,135	322,308	(3,185,215)	(817,903)	86,733,117	294,056

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2019

(a) Joint ventures

	Opening balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note1)		
Lang Light International Co., Ltd.	2,240,278	-	(21,812)	-	-	-	2,218,466	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,126,057	-	147,415	(443)	(169,471)	-	1,103,558	-
Speedy Champ Investments Limited	1,246,253	-	3,953	-	-	-	1,250,206	-
China Overseas Port (Laizhou) Co., Ltd.	618,087	-	62,685	(5,123)	(65,409)	-	610,240	-
Guiheng Investment Co., Ltd.	1,607,600	-	612,204	-	-	-	2,219,804	-
Shandong China Overseas Huachuang Real Estate Co., Ltd.	491,697	-	(2,996)	-	-	-	488,701	-
Tianjin Yingchao Real Estate Development Co., Ltd.	22,297	-	16,838	-	-	-	39,135	-
Xing Gui Investment Co., Ltd.	1,119,116	-	16,825	-	(857,500)	-	278,441	-
Xing Chuang Enterprise Co., Ltd.	356,997	-	67,572	-	(76,500)	-	348,069	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,879,043	-	48,277	-	-	-	1,927,320	292,462
China Overseas Southern Airlines Construction & Development Co., Ltd.	827,441	-	(9,443)	-	-	-	817,998	-
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,596	-	130	-	-	-	2,302,726	-
China Overseas Grand Oceans Haitu (Hefei) Real Estate Development Co., Ltd.	414,560	-	46,664	34,962	-	-	496,186	-
Changsha CSCEC Chengtuo Pipeline Construction & Investment Co. Ltd.	508,230	19,800	76	-	-	-	528,106	-
Chongqing Railway Line No. 9 Construction & Operation Co. Ltd.	1,600,751	(1,600,751)	-	-	-	-	-	-
CSCEC (Tangshang Caofeidian) Engineering & Construction Co., Ltd.	404,543	42,264	16,649	-	-	-	463,456	-
Xuzhou Line No. 3 Rail Transit Investment Development Co., Ltd.	109,784	1,000	(40)	-	-	-	110,744	-
Changsha CSCEC Future Future Science and Technology City Investment Co. Ltd.	104,197	-	837	-	(2,167)	-	102,867	-
Dazhou Dahuan Construction Management Co., Ltd.	292,517	-	154	-	-	-	292,671	-
Beijing Nanyue Real Estate Development Co., Ltd.	731,999	-	(3,066)	-	-	-	728,933	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	-	79,083	-	(79,083)	-	1,000,000	-
Zunyi Nanhuan Expressway Development Co., Ltd. (Note 2)	1,016,450	-	116,286	-	-	-	1,132,736	-
Shaotong CSCEC Construction Investment & Development Co., Ltd.	511,431	-	(6,986)	-	-	-	504,445	-
CSCEC Chengdu Rail Transportation Investment and Construction Co., Ltd.	375,477	-	124,546	-	-	-	500,023	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	-	960,360	-	-	-	-	960,360	-
Others	10,661,722	2,547,518	467,460	3,610	(153,556)	696,371	14,223,125	1,358
Joint ventures sub-total	31,569,123	1,970,191	1,783,311	33,006	(1,403,686)	696,371	34,648,316	293,820

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2019 (continued)

(b) Associates

	Opening balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others (Note1)		
Trust House Pte. Ltd.	9,067	-	(2)	-	-	304	9,369	-
Beijing China Construction Zhongchao Concrete Co., Ltd.	14,299	-	(4,164)	-	-	-	10,135	-
DuYun Galactic Real Estate Development Co., Ltd.	35,399	-	6,628	-	-	-	42,027	-
Henan China Construction Municipal Construction Development Co., Ltd.	217,145	-	4,617	-	-	-	221,762	-
Jinmao Investment (Changsha) Co., Ltd.	1,058,813	-	177,032	-	(293,403)	-	942,442	-
Anhui Guoyuan Investment Co., Ltd.	937,689	-	40,373	366	(12,819)	-	965,609	-
Anhui Guoyuan Trust Co., Ltd.	2,694,495	-	182,794	(47,787)	(30,281)	-	2,799,221	-
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	6,529,917	-	1,275,934	(116,014)	(196,548)	(3,520)	7,489,769	-
Krimark Investment Ltd.	173,511	-	(2,779)	14,856	-	2,378	187,966	-
Fast Shift Investments Limited	1,778,863	-	753,979	-	(1,389,228)	12,178	1,155,792	-
Xuzhou Metro Line One Investment Development Co., Ltd. (Note 2)	196,000	594,000	-	-	-	-	790,000	-
Jiqing Express Railway Co., Ltd.	2,116,643	20,272	(54,256)	-	-	-	2,082,659	-
Guangzhou Lihe Real Estate Development Co., Ltd.	793,775	-	138,000	-	-	-	931,775	-
Suzhou Extraordinary City Real Estate Co., Ltd.	102,647	-	145,846	-	(146,493)	-	102,000	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,248,821	131,000	(76,833)	-	-	-	1,302,988	-
Panjin Zhonghui Industry Co. Ltd.	333,263	-	21,194	-	-	-	354,457	-
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	332,081	-	21,922	(17,669)	-	-	336,334	-
Shenzhen & Shantou Special Cooperation Area Harbour New City Investment & Construction Co., Ltd.	193,269	-	6,485	-	-	-	199,754	-
Liuzhou CSCEC Dongcheng Culture Development Co., Ltd.	305,920	-	4,905	-	-	-	310,825	-
Guizhou Jianxin Water Environment Industry Co., Ltd.	219,177	-	4,393	-	-	-	223,570	-
Everbright Securities Co., Ltd.	1,422,013	-	24,568	4,624	(13,881)	23,409	1,460,733	-
CSCEC Jianxin Shared No. 9 Private-Equity Fund for Urbanization	1,206,248	-	37,551	-	(75,338)	-	1,168,461	-
Shandong Qiru Ningliang Expressway Co., Ltd.	743,000	290,900	-	-	-	-	1,033,900	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	542,145	-	44,285	-	-	-	586,430	-
Urumchi New Chuyuan Construction Co., Ltd.	400,260	-	(57)	-	-	-	400,203	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	887,499	-	43,855	-	-	-	931,354	-
Yunnan Huali Expressway Investment and Development Co., Ltd. (Note 2)	-	790,000	-	-	-	-	790,000	-
Others	10,226,973	4,015,814	94,201	(175,742)	(575,955)	147,815	13,733,106	236
Associates sub-total	34,718,932	5,841,986	2,890,471	(337,366)	(2,733,946)	182,564	40,562,641	236
Total	66,288,055	7,812,177	4,673,782	(304,360)	(4,137,632)	878,935	75,210,957	294,056

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

The movements in impairment allowance of long-term equity investments are as follows:

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
CITIC Baolida Real Estate (Foshan) Co., Ltd.	292,462	–	–	292,462
Others	1,594	–	–	1,594
Total	294,056	–	–	294,056

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
CITIC Baolida Real Estate (Foshan) Co., Ltd.	292,462	–	–	292,462
Others	1,594	–	–	1,594
Total	294,056	–	–	294,056

15. Investments in other equity instruments

	31 December 2020	31 December 2019
Equity investments		
Listed equity investments	1,329,839	1,659,862
Unlisted equity investments	4,508,545	6,409,181
Total	5,838,384	8,069,043

	31 December 2020	31 December 2019
Equity investments		
Cost		
Listed equity investments	1,241,496	1,287,154
Unlisted equity investments	3,899,738	5,349,115
Cumulative changes in fair value		
Listed equity investments	88,343	372,708
Unlisted equity investments	608,807	1,060,066
Total	5,838,384	8,069,043

2020

	Changes in fair value accumulated to other comprehensive income	Fair value	Dividend income of the year		Reasons designated as fair value measurement with changes included in other comprehensive income
			Equity instruments derecognised in the current year	Equity instruments still held	
Listed equity investments	88,343	1,329,839	–	108,778	Non-tradable
Unlisted equity investments	608,807	4,508,545	18,983	28,385	Non-tradable
Total	697,150	5,838,384	18,983	137,163	

V. Notes to the consolidated financial statements (continued)

15. Investments in other equity instruments (continued)

2019

	Changes in fair value accumulated to other comprehensive income	Fair value	Dividend income of the year		Reasons designated as fair value measurement with changes included in other comprehensive income
			Equity instruments derecognised in the current year	Equity instruments still held	
Listed equity investments	372,708	1,659,862	–	240,330	Non-tradable
Unlisted equity investments	1,060,066	6,409,181	–	30,320	Non-tradable
Total	1,432,774	8,069,043	–	270,650	

In 2020, the Group disposed of RMB643,269 thousand of other equity instrument investment, and a total amount of RMB310,690 thousand has been transferred from other comprehensive income to retained earnings.

16. Investment properties

Subsequent measurement under the cost model:

2020

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the year	52,236,824	13,167,211	18,862,716	84,266,751
Increase during the year	11,525,091	3,419,310	10,537,506	25,481,907
Decrease during the year	(2,393,506)	(50,297)	(223,989)	(2,667,792)
Closing balance of the year	61,368,409	16,536,224	29,176,233	107,080,866
Accumulated depreciation and amortisation				
Opening balance of the year	(6,100,476)	(1,865,118)	–	(7,965,594)
Increase during the year	(1,889,510)	(264,155)	–	(2,153,665)
Decrease during the year	179,262	3,964	–	183,226
Closing balance of the year	(7,810,724)	(2,125,309)	–	(9,936,033)
Impairment allowance				
Opening balance of the year	–	–	–	–
Increase during the year	(21,988)	–	–	(21,988)
Decrease during the year	835	–	–	835
Closing balance of the year	(21,153)	–	–	(21,153)
Net book value				
At the beginning of the year	53,536,532	14,410,915	29,176,233	97,123,680
At the end of the year	46,136,348	11,302,093	18,862,716	76,301,157

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

Subsequent measurement under the cost model: (continued)

2019

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the year	48,342,987	12,783,939	13,797,564	74,924,490
Increase during the year	4,719,584	400,603	7,322,840	12,443,027
Decrease during the year	(825,747)	(17,331)	(2,257,688)	(3,100,766)
Closing balance of the year	52,236,824	13,167,211	18,862,716	84,266,751
Accumulated depreciation and amortisation				
Opening balance of the year	(4,742,269)	(1,531,011)	–	(6,273,280)
Increase during the year	(1,416,406)	(335,743)	–	(1,752,149)
Decrease during the year	58,199	1,636	–	59,835
Closing balance of the year	(6,100,476)	(1,865,118)	–	(7,965,594)
Impairment allowance				
Opening balance of the year	(1,027)	–	–	(1,027)
Decrease during the year	1,027	–	–	1,027
Closing balance of the year	–	–	–	–
Net book value				
At the end of the year	46,136,348	11,302,093	18,862,716	76,301,157
At the beginning of the year	43,599,691	11,252,928	13,797,564	68,650,183

Investment properties are leased out to third parties under operating leases.

For the year of 2020, the Group changed the use of houses and buildings with a carrying amount of RMB1,659,677 thousand (A cost of: RMB1,710,402 thousand) for self-use and transferred them into fixed assets at the date of change of use; for the year of 2019, the Group changed the houses and buildings with a carrying amount of RMB82,667 thousand (A cost of: RMB118,608 thousand) for self-use and transferred them into fixed assets at the date of change of use.

For the year of 2020, the Group changed the investment properties with a carrying amount of RMB25,184 thousand (A cost of: RMB26,667 thousand) to inventory; for the year of 2019, the Group changed the investment properties with a carrying amount of RMB1,078,525 thousand (A cost of: RMB1,080,087 thousand) to inventory.

For the year of 2020, the Group changed the inventory with a carrying amount of RMB9,047,396 thousand (A cost of: RMB9,047,396 thousand) to lease, and transfers the inventory into investment properties at the date of change of use; for the year of 2019, the Group changed the inventory with a carrying amount of RMB3,881,747 thousand (A cost of: RMB3,881,747 thousand) to lease, and transferred the inventory into investment properties at the date of change of use.

For the year of 2020, the Group changed the fixed assets with a carrying amount of RMB267,317 thousand (A cost of: RMB308,100 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use; for the year of 2019, the Group changed the fixed assets with a carrying amount of RMB383,002 thousand (A cost of: RMB396,160 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use.

For the year of 2020, the Group's construction in progress project with a carrying amount of RMB580,792 thousand (A cost of: RMB580,792 thousand) was completed and used for leasing, which was changed to investment properties; for the year of 2019, the Group's construction in progress project with a carrying amount of RMB891,908 thousand (A cost of: RMB891,908 thousand) was completed and used for leasing, which was changed to investment properties.

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

For the year of 2020, the Group disposed the investment real estate with book value of RMB84,622 thousand with a disposal income of RMB168 thousand; In 2019, the Group disposed the investment real estate with a book value of RMB863,532 thousand, with a disposal income of RMB487,669 thousand.

As at 31 December 2020 and 31 December 2019, the investment properties that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

17. Fixed assets

2020

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the year	28,359,820	17,923,910	3,259,952	16,023,119	65,566,801
Purchases	920,868	1,636,531	354,680	2,489,299	5,401,378
Transfers from construction in progress (Note V. 18)	1,687,035	466,702	2,799	918,810	3,075,346
Other addition	1,243,128	892,425	275,494	1,471,489	3,882,536
Disposals or retirements	(316,748)	(800,162)	(402,894)	(1,256,555)	(2,776,359)
Other decrease	(1,126,186)	(2,271,824)	(318,042)	(1,215,736)	(4,931,788)
Closing balance of the year	30,767,917	17,847,582	3,171,989	18,430,426	70,217,914
Accumulated depreciation					
Opening balance of the year	(4,878,782)	(9,840,821)	(2,184,862)	(10,818,006)	(27,722,471)
Depreciation accrued during the year	(830,444)	(1,510,098)	(273,854)	(3,457,089)	(6,071,485)
Other additions	(175,183)	(644,351)	(220,832)	(432,869)	(1,473,235)
Disposals or retirements	82,682	631,724	326,843	1,106,330	2,147,579
Other decrease	197,212	1,029,330	248,046	781,837	2,256,425
Closing balance of the year	(5,604,515)	(10,334,216)	(2,104,659)	(12,819,797)	(30,863,187)
Impairment allowance					
Opening balance of the year	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Impairment accrued during the year (Note V. 24)	(2,745)	(5,001)	(163)	–	(7,909)
Other additions	–	(1,986)	(5,394)	–	(7,380)
Disposals or retirements	2,805	33,399	24,367	8,190	68,761
Other decrease	1,215	428	6,821	131	8,595
Closing balance of the year	(211,876)	(12,979)	(2,877)	(35)	(227,767)
Net book value					
At the end of the year	24,951,526	7,500,387	1,064,453	5,610,594	39,126,960
At the beginning of the year	23,267,887	8,043,270	1,046,582	5,196,757	37,554,496

V. Notes to the consolidated financial statements (continued)

17. Fixed assets (continued)

2019

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the year	24,840,356	17,006,786	3,384,719	21,619,229	66,851,090
Purchases	1,094,559	1,665,459	257,365	2,957,217	5,974,600
Transfers from construction in progress (Note V. 18)	2,056,653	331,274	9,371	678,066	3,075,364
Other addition	1,221,791	913,812	142,270	247,690	2,525,563
Disposals or retirements	(336,378)	(1,052,880)	(430,265)	(8,134,468)	(9,953,991)
Other decrease	(517,161)	(940,541)	(103,508)	(1,344,615)	(2,905,825)
Closing balance of the year	28,359,820	17,923,910	3,259,952	16,023,119	65,566,801
Accumulated depreciation					
Opening balance of the year	(4,034,613)	(9,235,479)	(2,176,596)	(15,459,176)	(30,905,864)
Depreciation accrued during the year	(849,862)	(1,536,158)	(327,704)	(3,829,529)	(6,543,253)
Other additions	(141,341)	(470,190)	(105,800)	(225,519)	(942,850)
Disposals or retirements	97,009	903,302	367,301	7,956,268	9,323,880
Other decrease	50,025	497,704	57,937	739,950	1,345,616
Closing balance of the year	(4,878,782)	(9,840,821)	(2,184,862)	(10,818,006)	(27,722,471)
Impairment allowance					
Opening balance of the year	(211,390)	(32,672)	(12,687)	(8,483)	(265,232)
Impairment accrued during the year (Note V. 24)	(1,102)	(8,289)	(16,130)	–	(25,521)
Other additions	(1,062)	–	–	(28)	(1,090)
Disposals or retirements	347	1,142	309	155	1,953
Other decrease	56	–	–	–	56
Closing balance of the year	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Net book value					
At the end of the year	23,267,887	8,043,270	1,046,582	5,196,757	37,554,496
At the beginning of the year	20,594,353	7,738,635	1,195,436	6,151,570	35,679,994

V. Notes to the consolidated financial statements (continued)

17. Fixed assets (continued)

Fixed assets held under a finance lease are as follows:

31 December 2020

	Cost	Accumulated depreciation	Impairment allowance	Net book value
Machinery and equipment	710,394	(137,189)	–	573,205
Motor vehicles	342	(96)	–	246
Total	710,736	(137,285)	–	573,451

31 December 2019

	Cost	Accumulated depreciation	Impairment allowance	Net book value
Machinery and equipment	717,777	(136,910)	–	580,867
Motor vehicles	46,973	(32,989)	(5,371)	8,613
Total	764,750	(169,899)	(5,371)	589,480

As at 31 December 2020, the fixed assets with a carrying amount of RMB159,348 thousand, and a cost of RMB247,937 thousand are leased out under operating leases (31 December 2019: a carrying amount of RMB241,269 thousand and a cost of RMB411,214 thousand).

As at 31 December 2020 and 31 December 2019, the fixed assets that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

18. Construction in progress

	31 December 2020			31 December 2019		
	Carrying amount	Impairment allowance	Net book value	Carrying amount	Impairment allowance	Net book value
Construction in progress	11,184,034	(250,945)	10,933,089	10,338,334	(252,521)	10,085,813

The movements of significant projects of construction in progress are as follows:

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V. 17)	Other transferred out	Closing balance of the year	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,152,390	1,515,607	410,646	–	(3,106)	1,923,147	Self-funding and loan	89
Shanghai Zhongjian Yuelan Mountain Project	1,473,684	792,545	143,893	–	–	936,438	Self-funding	64
CSCEC Jinxiutiandi Construction Project	1,290,670	650,106	245,862	–	–	895,968	Self-funding and loan	69
Songjiang Building Construction Project	1,395,072	559,191	280,630	–	–	839,821	Self-funding	60
Wanning Jinxin Grand Hyatt	1,313,996	610,566	103,470	–	–	714,036	Self-funding	54
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	632,208	420,767	205,709	–	–	626,476	Self-funding	99
Songjiang Yunzhu Shenlan Construction Project	383,163	344,140	25,299	–	–	369,439	Self-funding and loan	96
Zhonghai Huanyu City Construction Project	545,628	217,024	131,597	–	–	348,621	Self-funding	64
Others	N/A	5,228,388	3,506,995	(3,075,346)	(1,129,949)	4,530,088	Self-funding and loan	N/A
Total		10,338,334	5,054,101	(3,075,346)	(1,133,055)	11,184,034		

V. Notes to the consolidated financial statements (continued)

18. Construction in progress (continued)

The movements of significant projects of construction in progress are as follows (continued):

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V. 17)	Other transferred out	Closing balance of the year	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,281,672	1,256,976	258,631	-	-	1,515,607	Self-funding and loan	66
Shanghai Zhongjian Yuelan Mountain Project	1,473,684	-	792,545	-	-	792,545	Self-funding and loan	54
CSCEC Jinxiutiandi Construction Project	1,290,670	481,106	169,000	-	-	650,106	Self-funding	50
Wanning Jinxin Grand Hyatt	1,313,996	610,566	-	-	-	610,566	Self-funding and loan	46
Songjiang Building Construction Project	1,395,072	401,440	157,751	-	-	559,191	Self-funding	40
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	632,208	420,767	-	-	-	420,767	Self-funding	67
Songjiang Yunzhu Shenlan Construction Project	360,000	301,486	42,654	-	-	344,140	Self-funding	96
Zhonghai Huanyu City Construction Project	545,628	-	217,024	-	-	217,024	Self-funding and loan	40
Others	N/A	5,071,987	5,037,651	(3,075,364)	(1,805,886)	5,228,388	Self-funding	N/A
Total		8,544,328	6,675,256	(3,075,364)	(1,805,886)	10,338,334		

The movements of significant projects of construction in progress are as follows:

2020

	Progress	Accumulated amount of interest capitalised	Including: Interest capitalised during the year	Capitalisation rate during the year (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	89%	187,417	63,556	5.78
CSCEC Jinxiutiandi Construction Project	69%	115,270	43,455	4.50
Songjiang Building Construction Project	96%	6,303	2,718	4.75
Others	N/A	59,383	29,282	N/A
Total		368,373	139,011	

2019

	Progress	Accumulated amount of interest capitalised	Including: Interest capitalised during the year	Capitalisation rate during the year (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	66%	123,861	61,533	5.78
CSCEC Jinxiutiandi Construction Project	50%	71,815	71,815	4.50
Songjiang Building Construction Project	96%	3,585	3,585	4.75
Others	N/A	30,101	25,042	N/A
Total		229,362	161,975	

As at 31 December 2020 and 31 December 2019, the construction in progress that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

V. Notes to the consolidated financial statements (continued)

18. Construction in progress (continued)

Impairment allowance of construction in progress:

2020

Opening balance of the year	Increase during the year	Decrease during the year	Increase during the year	Reason
252,521	–	(1,576)	250,945	The book value is higher than the recoverable amount

2019

Opening balance of the year	Increase during the year	Decrease during the year	Increase during the year	Reason
250,945	1,576	–	252,521	The book value is higher than the recoverable amount

19. Intangible assets

2020

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,451,478	12,806,517	726,921	694,476	21,679,392
Increase during the year	372,766	6,411,903	183,483	12,311	6,980,463
Decrease during the year	(87,235)	–	(20,417)	(1,434)	(109,086)
Closing balance of the year	7,737,009	19,218,420	889,987	705,353	28,550,769
Accumulated amortisation					
Opening balance of the year	(1,024,490)	(1,237,277)	(399,338)	(322,234)	(2,983,339)
Increase during the year	(149,236)	(202,940)	(101,485)	(25,447)	(479,108)
Decrease during the year	26,922	–	14,212	1,100	42,234
Closing balance of the year	(1,146,804)	(1,440,217)	(486,611)	(346,581)	(3,420,213)
Impairment allowance					
Opening balance of the year	(1,334,236)	(952,660)	–	–	(2,286,896)
Decrease during the year	(284,663)	–	–	–	(284,663)
Closing balance of the year	(1,618,899)	(952,660)	–	–	(2,571,559)
Net book value					
Closing balance of the year	4,971,306	16,825,543	403,376	358,772	22,558,997
Opening balance of the year	5,092,752	10,616,580	327,583	372,242	16,409,157

V. Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

2019

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,673,025	7,483,146	647,651	831,869	16,635,691
Increase during the year	512,994	5,636,192	149,226	38,973	6,337,385
Decrease during the year	(734,541)	(312,821)	(69,956)	(176,366)	(1,293,684)
Closing balance of the year	7,451,478	12,806,517	726,921	694,476	21,679,392
Accumulated amortisation					
Opening balance of the year	(942,689)	(1,091,763)	(364,861)	(445,000)	(2,844,313)
Increase during the year	(175,516)	(145,514)	(96,757)	(47,275)	(465,062)
Decrease during the year	93,715	–	62,280	170,041	326,036
Closing balance of the year	(1,024,490)	(1,237,277)	(399,338)	(322,234)	(2,983,339)
Impairment allowance					
Closing balance of the year	(1,334,236)	(862,947)	–	–	(2,197,183)
Decrease during the year	–	(89,713)	–	–	(89,713)
Closing balance of the year	(1,334,236)	(952,660)	–	–	(2,286,896)
Net book value					
Closing balance of the year	5,092,752	10,616,580	327,583	372,242	16,409,157
Opening balance of the year	5,396,100	5,528,436	282,790	386,869	11,594,195

As at 31 December 2020 and 31 December 2019, the intangible assets that were pledged by the Group to banks for borrowings are presented in details in Note V. 66.

20. Goodwill

2020

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note1)	Closing balance of the year
China Overseas Land & Investment Ltd. ("China Overseas Land & Investment")	1,498,889	–	(69,440)	1,429,449
China State Construction Development Holdings Limited ("State Construction Development")	511,232	–	(23,684)	487,548
Plaza Construction LLP	105,551	–	(6,829)	98,722
Finqnciere Groupe Betom	–	59,210	(807)	58,403
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	42,797	–	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583
Jimsar County Tianyu Huaxin Cement Development Co., Ltd.	14,601	–	–	14,601
Hubei Civil Air Defense Construction Design Institute	11,563	–	–	11,563
Chongqing Zhonghai Investment Co., Ltd	11,167	–	(517)	10,650
Yunnan Long Hydropower Base	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Others	73,121	515	(7)	73,629
Sub-Total	2,386,501	59,725	(101,284)	2,344,942
Less: Impairment allowance	39,073	–	–	54,681
Total	2,347,428	–	–	2,290,261

V. Notes to the consolidated financial statements (continued)

20. Goodwill (continued)

2019

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note1)	Closing balance of the year
China Overseas Land & Investment	1,480,259	–	18,630	1,498,889
China State Construction Development Holdings Limited	504,878	–	6,354	511,232
Plaza Construction LLP	103,841	–	1,710	105,551
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	–	42,797	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583
Jimsar County Tianyu Huaxin Cement Development Co., Ltd	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Hubei Civil Air Defense Construction Design Institute	11,563	–	–	11,563
Chongqing Zhonghai Investment Co., Ltd.	11,028	–	139	11,167
Yunnan Long Hydropower Base	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Others	88,240	–	(15,119)	73,121
Subtotal	2,331,990	42,797	11,714	2,386,501
Less: Impairment allowance	38,932	–	–	39,073
Total	2,293,058	–	–	2,347,428

Changes in impairment allowance of goodwill are as below:

2020

	Opening balance of the year	Accrued this year	Other movements (Note1)	Closing balance of the year
Jimsar County Tianyu Huaxin Cement Development Co., Ltd	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	11,167	–	(517)	10,650
CSCEC Zhong Huan Engineering Co., Ltd.	–	12,031	–	12,031
Others	163	4,101	(7)	4,257
Total	39,073	16,132	(524)	54,681

V. Notes to the consolidated financial statements (continued)

20. Goodwill (continued)

Changes in impairment allowance of goodwill are as below: (continued)

2019

	Opening balance of the year	Other movements (Note1)	Closing balance of the year
Jimsar County Tianyu Huaxin Cement Development Co., Ltd.	14,601	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	11,028	139	11,167
Others	161	2	163
Total	38,932	141	39,073

Note1: Other movements are mainly due to changes in exchange rates.

The measurement basis and main assumptions for the recoverable amounts of the above asset groups are as follows:

The recoverable amount of an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

For the asset group or portfolio of China Overseas Land & Investment and China State Construction Development, the present value of the future cash flows of the asset group were higher than the book value, and there was no impairment of the relevant goodwill.

21. Long-term prepaid expenses

2020

	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	417,141	149,747	(117,334)	(4,954)	444,600
Office rent	66,650	129,265	(40,062)	(1,651)	154,202
Others	452,009	200,343	(139,904)	(12,541)	499,907
Total	935,800	479,355	(297,300)	(19,146)	1,098,709

2019

	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	385,186	221,092	(177,359)	(11,778)	417,141
Office rent	68,963	21,754	(21,728)	(2,339)	66,650
Others	282,043	317,240	(139,123)	(8,151)	452,009
Total	736,192	560,086	(338,210)	(22,268)	935,800

V. Notes to the consolidated financial statements (continued)

22. Deferred tax assets/liabilities

Deferred tax assets and liabilities without taking into consideration the offsetting of balances:

	31 December 2020		31 December 2019	
	Deductible temporary differences and losses	Deferred tax assets	Deductible temporary differences and losses	Deferred tax assets
Deferred tax assets				
Impairment allowance of assets	30,577,354	5,588,024	29,216,494	5,564,218
Elimination of intra group unrealised profit	4,075,148	937,061	4,803,177	1,128,760
Accrued expenses	27,335,649	6,690,580	23,630,682	5,790,401
Accrued liabilities	2,968,722	503,219	1,955,638	370,269
Deductible losses	15,192,233	3,333,024	14,930,826	3,746,808
Discounted long-term receivables	145,351	24,251	294,490	64,635
Others	1,745,180	417,610	843,397	189,379
Total	82,039,637	17,493,769	75,674,704	16,854,470

	31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Depreciation of fixed assets	364,073	74,825	381,667	86,633
Fair value adjustment of business combinations involving enterprises not under common control	14,864,768	3,445,441	11,861,961	3,025,403
Changes in fair value of financial assets	621,625	170,550	1,915,474	403,898
Gain from special restructuring of subsidiaries (Note 1)	1,179,437	294,859	1,179,437	294,859
Withholding tax for dividends (Note 2)	4,226,760	211,338	3,530,376	176,519
Revenue from BT/BOT projects	7,108,179	1,777,045	4,224,940	1,056,235
Others	5,649,216	1,326,419	5,331,995	1,337,505
Total	34,014,058	7,300,477	28,425,850	6,381,052

Note 1: According to Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Treatment of Enterprise Reorganization (Cai Shui [2009] No. 59), deferred tax liabilities are recognised by the Company and other related subsidiaries for the difference between tax base and accounting base of equity investment arising from reorganization of West Construction.

Note 2: According to the arrangement between Mainland China and Hong Kong Special Administrative Region over income taxes to avoid double taxation and tax evasion, signed between Mainland China and Hong Kong, withholding tax for dividends are provided by domestic subsidiaries, domestic associates and domestic joint ventures of the subsidiaries of China Overseas Land & Investment and China State Construction International Holdings Limited ("China State Construction International") for profit estimated to be distributed to the subsidiaries of China Overseas Land & Investment and China State Construction International at the tax rate of 5%.

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offsetting:

	31 December 2020		31 December 2019	
	Offsetting amount	Net amount after offsetting	Offsetting amount	Net amount after offsetting
Deferred tax assets	1,244,327	16,249,442	1,725,342	15,129,128
Deferred tax liabilities	1,244,327	6,056,150	1,725,342	4,655,710

V. Notes to the consolidated financial statements (continued)

22. Deferred tax assets/liabilities (continued)

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

	31 December 2020	31 December 2019
Deductible temporary differences	22,128,260	16,104,017
Deductible tax losses	17,403,113	19,046,329
Total	39,531,373	35,150,346

Deductible tax losses that are not recognised as deferred tax assets will expire in the following years:

	31 December 2020	31 December 2019
2020	–	1,137,200
2021	1,703,333	2,000,451
2022	1,528,760	2,715,585
2023	2,454,912	5,508,849
2024	4,861,870	7,684,244
2025	6,854,238	–
Total	17,403,113	19,046,329

23. Other non-current assets

	31 December 2020	31 December 2019
Contract assets (Note V. 9)	139,278,678	146,917,573
Input VAT to be verified	859,779	1,103,821
Prepayment of purchase of long-term assets	499,457	860,820
Others	820,763	1,061,994
Sub-total	141,458,677	149,944,208
Less: Impairment allowance	(1,512,744)	(1,995,266)
Total	139,945,933	147,948,942

As at 31 December 2020, the impairment allowance of the above contract assets is RMB1,512,738 thousand (31 December 2019: RMB1,987,046 thousand).

24. Impairment allowance of assets

2020

	Opening balance of the year	Provision for the year	Decrease during the year		Other movement	Closing balance of the year
			Reversal	Transfer/Write-off		
Impairment allowance of accounts receivable	23,804,177	15,060,518	(12,166,489)	(902,942)	(5,264)	25,790,000
Impairment allowance of other receivables	7,081,322	2,170,366	(1,841,012)	(609,160)	(42,063)	6,759,453
Impairment allowance of other current assets	1,483,067	88,981	–	–	(40,779)	1,531,269
Impairment allowance of current portion of non-current assets	846,270	1,097,130	(146,869)	(565)	145,047	1,941,013
Impairment allowance of other non-current assets	1,995,266	311,506	(720,788)	(28,920)	(44,320)	1,512,744
Other ECLs provisions	637,280	15,602	(651,221)	(461)	–	1,200
Impairment allowance of debt investments	40,282	4,213	(29,359)	–	92	15,228
Impairment allowance of long-term receivables	916,396	725,467	(144,689)	(1,500)	(69,974)	1,425,700

V. Notes to the consolidated financial statements (continued)

24. Impairment allowance of assets (continued)

2020 (continued)

	Opening balance of the year	Provision for the year	Decrease during the year		Other movement	Closing balance of the year
			Reversal	Transfer/ Write-off		
Impairment allowance of contract assets	2,980,333	327,307	(943,678)	–	(36,992)	2,326,970
Impairment provision for write-down of inventories	4,200,108	570,238	(386,765)	(147,146)	(63,786)	4,172,649
Impairment allowance of long-term equity investments	294,056	–	–	–	–	294,056
Impairment allowance of fixed assets	289,834	7,909	–	(68,761)	(1,215)	227,767
Impairment allowance of construction in progress	252,521	–	–	(1,576)	–	250,945
Impairment allowance of investment properties	–	20,844	–	(635)	1,144	21,153
Impairment allowance of intangible assets	2,286,896	284,663	–	–	–	2,571,559
Impairment allowance of goodwill	39,073	16,132	–	–	(524)	54,681
Total	47,146,881	20,700,876	(17,030,870)	(1,761,866)	(158,634)	48,896,387

2019

	Closing balance at the end of the year	Changes in accounting policies	Opening balance of the year	Provision for the year	Decrease during the year		Other movement	Closing balance of the year
					Reversal	Transfer/ Write-off		
Impairment allowance of accounts receivable	20,453,337	3,323,905	23,777,242	5,010,216	(4,340,373)	(714,592)	71,684	23,804,177
Impairment allowance of other receivables	6,399,767	417,929	6,817,696	1,305,421	(891,574)	(135,135)	(15,086)	7,081,322
Impairment allowance of other current assets	91,449	1,202,896	1,294,345	179,293	(31,536)	(4,251)	45,216	1,483,067
Impairment allowance of current portion of non-current assets	514,553	107,820	622,373	273,186	(63,636)	(61)	14,408	846,270
Impairment allowance of other non-current assets	27,036	1,654,594	1,681,630	581,971	(299,003)	(1,461)	32,129	1,995,266
Other ECLs provisions	1,200	–	1,200	636,080	–	–	–	637,280
Impairment allowance of debt investments	–	25,314	25,314	21,777	(6,206)	–	(603)	40,282
Impairment allowance of long-term receivables	982,470	(274,370)	708,100	216,193	(37,285)	–	29,388	916,396
Impairment allowance of available-for-sale financial assets	1,093,925	(1,093,925)	–	–	–	–	–	–
Impairment allowance of contract assets	–	2,042,926	2,042,926	1,407,818	(350,747)	–	(119,664)	2,980,333
Impairment provision for write-down of inventories	6,953,220	(1,588,924)	5,364,296	1,081,150	(1,271,330)	(986,003)	11,995	4,200,108
Impairment allowance of long-term equity investment	294,056	–	294,056	–	–	–	–	294,056
Impairment allowance of fixed assets	265,232	–	265,232	25,521	–	(1,953)	1,034	289,834
Impairment allowance of construction in progress	250,945	–	250,945	1,576	–	–	–	252,521
Impairment allowance of investment properties	1,027	–	1,027	–	–	–	(1,027)	–
Impairment allowance of intangible assets	2,197,183	–	2,197,183	89,713	–	–	–	2,286,896
Impairment allowance of goodwill	38,932	–	38,932	–	–	–	141	39,073
Total	39,564,332	5,818,165	45,382,497	10,829,915	(7,291,690)	(1,843,456)	69,615	47,146,881

V. Notes to the consolidated financial statements (continued)

25. Short-term borrowings

	31 December 2020	31 December 2019
Unsecured borrowings	24,576,438	26,133,385
Guaranteed borrowings	2,333,204	1,473,261
Pledged borrowings	2,278,532	889,184
Mortgaged borrowings	128,922	2,501
Total	29,317,096	28,498,331

The annual interest rate for the above borrowings varied from 0.30% to 10.00% (31 December 2019: 0.25% to 10.00%).

As at 31 December 2020, the Group had a short-term loan principal of RMB21,455 thousand pledged by the letter of credit (31 December 2019: RMB113,232 thousand).

As at 31 December 2020 and 31 December 2019, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in details in Note V.66.

26. Notes payable

	31 December 2020	31 December 2019
Commercial acceptance bills	523,567	1,198,862
Bank acceptance bills	4,742,025	5,831,552
Total	5,265,592	7,030,414

27. Accounts payable

	31 December 2020	31 December 2019
Payables for projects and for real estate development	255,909,264	260,159,968
Payables for purchase of materials	167,173,727	164,239,660
Payables for services	56,022,419	50,639,870
Rent payable	15,554,843	13,205,291
Others	7,726,712	4,884,841
Total	502,386,965	493,129,630

As at 31 December 2020, accounts payable over 1 year with a carrying amount of RMB135,390,290 thousand (31 December 2019: RMB104,131,676 thousand) are mainly payables for projects, which are unsettled as the projects have not been completed or settled.

28. Advances from customers

	31 December 2020	31 December 2019
Others	607,427	449,953

As at 31 December 2020, advances from customers over 1 year with a carrying amount of RMB10,766 thousand (31 December 2019: RMB4,873 thousand) are mainly for advance rent receipts.

V. Notes to the consolidated financial statements (continued)

29. Contract liabilities

	31 December 2020	31 December 2019
Amount due to customers for contract work	68,341,670	61,909,554
Advances for projects	47,925,275	44,520,387
Advances for sale of properties	188,243,091	171,677,198
Others	4,969,016	3,682,445
Total	309,479,052	281,789,584

At the balance sheet date, the details of advances for sale of properties are as follows:

Project name	31 December 2020	31 December 2019	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Beixinan Shanty Town Repair Housing Placement Project	8,257,204	11,131,176	August 2022	98
Beijing Shougangyuan Project	5,969,360	1,671,290	June 2021	100
Shenzhen Zhonghai Huideli Project	5,776,902	-	June 2022	93
Zhonghai Huanyu Ara Project	4,593,965	-	September 2022	74
Shanghai Hongqi Village Project	4,159,187	1,516,235	December 2022	64
Zhongjian Xingguangcheng Ground KT1	3,532,473	1,408,675	June 2023	100
Shanghai Jianguoli Phase II-Estate	3,290,270	-	November 2021	100
Changsha Wenjinmingyuan Phase II-Estate	3,155,384	138,467	December 2021	100
Tianjin City Square Phase III	3,056,093	819,384	December 2025	36
Chongqing International Community Shilichangjiang	3,054,813	-	September 2021	49
Wuhan Zhongjian Bo Mansion	2,896,925	1,287,340	December 2024	80
Beijing Lichun Lake project	2,868,644	921,155	December 2021	61
Hangzhou Zhonghai Cuiyuan Project	2,762,362	515,917	December 2020	84
Shenyang Hepingzhimen Phase III	2,726,108	410,948	June 2021	96
Changsha Zhongjian Jinghecheng Project	2,713,003	1,402,213	June 2022	87
Xiamen Zhonghai Xinglinluwan Project	2,578,051	-	June 2021	69
Wuxi Zhonghai Huanyutianxia	2,329,346	294,942	December 2020	89
Dalian Zhonghai Yunlu Mansion	2,294,927	379,078	June 2021	84
Suzhou Gangtian Road Project	2,284,234	-	June 2021	100
Shared property house, The 19th block of Houshayu Town, Shunyi District, Beijing	2,267,599	504,880	December 2021	100
Beijing Yinghai Project Phase II&III	2,221,414	76,087	December 2021	61
Shanghai Zhongjian Langyue Project	2,213,995	231,923	March 2021	80
Changzhou Xihuayayuan	2,164,500	1,601,165	December 2022	73
Taiyuan CSCEC International Community No.1	1,877,884	1,397,187	June 2021	95
Zhengzhou Zhonghai Hubinshijia South Area	1,780,283	1,096,970	December 2021	100
Zhonghai No.9 Mansion	1,771,446	1,716,347	June 2021	97
Wuhan Zhongjian Fudixincheng	1,736,522	1,040,356	March 2022	85
Areas B and C of China Construction Jinxiu Tiandi	1,712,641	836,002	June 2021	90
Chongqing Zhongjian Yuhu No.1	1,699,115	-	December 2025	70

V. Notes to the consolidated financial statements (continued)

29. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	31 December 2020	31 December 2019	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Zhongxin Jinxiutiandi Ground C-0203	1,685,236	1,160,314	June 2022	60
Hangzhou Xiangqifang Project	1,648,176	477,695	July 2020	100
Wuhan Zhonghailianhua Lake Project	1,613,937	229,966	September 2021	75
Sudi Ground WG-25#	1,571,953	957,528	September 2021	88
Jinan CSCEC International Community	1,532,945	49,491	October 2022	78
Shanghai Huideli Project	1,499,905	–	April 2021	100
Chengdu Zhonghai Yunlushijia	1,496,224	1,008,208	June 2021	81
Huinan Minle Project, Pudong, Shanghai	1,343,987	4,908,009	June 2021	80
Wuhan CSCEC Jinxiu cultural city phase I	1,325,259	1,239,725	June 2021	99
Dongguan Zhonghai Huating	1,308,108	–	June 2021	100
Guangxi Zhongjian Yonghefu Project	1,294,712	228,573	June 2023	40
Taihu Town Project in Tongzhou District, Beijing	1,238,326	266,265	August 2021	99
Harbin Zhonghaiheyuan	1,231,887	771,747	December 2020	94
Suzhou Yundong Project	1,226,871	–	August 2022	44
Guangzhou Haizhu Daganwei Plot Project	1,224,600	–	June 2022	39
Changchun Zhonghai Longxi B	1,205,463	1,004,612	June 2021	100
Shijiazhuang Zhonghai Yunjin Project	1,172,366	–	June 2022	51
Dalian Park Uptown Project	1,159,874	14,113	December 2021	48
Zhuzhou Zhongjian Yuexitai Project	1,141,084	705,375	December 2021	50
Yunnan Kunming Three Gorges Building and Wu'ai Community	1,407,007	3,117,569	June 2021	95
Chongqing Zhongjian Yuhecheng (Phase I)	1,063,270	840,857	May 2021	74
Jinan Zhangma Xindong Station Land #A4	1,060,221	–	September 2022	76
Wuhan Zhongjian Xingguangcheng Ground KT2	1,057,796	–	June 2023	100
Changsha CSCEC Jiangshan No. 1	1,008,777	1,194,876	June 2021	93
Tianjin Qianjiangyuan Project	1,005,836	438,461	October 2022	14
Jinan Zhonghai Huashanlongcheng Project	856,019	4,049,648	July 2022	100
Jinan Zhongjian Changqinghu	832,666	2,349,189	June 2022	99
Chongqing Zhongjian Yuhecheng Project	799,009	1,419,511	June 2022	88
Chongqing CSCEC Hushan impression	685,070	1,045,572	November 2021	98
Changsha CSCEC Yuehe Town	585,054	1,371,160	June 2021	100
Changde Zhongjian Binjiangfu	446,723	1,086,506	June 2022	100
Dalian Zhongxin Haigangcheng Phase II	393,031	1,439,457	December 2023	100
Shenyang Hepingzhimen Ground 5# (Phase I)	324,609	2,348,071	October 2021	94
Shenyang Banshanhuafu Project	285,685	1,736,704	December 2020	100

V. Notes to the consolidated financial statements (continued)

29. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	31 December 2020	31 December 2019	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Tsingtao Jiaodong International Airport Project Ground B	190,252	1,740,925	December 2022	100
Project TianZuan	184,544	6,642,900	December 2021	90
Zunyi Zhongjian Xingfucheng Phase II-Estate	177,633	2,097,708	June 2020	88
Nanjing Chengnangongguan Project	138,141	1,404,738	April 2020	90
Chengdu Tianfu CSCEC Mansion No.1	127,412	1,416,260	December 2024	85
Beijing Zhonghai Yunzhu	90,070	1,673,595	June 2020	47
Zhuhai Huanyucheng	84,920	1,488,339	June 2020	100
Wuhan Zhongjian Big Mansion	70,102	2,367,664	October 2025	95
Tianjin Lanhewan	69,170	1,560,207	December 2020	98
Wuhan Zhongjian Royal Star City	64,386	1,994,948	December 2020	94
CSCEC Yichang Star Land #C	40,574	1,101,492	June 2021	92
Wuhan Zhongjian Yipinlanjun Project	33,482	1,129,390	December 2020	100
Shenyang Hepingzhimen Ground 1#,Phase 1, Zone 2.2	24,494	1,143,518	October 2021	100
Kunming Lanting Project	18,899	1,414,772	December 2020	90
Beijing Zhonghai Yunxi Project	13,486	1,962,051	January 2021	87
Zhengzhou No. 7 Institute of China Construction	10,141	1,084,058	December 2020	91
Nanjing Zuoan Lanting	2,119	6,395,516	December 2020	100
Xi'an Zhonghai Chang'an Avenue	-	2,195,575	May 2021	94
Dalian Zhonghai Wanjin Mansion	-	1,711,132	December 2020	97
Shanghai Pudong New District Caolu Town District-level Affordable Housing Project Phase I	-	1,092,664	September 2020	100
Others	61,426,930	64,202,807		
Total	188,243,091	171,677,198		

Note: Most of the above projects are phased development projects. The estimated completion time is the last phase of completion, and the pre-sale ratio is the proportion of the contracted area of the housing area that meets the sales conditions at the end of each year.

30. Employee benefits payable

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	7,474,848	75,080,672	(74,593,355)	7,962,165
Defined contribution plans payable (Defined contribution plans)	259,374	4,189,747	(4,230,346)	218,775
Termination benefits payable (Note V. 38)	23,640	11,511	(15,531)	19,620
Total	7,757,862	79,281,930	(78,839,232)	8,200,560

V. Notes to the consolidated financial statements (continued)

30. Employee benefits payable (continued)

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	8,158,253	67,587,891	(68,271,296)	7,474,848
Defined contribution plans payable (Defined contribution plans)	236,244	5,707,068	(5,683,938)	259,374
Termination benefits payable (Note V. 38)	27,167	22,123	(25,650)	23,640
Total	8,421,664	73,317,082	(73,980,884)	7,757,862

Short-term employee benefits payable are as follows:

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	6,192,039	60,825,365	(60,494,352)	6,523,052
Staff welfare	19,766	5,388,159	(5,389,747)	18,178
Social security	122,542	2,556,747	(2,584,591)	94,698
Including: Medical insurance	105,044	2,310,229	(2,335,747)	79,526
Work injury insurance	8,261	125,821	(124,144)	9,938
Maternity insurance	9,237	120,697	(124,700)	5,234
Supplementary commercial insurance	9,336	147,359	(155,682)	1,013
Housing funds	109,601	3,838,600	(3,841,315)	106,886
Union running costs and employee education costs	1,000,494	1,725,485	(1,600,897)	1,125,082
Other short-term benefits	21,070	598,957	(526,771)	93,256
Total	7,474,848	75,080,672	(74,593,355)	7,962,165

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	7,039,856	54,860,189	(55,708,006)	6,192,039
Staff welfare	76,151	4,392,885	(4,449,270)	19,766
Social security	87,866	2,703,451	(2,668,775)	122,542
Including: Medical insurance	73,826	2,321,832	(2,290,614)	105,044
Work injury insurance	6,866	192,765	(191,370)	8,261
Maternity insurance	7,174	188,854	(186,791)	9,237
Supplementary commercial insurance	2,766	112,850	(106,280)	9,336
Housing funds	106,036	3,519,418	(3,515,853)	109,601
Union running costs and employee education costs	829,263	1,707,891	(1,536,660)	1,000,494
Other short-term benefits	16,315	291,207	(286,452)	21,070
Total	8,158,253	67,587,891	(68,271,296)	7,474,848

V. Notes to the consolidated financial statements (continued)

30. Employee benefits payable (continued)

Defined contribution plans payable are as follows:

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	181,653	3,150,687	(3,159,512)	172,828
Contribution to annuity	59,880	934,377	(957,285)	36,972
Unemployment insurance	17,841	104,683	(113,549)	8,975
Total	259,374	4,189,747	(4,230,346)	218,775

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	169,913	4,769,231	(4,757,491)	181,653
Contribution to annuity	47,510	752,711	(740,341)	59,880
Unemployment insurance	18,821	185,126	(186,106)	17,841
Total	236,244	5,707,068	(5,683,938)	259,374

31. Taxes and surcharges payable

	31 December 2020	31 December 2019
Land appreciation tax	31,639,156	27,237,277
Corporate income tax	22,138,259	22,997,448
Value-added tax	8,122,847	6,868,032
Individual income tax	1,022,897	930,983
Urban maintenance and construction tax	411,697	441,029
Educational surcharge	227,765	273,415
Business tax	41,768	234,944
Others	422,484	385,813
Total	64,026,873	59,368,941

32. Other payables

	31 December 2020	31 December 2019
Dividends payable	782,432	1,155,457
Other payables	117,490,810	112,875,184
Total	118,273,242	114,030,641

Dividends payable

	31 December 2020	31 December 2019
Dividends payable to non-controlling interests	462,132	285,457
Preference shares/perpetual bond dividends payable	320,300	870,000
Total	782,432	1,155,457

V. Notes to the consolidated financial statements (continued)

32. Other payables (continued)

Other payables

	31 December 2020	31 December 2019
Guarantees payable	29,220,877	33,180,212
Project financing payables	36,530,879	25,061,553
Deposits payable	6,296,231	7,368,956
Payables for advances and construction incentives	19,590,381	18,411,755
Payments due to restricted stock incentive object	4,206,903	2,503,978
Others	21,645,539	26,348,730
Total	117,490,810	112,875,184

As at 31 December 2020, other payables over 1 year with a carrying amount of RMB35,120,396 thousand (31 December 2019: RMB26,353,176 thousand) are mainly guarantees payable and project financing payables, which were unsettled due to the incompleteness of projects.

33. Current portion of non-current liabilities

	31 December 2020	31 December 2019
Current portion of long-term borrowings (Note V. 35)	46,275,177	41,595,291
Current portion of long-term payables (Note V. 37)	11,314,629	13,936,249
Current portion of bonds payable (Note V. 36)	30,106,372	26,479,014
Exchangeable bonds in 2016 (Note V. 41)	–	6,939,864
Others	450,107	67,076
Total	88,146,285	89,017,494

34. Other current liabilities

	31 December 2020	31 December 2019
VAT output to be transferred	65,945,114	62,290,430
Absorption deposits (Note X. 5)	2,313,213	975,956
Estimated contract losses	1,362,324	957,504
Others	691,004	430,937
Total	70,311,655	64,654,827

V. Notes to the consolidated financial statements (continued)

35. Long-term borrowings

	31 December 2020	31 December 2019
Unsecured borrowings	222,827,945	199,982,715
Guaranteed borrowings	9,401,699	10,502,014
Pledged borrowings	85,201,557	63,477,819
Mortgage borrowings	21,741,014	15,433,171
Subtotal	339,172,215	289,395,719
Less: Long-term borrowings due within 1 year (Note V. 33)		
Including: Unsecured borrowings	(37,015,423)	(37,063,833)
Guaranteed borrowings	(1,936,446)	(1,627,325)
Pledged borrowings	(5,798,189)	(1,687,419)
Mortgage borrowings	(1,525,119)	(1,216,714)
Total	292,897,038	247,800,428

As at 31 December 2020, the annual interest rate of long-term borrowings (including current portion of long-term borrowings) varied from 1.23% to 7.00% (31 December 2019: 1.20% to 9.50%).

As at 31 December 2020, the Group had RMB15,153,181 thousand long-term loan principal pledged by future income rights and the project franchise (31 December 2019: RMB5,426,333 thousand).

At 31 December 2020 and 31 December 2019, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in detail in Note V. 66.

36. Bonds payable

	31 December 2020	31 December 2019
Corporate bonds	33,821,517	34,007,172
Non-public targeted bond financing instruments	82,777,698	89,865,595
Others	2,289,628	2,202,845
Subtotal	118,888,843	126,075,612
Less: Bonds payable due within 1 year (Note V. 33)	(30,106,372)	(26,479,014)
Total	88,782,471	99,596,598

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2020, the amount of bonds payable is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No. 4503 guaranteed note of Hong Kong in 2010	USD1 billion	10-Nov-10	10 years	USD1 billion	6,907,823	-	324,027	6,593	(7,295,346)	57,403	-
Guaranteed note in 2012											
No. 4579 guaranteed note of Hong Kong in 2012	HKD1.5 billion	28-Jun-12	10 years	HKD1.5 billion	1,326,631	-	40,924	1,532	(1,376,578)	7,491	-
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15-Nov-12	10 years	USD700 million	4,807,969	-	71,750	6,117	(88,008)	(221,898)	4,575,930
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15-Nov-12	30 years	USD300 million	2,023,007	-	227,042	431	(213,552)	(93,070)	1,943,858
USD100,000 thousand privately raised bonds of Agricultural Bank of China Hong Kong Branch in 2013	USD100 million	20-Aug-13	7 years	USD100 million	696,114	-	18,122	289	(722,450)	7,925	-
B-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	10 years	USD500 million	3,450,404	-	255,327	3,297	(245,831)	(156,494)	3,304,713
C-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	30 years	USD500 million	3,439,700	-	148,210	574	(162,775)	(157,561)	3,268,148
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	8-May-14	10 years	USD700 million	4,841,034	-	284,456	(1,492)	(286,898)	(222,724)	4,614,376
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11-Jun-14	20 years	USD500 million	3,410,370	-	223,168	1,346	(224,672)	(156,924)	3,255,288
First medium-term note in 2015	RMB3 billion	24-Apr-15	5 years	RMB3 billion	3,094,748	-	44,716	35	(3,139,499)	-	-
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million	24-Apr-15	5 years	RMB100 million	103,718	-	1,757	6	(105,461)	-	-
First medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29-Apr-15	5 years	RMB100 million	107,947	-	-	-	(100,000)	-	7,947
Second medium-term note of China Construction Eighth Engineering Division Co., Ltd. in 2015	RMB1.6 billion	17-Aug-15	5 years	RMB1.6 billion	823,853	-	38,400	-	(843,640)	-	18,613
Second medium-term note in 2015											
Second medium-term note in 2015	RMB2 billion	5-Nov-15	5 years	RMB2 billion	2,010,651	-	63,084	65	(2,073,800)	-	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19-Nov-15	7 years	RMB7 billion	3,420,557	-	73,834	-	(54,700)	-	3,439,691
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19-Nov-15	5 years	RMB1 billion	1,004,536	-	21,072	-	(1,015,341)	-	10,267
CSCCEC FN 2011	USD500 million	19-Nov-15	6 years	USD500 million	3,486,702	-	89,806	(14,157)	(3,532,622)	(9,729)	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2015	RMB4 billion	9-Dec-15	5 years	RMB4 billion	1,022,955	-	50,333	6,077	(1,078,995)	-	-
First medium-term note of China Construction First Building (Group) Corporation Limited. in 2015	RMB600 million	21-Dec-15	5 years	RMB600 million	606,449	-	15,631	-	(622,080)	-	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion	15-Jan-16	5 years	RMB1 billion	402,302	-	21,003	2,395	(8,775)	-	416,925
First medium-term note in 2016	RMB3 billion	11-Apr-16	5 years	RMB3 billion	3,056,939	-	84,625	966	(108,000)	-	3,034,180

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2020, the amount of bonds payable is as follows (continued):

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
CSCEC I IV 2106	USD500 million	14-Jun-16	5 years	USD500 million	3,485,146	-	93,172	(4,971)	(93,172)	(215,768)	3,264,387
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	23-Aug-16	10 years	RMB6 billion	6,066,756	-	312,368	-	(28,923)	-	6,152,201
First medium-term note of China Construction Sixth Engineering Division Co., Ltd. in 2016	RMB500 million	24-Aug-16	5 years	RMB500 million	505,316	-	17,400	500	(17,400)	-	505,816
First medium-term note of West Construction in 2016	RMB700 million	27-Sep-16	5 years	RMB700 million	705,914	-	27,866	-	(27,790)	-	705,990
First medium-term note in 2017	RMB5 billion	18-Apr-17	3 years	RMB5 billion	5,163,109	-	70,178	1,712	(5,234,999)	-	-
CSCEC I IV 2206	USD500 million	6-Jul-17	5 years	USD500 million	3,525,873	-	100,074	(4,463)	(100,074)	(219,411)	3,301,999
CSCEC I IV 2706	USD500 million	6-Jul-17	10 years	USD500 million	3,519,095	-	120,779	(3,322)	(120,779)	(221,193)	3,294,580
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2017	RMB100 million	30-Oct-17	3 years	RMB100 million	202,408	-	12,718	144	(215,270)	-	-
A-level guaranteed note of Hong Kong in 2017	USD550 million	29-Nov-17	5 years	USD550 million	3,797,404	-	192,009	3,513	(132,471)	(175,595)	3,624,870
B-level guaranteed note of Hong Kong in 2017	USD250 million	29-Nov-17	10 years	USD250 million	1,720,943	-	68,894	1,182	(69,135)	(79,516)	1,642,368
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	5-Feb-18	3 years	RMB3 billion	3,151,430	-	143,169	-	(224,840)	-	3,069,759
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17-Apr-18	5 years	RMB1 billion	1,033,847	-	60,911	507	(60,911)	-	1,034,354
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million	24-Apr-18	3 years	RMB700 million	726,247	-	38,850	290	(38,850)	-	726,537
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	5 years	USD750 million	5,201,210	-	146,313	4,968	(161,867)	(239,310)	4,951,294
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	10 years	USD750 million	5,192,784	-	317,218	3,084	(307,741)	(238,598)	4,966,747
First medium-term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	23-Jul-18	5 years	RMB500 million	511,178	-	25,900	-	(25,500)	-	511,178
First medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
Second medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	22-Oct-18	6 years	RMB3.5 billion	3,527,233	-	134,492	-	(96,194)	-	3,565,531
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion	8-Nov-18	3 years	RMB2 billion	2,013,567	-	83,200	839	(80,240)	-	2,017,366

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2020, the amount of bonds payable is as follows (continued):

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
Third medium-term note of China Construction Fourth Engineering Division Co., Ltd. in 2018	RMB2 billion	22-Nov-18	3 years	RMB2 billion	2,008,147	-	85,197	-	(83,800)	-	2,009,544
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23-Jan-19	6 years	RMB2 billion	2,065,027	-	138,830	-	(136,212)	-	2,067,645
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23-Jan-19	7 years	RMB1.5 billion	1,552,705	-	74,374	-	(90,841)	-	1,536,238
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10-Apr-19	5 years	RMB300 million	310,268	-	14,289	-	(14,250)	-	310,307
First medium-term note of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20-Jun-19	3+N years	RMB800 million	821,133	-	45,219	1,110	(45,840)	-	821,622
No. 4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15-Jul-19	5.5 years	HKD2 billion	1,787,773	-	76,134	1,197	(72,981)	(81,767)	1,710,356
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15-Jul-19	10 years	USD450 million	3,151,573	-	85,089	1,152	(105,696)	(143,696)	2,988,422
No. 40076 guaranteed note of Hong Kong in 2019	USD750 million	27-Nov-19	10 years	USD750 million	2,020,796	-	138,530	1,873	(94,420)	(93,438)	1,973,321
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million	20-Dec-19	3.082 years	RMB88 million	88,114	-	3,471	-	-	-	91,585
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million	20-Dec-19	6.088 years	RMB129 million	129,167	-	5,088	-	-	-	134,255
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million	20-Dec-19	9.085 years	RMB149 million	149,193	-	5,877	-	-	-	155,070
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million	20-Dec-19	12.09 years	RMB174 million	174,225	-	6,864	-	-	-	181,089
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million	20-Dec-19	15.088 years	RMB201 million	201,260	-	7,929	-	-	-	209,189
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million	20-Dec-19	18.096 years	RMB234 million	234,303	-	9,230	-	-	-	243,533
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million	20-Dec-19	21.083 years	RMB271 million	271,350	-	10,691	-	-	-	282,041

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2020, the amount of bonds payable is as follows (continued):

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	RMB315 million	20-Dec-19	24.099 years	RMB315 million	315,407	-	12,426	-	-	-	327,833
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million	20-Dec-19	27.096 years	RMB365 million	365,472	-	14,398	-	-	-	379,870
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million	20-Dec-19	29.104 years	RMB274 million	274,354	-	10,809	-	-	-	285,163
No. 40177 guaranteed note of Hong Kong in 2020	USD300 million	2-Mar-20	5 years	USD300 million	-	1,962,996	37,080	2,142	(23,794)	(5,896)	1,972,538
No. 40178 guaranteed note of Hong Kong in 2020	USD500 million	2-Mar-20	10 years	USD500 million	-	3,271,661	21,418	2,412	(3,738)	(20,141)	3,261,612
No. 40179 guaranteed note of Hong Kong in 2020	USD200 million	2-Mar-20	15 years	USD200 million	-	1,308,664	17,019	224	(10,916)	(216)	1,314,775
First term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3,701 billion	28-Apr-20	18 years	RMB3,701 billion	-	3,698,040	24,403	-	(15,902)	-	3,706,541
First public Corporate Bond of China State Construction International Group Co., Ltd. to professional investors in 2020	RMB2 billion	29-Jul-20	3 years	RMB2 billion	-	1,995,666	29,665	592	-	-	2,025,943
First public Corporate Bond of China Overseas Property Group Co., Ltd. for housing leasing to professional investors in 2020	RMB2 billion	14-Aug-20	6 years	RMB2 billion	-	2,000,000	24,711	-	-	-	2,024,711
Second term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3 billion	17-Aug-20	18 years	RMB3 billion	-	3,000,100	16,885	-	(11,003)	-	3,005,982
First medium-term note of China State Construction International Investments Limited. in 2020	RMB500 million	28-Oct-20	3 years	RMB500 million	-	500,000	3,072	-	-	-	503,072
First public Corporate Bond of China Overseas Property Group Co., Ltd. to professional investors in 2020	RMB2.4 billion	9-Nov-20	3 years	RMB2.4 billion	-	2,400,000	11,787	-	-	-	2,411,787
First medium-term note of China Overseas Property Group Co., Ltd. in 2020	RMB1.5 billion	10-Dec-20	3 years	RMB1.5 billion	-	1,500,000	3,150	-	-	-	1,503,150
Subtotal					126,075,612	21,637,147	5,467,841	132,991	(37,742,602)	(2,682,146)	118,868,843
Less: bonds payable due within one year					(26,479,014)						(30,106,372)
Total					99,596,598						88,762,471

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, the amount of bonds payable is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No. 4503 guaranteed note of Hong Kong in 2010	USD1 billion	10-Nov-2010	10 years	USD1 billion	6,821,722	-	375,993	7,160	(375,153)	77,631	6,907,323
Guaranteed note in 2012											
No. 4579 guaranteed note of Hong Kong in 2012	HKD1.5 billion	28-Jun-2012	10 years	HKD1.5 billion	1,309,539	-	78,991	601	(78,993)	16,483	1,326,631
No. 4580 guaranteed note of Hong Kong in 2012	USD700 million	15-Nov-2012	10 years	USD700 million	4,742,382	-	189,001	5,750	(188,633)	59,469	4,807,969
USD100,000 thousand privately raised bonds of Agricultural Bank of China Hong Kong Branch in 2013	USD300 million	15-Nov-2012	30 years	USD300 million	1,987,427	-	108,875	401	(108,661)	24,965	2,023,007
USD100 million	USD100 million	20-Aug-2013	7 years	USD100 million	687,016	-	28,125	444	(27,999)	8,528	686,114
B-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-2013	10 years	USD500 million	3,404,373	-	183,723	3,059	(183,236)	42,485	3,450,404
C-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-2013	30 years	USD500 million	3,396,328	-	217,904	529	(217,327)	42,266	3,459,700
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	08-May-2014	10 years	USD700 million	4,785,781	-	287,202	(1,396)	(290,324)	59,771	4,841,084
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11-Jun-2014	20 years	USD500 million	3,389,464	-	220,706	1,236	(223,123)	42,087	3,410,370
First targeted medium-term note in 2014	RMB3 billion	22-Apr-2014	5 years	RMB3 billion	3,118,671	-	52,003	326	(3,171,000)	-	-
First medium-term note of China Construction First Building (Group) Corporation Limited in 2014	RMB400 million	21-Apr-2014	5 years	RMB400 million	401,631	-	25,869	-	(427,500)	-	-
Second medium-term note of China Construction First Building (Group) Corporation Limited in 2014	RMB400 million	16-Sep-2014	5 years	RMB400 million	421,343	-	4,257	-	(425,600)	-	-
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2014	RMB600 million	23-May-2014	5 years	RMB600 million	621,608	-	13,983	109	(635,700)	-	-
First medium-term note of China Construction Fourth Engineering Division Co., Ltd. in 2014	RMB300 million	27-Feb-2014	5 years	RMB300 million	312,688	-	4,472	-	(317,160)	-	-
Second medium-term note of China Construction Fourth Engineering Division Co., Ltd. in 2014	RMB900 million	16-May-2014	5 years	RMB900 million	935,008	-	14,632	1,660	(951,300)	-	-
First medium-term note of China Construction Fifth Engineering Division Co., Ltd. in 2014	RMB1 billion	20-Aug-2014	5 years	RMB1 billion	208,377	-	3,983	-	(212,360)	-	-
No. 5745 guaranteed note of Hong Kong in 2014	USD800 million	8-May-2014	5 years	USD800 million	5,439,896	-	77,018	1,295	(5,546,223)	30,214	-
Second medium-term note of China Construction Fifth Engineering Division Co., Ltd. in 2014	RMB200 million	5-May-2014	5 years	RMB200 million	1,023,066	-	33,914	-	(1,057,000)	-	-
First medium-term note of China Construction Seventh Engineering Division Co., Ltd. in 2014	RMB900 million	8-Dec-2014	5 years	RMB900 million	902,881	-	49,027	112	(952,020)	-	-
No. 5544 guaranteed note of Hong Kong in 2015	EUR600 million	15-Jul-2015	4 years	EUR600 million	4,730,787	-	41,646	6,146	(4,703,250)	(75,329)	-
Private guaranteed note in 2015	EUR400 million	6-Nov-2015	4 years	EUR400 million	3,133,469	-	42,353	6,284	(3,132,079)	(50,057)	-
First medium-term note in 2015	RMB3 billion	24-Apr-2015	5 years	RMB3 billion	3,094,634	-	139,500	114	(139,500)	-	3,094,748

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million	24-Apr-2015	5 years	RMB100 million	103,696	-	5,480	22	(5,480)	-	103,718
First medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29-Apr-2015	5 years	RMB100 million	107,947	-	-	-	-	-	107,947
Second medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB1.6 billion	17-Aug-2015	5 years	RMB1.6 billion	823,853	-	-	-	-	-	823,853
Second medium-term note in 2015	RMB2 billion	05-Nov-2015	5 years	RMB2 billion	2,010,576	-	73,800	75	(73,800)	-	2,010,651
CSCCEC FN 12011	USD500 million	19-Nov-2015	5 years	USD500 million	3,416,465	-	101,734	13,798	(101,734)	56,409	3,466,702
First medium-term note of China Construction First Building (Group) Corporation Limited. in 2015	RMB600 million	21-Dec-2015	5 years	RMB600 million	608,218	-	20,311	-	(22,080)	-	606,449
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19-Nov-2015	6 years	RMB7 billion	3,467,271	-	140,882	-	(207,596)	-	3,420,557
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19-Nov-2015	7 years	RMB1 billion	1,013,516	-	37,941	-	(46,921)	-	1,004,536
First private Corporate Bond of CITIC Real Estate Co. Ltd. in 2015	RMB4 billion	09-Dec-2015	5 years	RMB4 billion	1,075,222	-	13,003	10,022	(75,662)	-	1,022,585
First private Corporate Bond of CITIC Real Estate Co. Ltd. in 2016	RMB1 billion	15-Jan-2016	5 years	RMB1 billion	1,018,233	-	4,697	(1,548)	(619,080)	-	402,302
First medium-term note in 2016	RMB3 billion	11-Apr-2016	5 years	RMB3 billion	3,055,649	-	108,000	940	(108,000)	-	3,056,589
CSCCEC II N2106	USD500 million	14-Jun-2016	5 years	USD500 million	3,423,854	-	93,113	4,864	(93,113)	56,428	3,485,146
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	23-Aug-2016	10 years	RMB6 billion	6,065,300	-	183,301	-	(181,845)	-	6,066,756
First medium-term note of China Construction Sixth Engineering Division Co., Ltd. in 2016	RMB500 million	24-Aug-2016	5 years	RMB500 million	498,667	-	23,550	499	(17,400)	-	505,316
First medium-term note of West Construction in 2016	RMB700 million	27-Sep-2016	5 years	RMB700 million	706,553	-	27,151	-	(27,790)	-	705,914
First medium-term note of China Construction Installation Engineering Co., Ltd. in 2016	RMB500 million	18-Jan-2016	3 years	RMB500 million	516,300	-	-	-	(516,900)	-	-
CSCCEC II N1906	RMB3.49 billion	24-Jun-2016	3 years	RMB3.49 billion	3,431,397	-	35,133	3,869	(3,487,412)	17,013	-
Second medium-term note in 2016	RMB2 billion	22-Jun-2016	3 years	RMB2 billion	2,033,519	-	30,986	655	(2,065,000)	-	-
First medium-term note in 2017	RMB5 billion	18-Apr-2017	3 years	RMB5 billion	5,161,761	-	235,000	1,348	(235,000)	-	5,163,109
CSCCEC II N2206	USD500 million	06-Jul-2017	5 years	USD500 million	3,464,422	-	100,010	4,361	(100,010)	57,090	3,525,873
CSCCEC II N2706	USD500 million	06-Jul-2017	10 years	USD500 million	3,458,877	-	120,702	3,233	(121,702)	56,985	3,519,095

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2017	RMB300 million	30-Oct-2017	3 years	RMB300 million	202,273	-	15,270	135	(15,270)	-	202,408
A-level guaranteed note of Hong Kong in 2017	USD550 million	29-Nov-2017	5 years	USD550 million	3,746,936	-	128,959	3,319	(128,881)	47,071	3,797,404
B-level guaranteed note of Hong Kong in 2017	USD250 million	29-Nov-2017	10 years	USD250 million	1,688,470	-	67,302	1,111	(67,261)	21,321	1,720,943
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	05-Feb-2018	3 years	RMB3 billion	3,068,980	-	165,563	-	(73,113)	-	3,151,430
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17-Apr-2018	5 years	RMB1 billion	1,033,365	-	50,300	482	(50,300)	-	1,033,847
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million	24-Apr-2018	3 years	RMB700 million	725,933	-	38,850	314	(38,850)	-	726,247
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-2018	5 years	USD750 million	5,131,794	-	217,909	4,659	(217,304)	64,152	5,201,210
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-2018	10 years	USD750 million	5,125,249	-	243,546	2,877	(242,869)	63,981	5,192,784
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	23-Jul-2018	5 years	RMB500 million	511,333	-	25,345	-	(25,500)	-	511,178
Second medium-term note in 2018	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,017,635	-	235,000	13,703	(235,000)	-	5,031,338
Third medium-term note in 2018	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,017,635	-	235,000	13,703	(235,000)	-	5,031,338
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	22-Oct-2018	6 years	RMB3.5 billion	3,549,150	-	137,969	-	(139,886)	-	3,527,233
First medium-term note of China Construction Seventh Engineering Division Co., Ltd. in 2018	RMB2 billion	08-Nov-2018	3 years	RMB2 billion	2,009,018	-	86,957	812	(83,200)	-	2,013,587
Third medium-term note of China Construction Fourth Engineering Division Co., Ltd. in 2018	RMB2 billion	22-Nov-2018	3 years	RMB2 billion	2,008,150	-	83,800	(3)	(83,800)	-	2,008,147
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23-Jan-2019	6 years	RMB2 billion	-	2,000,000	65,027	-	-	-	2,065,027
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23-Jan-2019	7 years	RMB1.5 billion	-	1,500,000	52,705	-	-	-	1,552,705
First term of asset-backed notes priority tranche of Shanghai CSCEC Dongtu	RMB1.52 billion	12-Apr-2019	3 years	RMB1.52 billion	-	1,520,000	38,983	-	(1,538,983)	-	-
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10-Apr-2019	5 years	RMB300 million	-	300,000	10,268	-	-	-	310,268
First medium-term note of CSCEC Nianjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20-Jun-2019	3-4 years	RMB800 million	-	800,000	23,353	(2,220)	-	-	821,133
No. 4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15-Jul-2019	5.5 years	HKD2 billion	-	1,742,000	23,766	(6,275)	-	28,282	1,767,773
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15-Jul-2019	10 years	USD450 million	-	3,064,265	50,310	(12,857)	-	49,855	3,151,573
No. 40076 guaranteed note of Hong Kong in 2019	USD294 million	27-Nov-2019	10 years	USD294 million	-	2,004,301	5,475	(20,951)	-	31,971	2,020,796

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million	20-Dec-2019	3.082 years	RMB88 million	-	88,000	114	-	-	-	88,114
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million	20-Dec-2019	6.088 years	RMB129 million	-	129,000	167	-	-	-	129,167
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million	20-Dec-2019	9.085 years	RMB149 million	-	149,000	193	-	-	-	149,193
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million	20-Dec-2019	12.09 years	RMB174 million	-	174,000	225	-	-	-	174,225
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million	20-Dec-2019	15.089 years	RMB201 million	-	201,000	260	-	-	-	201,260
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million	20-Dec-2019	18.096 years	RMB234 million	-	234,000	303	-	-	-	234,303
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million	20-Dec-2019	21.099 years	RMB271 million	-	271,000	350	-	-	-	271,350
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	RMB315 million	20-Dec-2019	24.099 years	RMB315 million	-	315,000	407	-	-	-	315,407
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million	20-Dec-2019	27.096 years	RMB365 million	-	365,000	472	-	-	-	365,472
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million	20-Dec-2019	29.104 years	RMB274 million	-	274,000	354	-	-	-	274,354
Subtotal					139,175,628	15,130,566	5,552,443	74,777	(34,686,873)	829,071	126,075,612
Less: bonds payable due within one year					(29,730,111)						(26,479,014)
Total					109,445,517						99,596,598

Note: Others are mainly caused by change of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

37. Long-term payables

	31 December 2020	31 December 2019
Project quality warranty payable	22,710,864	26,917,481
Payables for finance leases	1,114,428	390,313
Payables for minority interest financing	1,542,377	2,293,675
Payables for leasing companies	570,125	1,189,334
Others	2,877,095	3,042,676
Subtotal	28,814,889	33,833,479
Less: current portion of long-term payables (Note V. 33)	(11,314,629)	(13,936,249)
Total	17,500,260	19,897,230

38. Long-term employee benefits payable

	31 December 2020	31 December 2019
Net defined benefit liability (a)	1,955,040	1,984,467
Long-term termination benefits (b)	64,000	103,662
Subtotal	2,019,040	2,088,129
Less: Termination benefits expected to be paid within one year (Note V. 30)	(19,620)	(23,640)
Total	1,999,420	2,064,489

(a) Net defined benefit liability

The Company pays supplementary retirement benefits for its employees who retired on or before 31 March 2007 in addition to the contribution made to statutory insurance schemes. Such supplementary retirement benefits are defined benefit plans. The present value of the defined benefit plan obligation is calculated annually by the external independent actuary Towers Watson Consulting Company based on the interest rate of the national debt similar to the obligation period and currency, using the expected cumulative benefit unit method.

The principal actuarial assumptions used as at the balance sheet date are as follows:

	31 December 2020	31 December 2019
Discount rate	3.25%	3.25%
Annual growth rate of living expenses for the family dependents of deceased employees	4.50%	4.50%
Annual growth rate of average medical expenses	8.00%	8.00%
Annual growth rate of supplementary welfare for retired employees	0.00%	0.00%
Mortality rate	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)

The quantitative sensitivity analysis for significant assumptions used is as follows:

31 December 2020

	Increase %	defined benefit obligations Increase	Decrease %	defined benefit obligations Increase
Discount rate	0.25	(37,510)	0.25	38,950

V. Notes to the consolidated financial statements (continued)

38. Long-term employee benefits payable (continued)

(a) Net defined benefit liability (continued)

The quantitative sensitivity analysis for significant assumptions used is as follows: (continued)

31 December 2019

	Increase %	defined benefit obligations Increase	Decrease %	defined benefit obligations Increase
Discount rate	0.25	(38,050)	0.25	39,540

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the balance sheet date. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised in profit or loss in respect of the plan are as follows:

	2020	2019
Past service cost	100,530	73,297
Net interest	57,660	61,140
Net cost of post-employment benefits	158,190	134,437
Recognised in administrative expenses	100,530	73,297
Recognised in finance expenses	57,660	61,140
Total	158,190	134,437

Movements in the present value of defined benefit obligations are as follows:

	2020	2019
Opening balance	1,984,467	2,035,172
Included in profit or loss		
Past service cost	100,530	73,297
Net interest	57,660	61,140
Included in other comprehensive income		
Actuarial losses	44,020	27,690
Other changes		
Benefits paid	(231,637)	(212,832)
Closing balance	1,955,040	1,984,467

(b) Long-term termination benefits

Some of the Group's employees early retired. At the balance sheet date, the main actuarial assumptions used to determine the Group's early retirement benefits payable are as follows:

	31 December 2020	31 December 2019
Discount rate	2.75%	2.75%
Annual growth rate of living expenses for the family dependents of deceased employees	4.50%	4.50%
Annual growth rate of average medical expenses	8.00%	8.00%
Mortality rate	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)

V. Notes to the consolidated financial statements (continued)

38. Long-term employee benefits payable (continued)

(b) Long-term termination benefits (continued)

Early retirement benefits recognised in profit or loss are as follows:

	2020	2019
General and administrative expenses	(220)	12,407
Finance expenses	1,830	2,110
	1,610	14,517

39. Provisions

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Pending litigations	2,684,015	490,440	(69,179)	3,105,276
Warranties	663,707	1,067,776	(546,633)	1,184,850
Others	810,306	465,092	(940,808)	334,590
Subtotal	4,158,028	2,023,308	(1,556,620)	4,624,716
Less: current portion of provisions	(49,294)			(775,056)
Total	4,108,734			3,849,660

40. Deferred income

	31 December 2020	31 December 2019
Government grant	463,753	440,499
Others	18,737	4,296
Total	482,490	444,795

As at 31 December 2020, government grants related to liabilities were as follows:

	Opening balance of the year	Increase during the year	Amount recognised in other income during the year	Amount recognised in non-operating income during the year	Other changes during the year	Closing balance of the year	Related to assets/ Related to income
Government Compensation for Workshop construction of Guangdong Construction Base Co., Ltd.	118,314	28,860	(5,171)	–	–	142,003	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	82,432	–	–	(5,024)	–	77,408	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	75,001	–	(2,370)	–	–	72,631	Related to assets
Compensation for Tianjin Steel Structure Land	33,224	–	–	(758)	–	32,466	Related to assets
Others	131,528	90,692	(43,510)	(9,996)	(29,469)	139,245	Related to assets and income
Total	440,499	119,552	(51,051)	(15,778)	(29,469)	463,753	

V. Notes to the consolidated financial statements (continued)

40. Deferred income (continued)

As at 31 December 2019, government grants related to liabilities were as follows:

	Opening balance of the year	Increase during the year	Amount recognised in other income during the year	Amount recognised in non-operating income during the year	Other changes during the year	Closing balance of the year	Related to assets/ Related to income
Government Compensation for Workshop Construction of Guangdong Construction Base Co., Ltd	33,660	84,654	-	-	-	118,314	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	87,480	-	-	(5,048)	-	82,432	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	77,371	-	-	(2,370)	-	75,001	Related to assets
Compensation for Tianjin Steel Structure Land	33,982	-	-	(758)	-	33,224	Related to assets
Others	154,852	78,715	(49,791)	(17,859)	(34,389)	131,528	Related to assets and income
Total	387,345	163,369	(49,791)	(26,035)	(34,389)	440,499	

41. Other non-current liabilities

	31 December 2020	31 December 2019
Exchangeable bonds in 2016 (Note 1)	4,421,322	4,695,968
Prepaid investment of convertible bonds in 2015 (Note 2)	1,520,302	1,625,455
VAT output to be transferred	920,352	1,415,728
Contract liabilities over one year	634,526	583,797
Total	7,496,502	8,320,948

Note 1: The Group's subsidiary China Overseas Finance Investment (Cayman) V Limited (here in after "the issuer") publicly issued exchangeable bonds of USD1.5 billion on Hong Kong Stock Exchange on 6 January 2016. The bonds are guaranteed by China Overseas Holdings Limited, and the maturity date is 5 January 2023. Related clauses are as follows:

- (1) The bondholder is entitled to apply for redemption of bonds at 111.54% of par value on 5 January 2020;
- (2) In cases of the change of guarantor, or delisting or restricted trading of China Overseas Land & Investment Ltd. on Hong Kong Stock Exchange, bond holders have the right to require the issuer to redeem the bonds readily;
- (3) Bond holders have the right to apply for redemption on maturity date at 121.07% of par value;
- (4) During the exchange period from 15 February 2016 to 8 work days before maturity date, bond holders have the right to exchange the bonds for ordinary shares of China Overseas Land & Investment Ltd., the par value of which is HKD0.10, at the price of HKD41.50 per share;
- (5) At any time from 5 January 2020 to 7 work days before maturity date, if the stock price of China Overseas Land & Investment Ltd. during 15 trading days is continuously higher than 130% of early redemption price set in the agreement divided by exchange rate, the issuer has the right to carry out exchange in the full (not partial) amount, and should release notice in no more than 3 days after the matter occurs.

Exchangeable bonds in 2016 were recognised as financial liabilities at fair value through profit or loss in the first place and disclosed in other non-current liabilities. Since the issuer and bondholders reached an agreement in December 2019 to partially redeem in 2020, the redemption amount is equivalent to RMB6,939,864 thousand which disclosed in other non-current liabilities (Note V. 33), of which non-current portion due with one year was fully redeemed on 5 January, 2020.

Note 2: Related information regarding prepaid investment of convertible bonds in 2015:

Strategic Capital, LLC, a subsidiary of the Group, received a prepaid investment of USD300 million from Riton Holdings Corporation Limited, a wholly-owned subsidiary of Guoxin International Investment Co., Ltd. As at 31 December 2020, under the convertible bond framework agreement entered into by both parties, and the relevant conversion clauses under the framework agreement have not yet been determined, and Strategic Capital, LLC has redeemed a total of US\$67 million.

V. Notes to the consolidated financial statements (continued)

42. Paid-in capital

2020

	Opening balance of the year	Movement during the year	Closing balance of the year
		Others	
Shares not subjected to trading restriction	41,141,075	112,528	41,253,603
Shares subjected to trading restriction	834,555	(123,086)	711,469
Total	41,975,630	(10,558)	41,965,072

2019

	Opening balance of the year	Movement during the year	Closing balance of the year
		Others	
Shares not subjected to trading restriction	41,624,385	(483,310)	41,141,075
Shares subjected to trading restriction	360,789	473,766	834,555
Total	41,985,174	(9,544)	41,975,630

43. Other equity instruments

2020

	Opening balance of the year		Increase during the year		Decrease during the year		Closing balance of the year	
	amount	net book value	amount	net book value	amount	net book value	amount	net book value
Preference Share (a)	150,000,000	14,975,410	-	-	150,000,000	14,975,410	-	-
Perpetual Bond (b)	-	6,000,000	-	10,000,000	-	6,000,000	-	10,000,000
Total		20,975,410		10,000,000		20,975,410		10,000,000

2019

	Opening balance of the year		Increase during the year		Decrease during the year		Closing balance of the year	
	amount	net book value	amount	net book value	amount	net book value	amount	net book value
Preference Share (a)	150,000,000	14,975,410	-	-	-	-	150,000,000	14,975,410
Perpetual Bond (b)	-	7,996,770	-	-	-	1,996,770	-	6,000,000
Total		22,972,180		-		1,996,770		20,975,410

(a) Preference Share

The Company obtained approval on its non-public issue preference shares (Guozi Chanquan ([2014] No. 436) from the SASAC and permission about its non-public issue preference shares (Zhengjian Approval [2014] No. 1419) from China Securities Regulatory Commission on 10 June 2014 and 25 December 2014, respectively, which approved the Company to non-publicly issue preference shares to qualified investors, with total shares no more than 300,000,000 and initial issued shares no less than 150,000,000, at the issue price of RMB100 per share. During the period of 5 years commencing from the first value date of each tranche, the Company is entitled to redeem and cancel all or part of the preference shares of such tranche at the dividend payment date of such shares each year. The holders have no redemption right to sell them back to the Company. Unless the mandatory interest payment events whose occurrence can be decided by the Company itself incurred, the Company's meeting of shareholders is empowered to decide to cancel all or part of dividends of preference shares, which will not constitute a default by the Company, and the dividends of preference shares issued at the time will not be accumulated. The Company received an actual amount of RMB14,975,410 thousand after deducting related transaction expenses from the total amount collected by initial issuance of 150,000,000 preference shares on 2 March 2015, and classified such amount as other equity instruments.

V. Notes to the consolidated financial statements (continued)

43. Other equity instruments (continued)

(a) Preference Share (continued)

The dividends of preference shares the Company decided to pay will be paid annually. Dividend payment date is the day of 1 year commencing from the payment deadline for the issuance of preference shares, while the dividend payment date for the initially issued preference shares is 2 March. If such date is a legal holiday or non-working day, it will be postponed to the next working day, and dividends payable will not bear interest during the postponement. Preference shares issued at the time are at fixed dividend rate attached with one-time rate raise arrangement. Nominal dividend rate of the initially issued preference shares is determined to be and kept at 5.80% for the 1st to 5th dividend accrual years through enquiry method. From the 6th dividend accrual year, if the Company does not exercise all of the rights of redemption, dividend rate per share will be 2 percentage points higher than that of the 1st to 5th dividend accrual years, and will remain the same after the adjustment in the 6th dividend accrual year.

The aforementioned mandatory interest payment events comprise of one of the two circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders (including cash, shares, the combination of cash and shares and other legitimate patterns); (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by equity incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

Pursuant to the resolution on the redemption of 150,000,000 unlisted preference shares of China Construction Co., Ltd., which were approved at the first extraordinary general meeting of the Company in 2020 dated 19 February 2020, the Company redeemed all preference shares held by all the preference shareholders of the Company on 2 March 2020. After this redemption, the number of preference shares of the Company is zero.

As at 31 December 2020, the Company had no outstanding preference shares (31 December 2019: RMB14,975,410 thousand).

(b) Perpetual Bond

(1) On 4 September 2014, the Company issued second medium-term note, of which the value date was 5 September 2014, and it can be redeemed by the Company in 2019 and thereafter. The total issuance amount was RMB2,000,000 thousand, and the actual amount received was RMB1,996,770 thousand after deduction of related transaction expenses such as underwriting fees. According to the clauses of the medium-term note (the "Clauses"), the term of the medium-term note will be indefinite unless the Company redeemed the note under the Clauses. At the

fifth and each interest payment date thereafter, the Company will be entitled to redeem the medium-term note at par value plus interest payable (including all deferred interest and accrued interest) (the "Right of redemption"). The holders of the medium-term note have no redemption right to sell it back to the Company. At each interest payment date, the Company can at its own discretion choose to postpone payment of the interest for current-period as well as interest deferred in accordance with the Clauses to the next interest payment date unless the mandatory interest payment events whose occurrence can be decided by the Company itself incurred. The Company classified the actual amount received as other equity instruments.

The nominal interest rate of the medium-term notes will be fixed in the first 5 years with annual interest rate of 6.2%. The annual interest rate will be reset to the current benchmark interest rate plus initial interest-rate spread (i.e. the variance between nominal interest rate and benchmark interest rate at the issue date) and 200 basis points every 5 years from the sixth interest-bearing year, if the Company did not exercise the Right of redemption.

The aforementioned mandatory interest payment events comprise one of circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders; (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

On 5 September 2019, the fifth interest payment date of the perpetual bond, in accordance with the terms of the issuance terms, the Company exercised the Right of redemption at the face value plus interest payable and fully redeemed the bonds held by the holders.

(2) On 6 March 2018, the Company entered into a perpetual bond contract with China Credit Trust Co., Ltd., of which the value date was 7 March 2018 and the bond can be redeemed by the Company on 6 September 2018 and thereafter. The amount of the bond was RMB6 billion and the actual amount received was RMB6 billion. According to the clauses of the contract, unless an event triggered by an accelerated repayment mechanism that can be decided by the Company or by the redemption rights occurs, the perpetual debt will survive for a long period of time, or unless a compulsory interest payment event occurs that can be decided by the Company. The Company may defer the current interest and all interest that has been deferred on each interest payment day at its own discretion. Payment is made on the next interest payment day and is not subject to any number of deferred interest payments. The Company credits the perpetual debt to other equity instruments.

V. Notes to the consolidated financial statements (continued)

43. Other equity instruments (continued)

(b) Perpetual Bond (continued)

(2) (continued)

The nominal interest rate of the medium-term notes will be fixed in the first 2 years with annual interest rate of 6.5%. The annual interest rate will be reset to the current benchmark interest rate plus initial interest-rate spread (i.e. the variance between nominal interest rate and benchmark interest rate at the issue date) and 200 basis points every 2 years from the third interest-bearing year, if the Company did not exercise the Right of redemption. The final rested interest rate will not exceed 10%.

The accelerated repayment mechanism mentioned previously include: (a) One of the following situations occurs before the deferred payment of investment income and its fruits is completed (1) Distribution of dividends to ordinary shareholders. (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares). (b) Events of breach of contract for perpetual bond.

The aforementioned mandatory interest payment events comprise one of circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders; (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

On 6 March, 2020, which is the expiry date of the investment period after the second interest payment date of the perpetual bond, the Company exercised the Right of redemption at the face value and the interest payable in accordance with the terms of the issuance, and fully redeemed bonds held by the holders.

- (3) During the period from 1 April 2020 to 2 April 2020, the Company issued the 2020 first-phase medium-term notes of which the value date was 3 April 2020, and it can be redeemed by the Company on 3 April 2023 and there after. The total issuance amount was RMB4,000,000 thousand, and the actual amount received was RMB4,000,000 thousand. The value date of issuance from April 9 to April 10, 2020 is April 13, 2020, and it can be issued on April 13, 2023. The second-phase medium-term notes can be redeemed on April 3, 2023 and beyond and thereafter has a total issuance of RMB3 billion, and the actual receipt of RMB3 billion.

The value date of the company's issuance from April 16 to April 17, 2020 is April 20, 2020, the 2020 third-phase medium-term notes, which can be redeemed on and after April 20, 2023, have a total issuance of RMB3 billion, and actually received RMB3 billion. According to the issuance terms of the batch of medium-term notes, the batch of medium-term notes will last for a long time before being redeemed by the Company. On the third and every subsequent interest payment date of the batch of medium-term notes, the company has the right to redeem the batch of medium-term notes (hereinafter referred to as Right of "redemption") at face value plus interest payable (including all deferred interest and its yield). Investors of this batch of medium-term notes have no right to sell back. Unless there is a compulsory interest payment event that can be determined by the company to control whether it occurs, on each interest payment date of the batch of medium-term notes, the company can choose to include the current interest and all interest and its fruits that have been deferred in accordance with the terms. Interest is deferred to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments. The company accounts for the amount actually received after deducting the relevant transaction costs from the total issuance as other equity instruments.

The coupon rate of this batch of medium-term notes remained unchanged for the first three interest-bearing years. The annual interest rate of the first phase of medium-term notes in 2020 is 3.29%, and the annual interest rate of the second phase of medium-term notes in 2020 is 3.10%. The annual interest rate of the third-phase medium-term notes is 3.09%. If the Company does not exercise the Right of redemption, the annual interest rate will be reset every 3 years based on the current benchmark interest rate plus the initial spread plus 300 basis points from the fourth interest calculation year. Among them, the initial spread is the difference between the coupon rate and the initial benchmark interest rate.

The aforementioned compulsory interest payment event refers to one of the following circumstance occurring within 12 months before the interest payment date: (1) Dividend distribution to ordinary shareholders (except for the profit paid by a wholly state-owned enterprise); (2) Reduction of registered capital. The issuer promises that there is no hidden compulsory dividend.

As of 31 December 2020, the carrying amount of the perpetual bonds issued by the Company was RMB10,000,000 thousand (31 December 2019: RMB6,000,000 thousand).

V. Notes to the consolidated financial statements (continued)

44. Capital reserve

2020

	Opening balance of the year	Increase during the year (Note)	Decrease during the year	Closing balance of the year
Capital premium	10,377,619	582,530	(2,262,251)	8,697,898
Others	1,649,991	511,805	(593,943)	1,567,853
Total	12,027,610	1,094,335	(2,856,194)	10,265,751

2019

	Opening balance of the year	Increase during the year (Note)	Decrease during the year	Closing balance of the year
Capital premium	10,184,032	237,955	(44,368)	10,377,619
Others	1,078,257	749,512	(177,778)	1,649,991
Total	11,262,289	987,467	(222,146)	12,027,610

Note: Increase in share premium is mainly due to the second batch of second-phase restricted stocks unlocked on 29 December, 2019, the third batch of second-phase restricted stocks unlocked on 29 December, 2020, the first batch of third-phase restricted stocks unlocked on 26 December, 2020 (as described in Note XI), and the impact on changes in the shareholding ratio of subsidiaries. The changes in other capital reserve were mainly due to the share option expenses recognized, and changes in the equity of the investee accounted for under the equity method other than the changes recorded in comprehensive income and profit distribution.

45. Other comprehensive income

Accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated balance sheet:

2020

	1 January 2020	Increase/decrease	31 December 2020
Remeasurement gains or losses of a defined benefit plan	(199,879)	(44,024)	(243,903)
Change in the fair value of other equity investments	214,612	(1,043,539)	(828,927)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(987,607)	95,073	(892,534)
Change in the fair value of other debt investments	6,579	(22,825)	(16,246)
Exchange differences on translation of foreign currency financial statements	(810,450)	1,612,659	802,209
Total	(1,776,745)	597,344	(1,179,401)

2019

	1 January 2019	Increase/decrease	31 December 2019
Remeasurement gains or losses of a defined benefit plan	(172,189)	(27,690)	(199,879)
Change in the fair value of other equity investments	(846,842)	1,061,454	214,612
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(798,405)	(189,202)	(987,607)
Change in the fair value of other debt investments	(4,904)	11,483	6,579
Exchange differences on translation of foreign currency financial statements	(535,185)	(275,265)	(810,450)
Total	(2,357,525)	580,780	(1,776,745)

V. Notes to the consolidated financial statements (continued)

45. Other comprehensive income (continued)

Amount of other comprehensive income:

2020

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Remeasurement gains or losses of a defined benefit plan	(44,020)	–	–	(44,024)	4
Change in the fair value of other equity investments	(1,047,553)	310,690	(314,779)	(1,043,539)	75
Other comprehensive income that may be reclassified to profit or loss					
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss	322,308	–	–	95,073	227,235
Change in the fair value of other debt investments	(34,829)	–	–	(22,825)	(12,004)
Exchange differences on translation of foreign currency financial statements	1,427,345	–	–	1,612,659	(185,314)
Total	623,251	310,690	(314,779)	597,344	29,996

2019

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Remeasurement gains or losses of a defined benefit plan	(27,690)	–	–	(27,690)	–
Change in the fair value of other equity investments	1,401,844	2,245	338,042	1,061,454	103
Exchange differences on translation of foreign currency financial statements	129,779	–	–	–	129,779
Other comprehensive income that may be reclassified to profit or loss					
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss	(304,360)	–	–	(189,202)	(115,158)
Change in the fair value of other debt investments	13,810	(8,298)	–	11,483	10,625
Exchange differences on translation of foreign currency financial statements	(275,265)	–	–	(275,265)	–
Total	938,118	(6,053)	338,042	580,780	25,349

46. Special reserve

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	88,474	26,513,826	(26,466,531)	135,769

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	77,329	23,237,877	(23,226,732)	88,474

V. Notes to the consolidated financial statements (continued)

47. Surplus reserve

2020

	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	7,716,149	2,385,483	10,101,632

2019

	Balance at the end of prior year	Changes in accounting policies (Note 1)	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	6,003,665	72,060	6,075,725	1,640,424	7,716,149

Note 1: As at 1 January 2019, due to the first implementation of the New Financial Instruments Standard, the adjustment of the surplus reserve was RMB72,060 thousand.

According to the provisions of the Company Law and the Company's Articles of Association, the Company appropriates 10% of the net profit to the statutory surplus reserve. Where the accumulated amount of the surplus reserve reaches 50% or more of the Company's registered capital, further appropriation is not required.

When approved, the statutory surplus reserve can be used to make up for accumulated losses or converted to the paid-in capital.

48. Retained earnings

	2020	2019
Retained earnings at the beginning of the year before adjustment	197,541,411	165,628,207
Adjustments (Note 1)	—	516,681
Retained earnings at the beginning of the year after adjustment	197,541,411	166,144,888
Net profit attributable to owners of the parent	44,944,250	41,881,399
Other comprehensive income included in the previous year	310,690	2,245
Others	(58,965)	3,492
Less: Appropriation for statutory surplus reserve (Note V. 47)	2,385,483	1,640,424
Appropriation to general reserve (Note 2)	232,563	494,541
Ordinary share dividends payable (Note 3)	7,763,538	7,052,853
Dividends payable to other equity holders (Note 4)	402,574	1,302,795
Retained earnings at the end of year	231,953,228	197,541,411

Note 1: As at 1 January 2019, due to the first implementation of the New Financial Instruments Standard, the undistributed profit at the beginning of 2019 was increased by RMB516,681 thousand.

Note 2: Appropriation to general reserve

China State Construction Finance Co., Ltd., a subsidiary of the company:

In accordance with the requirements of the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20), financial institutions (including financial companies) should provide general risk reserve for assets bearing risks and losses at the balance sheet date. The general reserve shall be appropriated from net profit as profit distribution with an appropriation ratio not lower than 1.5% of risk assets at the end of year. If it's difficult for financial institutions to appropriate 1.5% general reserve at one time, it can also be made in years but principally not more than 5 years. The general risk reserve of China State Construction Finance Co., Ltd. in 2020 was RMB285,584 thousand, of which the amount attributable to shareholders of the parent company was RMB228,467 thousand. It was fully withdrawn on 31 December 2020.

China State Construction Commercial Factoring Co., Ltd., a subsidiary of the company:

According to the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Management of Commercial Factoring Enterprises" issued by the General Office of the China Banking and Insurance Regulatory Commission (issued by the Office of the China Banking and Insurance Regulatory Commission [2019] No. 205), China State Construction Commercial Factoring Co., Ltd. accrues the risk reserve. The general risk reserve is when the financing factoring funds are overdue, bad or in the event of unforeseen risks, in order to maintain the funds for the normal operation of the enterprise, the risk reserve should not be less than 1% of the balance at the end of the financial factoring business. The general risk reserve of China State Construction Commercial Factoring Co., Ltd. in 2020 was RMB4,096 thousand. It was fully withdrawn on 31 December 2020.

V. Notes to the consolidated financial statements (continued)

48. Retained earnings (continued)

Note 3: According to the resolution at the General Meeting of Shareholders dated 25 May 2020, the Company proposed a cash dividend of RMB0.185 (before tax) per share to the shareholders on 24 June 2020, multiplied by the number which resulted in the total amount of RMB7.764 billion (2019: RMB7.053 billion) of shares of 41.97 billion before the implementation of the profit distribution plan.

Note 4: As stated in Note V. 43, according to the resolution of the General Meeting of Shareholders on May 25, 2020, the Company's payment of 2019 cash dividends to ordinary shareholders was one of the mandatory interest payment events stipulated in the perpetual bond clauses of the 2020 three-phase medium-term notes (total RMB10,000,000 thousand), which required the Company to pay the dividends on the most recent perpetual bond interest date (the first phase of the 2020 mid-term notes is 3 April 2021, the second phase of medium-term notes is 13 April 2021, and the third phase of 2020 mid-term notes is 20 April 2021). In addition, on 6 March 2020, the Company exercised the redemption right at the face value with the interest payable in accordance with the terms of the issuance, and fully redeemed the perpetual bonds issued on 6 March 2018 with the amount of RMB6,000,000 thousand. Therefore, the Company accrued a total dividend of RMB402,574 thousand on perpetual bonds during this year. In 2019, a dividend of RMB870 million was accrued for preference shares and RMB432,795 thousand for perpetual bonds.

49. Revenue and cost of sales

	2020		2019	
	revenue	cost	revenue	cost
Revenue from main operations	1,612,040,788	1,438,096,664	1,415,382,493	1,259,224,958
Revenue from other operations	2,982,539	2,034,970	4,454,095	3,001,242
Total	1,615,023,327	1,440,131,634	1,419,836,588	1,262,226,200

Revenue is as follows:

	2020	2019
Revenue from contracts with customers	1,614,075,217	1,419,187,334
Rentals	948,110	649,254
Total	1,615,023,327	1,419,836,588

Please refer to Note XIV. 1 for details of analysis of the Group's revenue and cost of sales by industry and region.

Revenue is as follows:

2020

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	972,432,561	343,565,132	271,130,912	10,134,610	14,777,573	1,612,040,788
Revenue recognised at a point of time	-	-	227,084,348	-	5,262,794	232,347,142
Revenue recognised over time	972,432,561	343,565,132	44,046,564	10,134,610	9,514,779	1,379,693,646
Revenue from other operations	-	-	-	-	2,982,539	2,982,539
Total	972,432,561	343,565,132	271,130,912	10,134,610	17,760,112	1,615,023,327

2019

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	854,153,349	318,085,139	216,942,909	9,854,917	16,346,179	1,415,382,493
Revenue recognised at a point of time	-	-	185,215,974	-	5,075,861	190,291,835
Revenue recognised over time	854,153,349	318,085,139	31,726,935	9,854,917	11,270,318	1,225,090,658
Revenue from other operations	-	-	-	-	4,454,095	4,454,095
Total	854,153,349	318,085,139	216,942,909	9,854,917	20,800,274	1,419,836,588

V. Notes to the consolidated financial statements (continued)

49. Revenue and cost of sales (continued)

As of 31 December 2020 and 31 December 2019, part of the Group's project contracting business is still in the process of operation, and the remaining performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

50. Taxes and surcharges

	2020	2019
Land appreciation tax	10,521,977	12,322,394
Urban maintenance and construction tax	1,678,089	1,554,181
Educational surcharge	812,163	859,195
Business tax	46,616	16,090
Others	2,836,690	2,468,143
Total	15,895,535	17,220,003

51. Selling and distribution expenses

	2020	2019
Operating expenses	2,030,299	1,207,133
Advertising and communication fees	1,906,692	1,856,860
Employee benefits	1,177,471	1,020,749
Others	407,804	246,084
Total	5,522,266	4,330,826

52. General and administrative expenses

	2020	2019
Employee benefits	19,926,944	19,045,142
Office and travelling expenses	2,257,481	2,603,233
Lease expenses	2,062,966	1,780,282
Depreciation and amortisation	1,474,226	1,248,697
Service fees of specialist agency	679,043	666,342
Others	2,582,279	2,341,781
Total	28,982,939	27,685,477

53. Research and development expenses

	2020	2019
Materials, fuels and power of consumption	15,428,519	11,224,721
Employee benefits	6,287,144	3,557,488
Maintenance and Lease expenses	1,417,447	820,064
Design and test fee	418,575	521,086
Travelling and meeting expenses	99,294	140,225
Others	1,871,567	1,026,355
Total	25,522,546	17,289,939

V. Notes to the consolidated financial statements (continued)

54. Finance expenses

	2020	2019
Interest expenses	23,420,560	21,721,127
Less: Interest income	(3,760,919)	(3,648,525)
Less: Capitalised amount of interest	(10,997,250)	(11,244,722)
Commission charges	1,668,385	1,362,685
Factoring Commission	(2,651,274)	(495,822)
Discounted long-term receivables/payables and others	118,197	216,968
Total	7,797,699	7,911,711

The Group capitalizes the borrowing costs incurred for the acquisition, construction or production of assets that meet the capitalization conditions. The capitalized amount of borrowing costs in 2020 was RMB10,997,250 thousand (2019: RMB11,244,722 thousand), which is included Inventory, construction in progress, and intangible assets.

55. Investment income

	2020	2019
Long-term equity investment income under the equity method	5,918,135	4,673,782
Investment loss from disposal of financial assets measured at amortized cost	(2,200,204)	(2,330,684)
Investment income from disposal of long-term equity investments	1,354,050	274,341
Investment income from disposal of financial assets measured at fair value through profit and loss	4,793	48,743
Investment income from financial assets held for trading	16,904	127,601
Investment income from debt investments	428,836	493,277
Dividend income from other equity instruments	156,146	270,650
Investment income from other debt investments	19,278	11,600
Income from stepped acquisition	133,746	248,249
Others	319,931	394,979
Total	6,151,615	4,212,538

56. Gains/(Losses) from changes in fair value

	2020	2019
Financial assets held for trading		
Investment in debt instrument held for trading	(6,516)	299,934
Investment in equity instrument held for trading	(2,915)	(233,260)
Financial liabilities held for trading		
Others	60,204	(551,426)
Total	50,773	(484,752)

V. Notes to the consolidated financial statements (continued)

57. Credit impairment losses

	2020	2019
Impairment loss of accounts receivable	(2,894,029)	(669,843)
Impairment loss of other receivables	(329,354)	(413,847)
Impairment loss of long-term receivables	(701,724)	(388,458)
Others	583,583	(799,408)
Total	(3,341,524)	(2,271,556)

58. Asset impairment losses

	2020	2019
Reversal of impairment loss of inventories	(183,473)	190,180
Reversal of impairment loss of contract assets	184,892	(1,340,039)
Impairment loss of intangible assets	(284,663)	(89,713)
Impairment loss of goodwill	(16,132)	–
Impairment loss of other assets	(29,106)	(27,097)
Total	(328,482)	(1,266,669)

59. Non-operating income

	2020	2019	Non-recurring profit or loss in 2020
Accounts payable exemption	162,367	526,764	162,367
Government grants not related to the ordinary course of business	110,094	137,067	110,094
Liquidated damages	98,411	93,385	98,411
Gains on penalties and fines	63,800	38,403	63,800
Gains from damage and retirement of non-current assets	23,914	15,736	23,914
Others	350,588	482,677	350,588
Total	809,174	1,294,032	809,174

Details of government grants:

	2020	2019	Related to income/assets
Housing collection, compensation and resettlement fund of China Northeast Architectural Design and Research Institute Co., Ltd	17,133	151	related to income
Compensation of China Northwest Architectural Design and Research Institute Co., Ltd	15,400	–	related to income
Compensation for land acquisition in Fengrun District, Tangshan City	5,024	5,048	related to assets
Others	72,537	131,868	related to income and assets
Total	110,094	137,067	

V. Notes to the consolidated financial statements (continued)

60. Non-operating expenses

	2020	2019	Non-recurring profit or loss in 2020
Litigation Estimated Liabilities	471,289	2,752,695	471,289
Donations	60,551	32,864	60,551
Liquidated damages	47,727	47,088	47,727
Loss on damage and retirement of non-current assets	46,543	66,369	46,543
Late fees	44,663	31,848	44,663
Forfeiture loss	43,971	65,354	43,971
Others	285,686	625,054	285,686
Total	1,000,430	3,621,272	1,000,430

61. Expenses by nature

The supplemental information for the total amount of cost of sales, selling and distribution expenses, general and administrative expenses, and research and development expenses which categorised by nature is as follows:

	2020	2019
Subcontracting cost	422,366,022	371,839,766
Consumed raw materials	388,318,154	379,523,138
Labor expenditure	242,027,232	198,314,361
Changes in inventories of finished goods and work in progress	190,935,051	144,153,318
Other construction cost	131,568,562	104,928,003
Employee benefits	79,281,930	70,056,207
Cost of sales of other products	22,076,412	20,504,116
Depreciation and amortization expenses	8,887,715	9,047,392
Others	14,698,307	13,166,141
Total	1,500,159,385	1,311,532,442

62. Income tax expenses

	2020	2019
Current tax	23,212,474	21,238,648
Deferred tax	127,751	(2,976,045)
Total	23,340,225	18,262,603

The reconciliation between income tax expenses and profit before income taxes is as follows:

	2020	2019
Profit before income tax	94,290,605	81,467,846
Tax at the applicable tax rate (25%)	23,572,651	20,366,962
Effect of preferential tax rates for certain subsidiaries	(2,106,251)	(1,166,976)
Income not subjected to tax	(2,858,911)	(1,656,673)
Income tax benefits on research and development	(1,525,517)	(1,674,640)
Expenses not deductible for tax	3,824,000	1,547,740
Unrecognised deductible tax losses	1,547,760	1,800,250
Tax losses utilised from prior periods	(375,797)	(989,317)
Utilization of deductible losses for which no deferred tax assets was recognised in prior years	(181,457)	(1,043,424)

V. Notes to the consolidated financial statements (continued)

62. Income tax expenses (continued)

The reconciliation between income tax expenses and profit before income taxes is as follows: (continued)

	2020	2019
Taxable temporary differences for which no deferred tax assets was recognised in current year	1,265,698	1,456,571
Deductible temporary differences resulting from rehearsal or recognition of previously unrecognised deferred tax assets in current year	(331,548)	(405,638)
Taxable temporary differences for which no deferred tax liability was recognised in current year	(40,888)	(13,884)
Adjustments of tax expenses for prior year	550,485	41,632
Tax expenses at the Group's effective tax rate	23,340,225	18,262,603

63. Earnings per share

	2020	2019
	RMB/share	RMB/share
Basic earnings per share		
Continuing operations	1.07	0.97
Diluted earnings per share		
Continuing operations	1.07	0.96

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

The numerator of the diluted earnings per share is determined based on the current net profit attributable to ordinary shareholders of the Company after adjusting the following factors: (1) the interest of the diluted potential ordinary shares that have been recognised as expenses in the current period; (2) the income or expenses of dilution potential ordinary that will be generated when the shares are converted; and (3) the income tax impact related to the above adjustments.

The denominator of the diluted earnings per share is equal to the sum of the following two items: (1) the weighted average number of issued ordinary shares of the parent company in the basic earnings per share; and (2) the increase of the weighted average number of ordinary shares, assuming the conversion of dilutive potential ordinary shares into ordinary shares.

When calculating the weighted average of the number of ordinary shares increased by the conversion of diluted potential ordinary shares into issued ordinary shares, the diluted potential ordinary shares issued in the previous period are assumed to be converted at the beginning of the current period; the current diluted potential ordinary shares issued, assuming the conversion on the issue date.

The calculation of basic earnings per share is as follows:

	2020	2019
Revenue		
Net profit attributable to ordinary shareholders of the Company	44,944,250	41,881,399
Less: The effect of other equity instruments dividends (Note 1)	(402,574)	(1,302,795)
The effect of restricted shares (Note 2)	(348,566)	(685,765)
	44,193,110	39,892,839
Shares		
Weighted average number of ordinary shares outstanding (in units of 1000 shares) (Note 3)	41,152,199	41,175,428
Basic earnings per share (RMB/share)	1.07	0.97

V. Notes to the consolidated financial statements (continued)

63. Earnings per share (continued)

The calculation of basic earnings per share is as follows: (continued)

Note 1: In accordance with the relevant clauses and regulations of preference shares and perpetual bonds as stated in Note V. 43, in calculating the basic earnings per share, the dividends of other equity instruments included in the net profit attributable to shareholders of the parent company is deducted. The accrued dividends of perpetual bonds with a value date of 7 March 2018 amounted to RMB82 million in 2020, The accrued dividends of perpetual bonds with a value date of 3 April 2020 amounted to RMB132 million in 2020, The accrued dividends of perpetual bonds with a value date of 13 April 2020 amounted to RMB93 million in 2020, The accrued dividends of perpetual bonds with a value date of 20 April 2020 amounted to RMB96 million in 2020, The above was RMB403 million in total.

Note 2: As stated in Note XI, the Company has completed the granting of restricted shares to the incentive targets in accordance with the second batch incentive plans on 29 December 2016, and the granting of the third batch of restricted shares to the third batch incentive targets in accordance with the third batch incentive plan on 26 December 2018. In accordance with the relevant stipulations in Explanation of Accounting Standards for Business Enterprises No. 7 issued by the Ministry of Finance in 2015, the Company deducted net profits attributable to restricted shares, which are expected to be unlocked in the future from net profits attributable to shareholders of the Company in calculating the basic earnings per share. The net profits attributable to restricted shares which are expected to be unlocked in the future was about RMB349 million and RMB686 million in 2020 and 2019 respectively.

Note 3: As stated in Note XI, in accordance with the regulations of the third batch incentive plans and the second batch incentive plan, whether the unlocked shares granted could be listed and circulated depended on whether the restricted shares met the unlocking conditions at the unlocking date. Therefore, the impacted amount of the restricted shares not yet meeting the unlocking conditions and those invalid restricted shares were deducted from weighted average number of outstanding ordinary shares in calculating the basic earnings per share.

The calculation of diluted earnings per share is as follows:

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Company used for calculating diluted earnings per share	44,057,292	39,329,822
Weighted average number of ordinary shares outstanding used for calculating diluted earnings per share (in units of 1000 shares)	41,152,199	41,175,428
Diluted earnings per share (RMB/share)	1.07	0.96

In 2020, the restricted shares outstanding and the share options issued by the Company's subsidiary China Overseas Holdings Limited have no dilutive effects in calculating the earnings per share. However, the convertible bond issued by the Company's subsidiary China Overseas Holdings Limited has dilutive effects on consolidated net profit attributable to ordinary shareholders of the Company.

64. Notes to the consolidated cash flow statement

	2020	2019
Cash received relating to other operating activities		
Interest income	1,506,170	3,554,856
Deposits and warrant received and returned	3,331,135	5,635,528
Deposits absorbed by China State Construction Finance Co. Ltd	1,337,257	–
Other receivables received and returned	904,844	1,045,775
Receivables, taxes withheld and construction reward	7,293,641	7,879,399
Others	2,032,425	1,254,039
Total	16,405,472	19,369,597
Cash payment relating to other operating activities		
Deposits and warrant paid and refunded	5,072,124	4,937,665
Other payables paid	9,837,178	12,656,312
Restricted cash	2,336,332	1,387,681
Deposits repaid by Finance Co.	–	382,930
Others	9,805,454	10,421,396
Total	27,051,088	29,785,984

V. Notes to the consolidated financial statements (continued)

64. Notes to the consolidated cash flow statement (continued)

	2020	2019
Cash received relating to other investing activities		
Repayment of loans from related parties	9,382,895	10,741,001
Repayment of loans from co-operative corporation and projects	3,751,504	3,333,198
Entrusted loan	2,790,910	1,679,700
Others	4,734	481,403
Total	15,930,043	16,235,302
Cash payment relating to other investing activities		
Loans to related parties	8,754,096	15,736,313
Payment to co-operative corporation and projects	3,256,911	3,812,586
Others	4,945,668	835,449
Total	16,956,675	20,384,348
Cash received relating to other financing activities		
Received from financing	14,260,156	10,533,485
Cash payments relating to other financing activities		
Repayment of loans	37,214,581	13,744,825
Lease fee for fixed assets held under finance leases	234,724	244,053
Others	69,861	34,956
Total	37,519,166	14,023,834

65. Supplementary information to the consolidated cash flow statement

(1) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	2020	2019
Net profit	70,950,380	63,205,243
Add: Impairment allowance	328,482	1,266,669
Credit impairment losses	3,341,524	2,271,556
Depreciation of fixed assets	6,071,485	6,543,253
Depreciation of investment properties	2,042,319	1,718,108
Amortisation of intangible assets	476,611	447,821
Amortisation of long-term prepaid expenses	297,300	338,210
Profit from disposal of fixed assets, intangible assets and other long-term assets	98,763	(568,141)
(Gains)/Losses from changes in fair value	(50,773)	484,752
Finance expenses	7,986,276	10,179,757
Investment income	(6,151,615)	(4,212,538)
Increase in deferred tax assets	(995,618)	(3,083,170)
Increase in deferred tax liabilities	1,123,369	107,125
Increase in inventories	(88,311,859)	(70,420,830)
Decrease in restricted cash	(2,336,332)	(1,387,681)
Increase in operating receivables	(44,483,262)	(125,133,902)
Increase in operating payables	69,837,441	83,217,173
Others	47,290	806,518
Net cash flows used in operating activities	20,271,781	(34,220,077)

V. Notes to the consolidated financial statements (continued)

65. Supplementary information to the consolidated cash flow statement (continued)

(1) Supplementary information to the consolidated cash flow statement (continued)

Reconciliation from net profit to cash flows from operating activities: (continued)

Changes in cash and cash equivalents:

	2020	2019
Closing balance of cash	267,861,580	271,727,808
Less: Opening balance of cash	271,727,808	298,810,194
Net decrease in cash and cash equivalents	(3,866,228)	(27,082,386)

(2) Cash and cash equivalents

	31 December 2020	31 December 2019
Cash	267,861,580	271,727,808
Including: Cash on hand	132,591	143,503
Cash at bank that can be readily drawn on demand	266,847,584	270,689,033
Other cash that can be readily drawn on demand	881,405	895,272
Cash and cash equivalents at the end of the year	267,861,580	271,727,808

66. Assets with restricted ownership

	31 December 2020	31 December 2019	
Cash and bank balances	21,310,994	18,974,662	Note 1
Notes receivable	2,028,537	689,065	Note 2
Accounts receivable	292,907	86,887	Note 2
Inventories	35,753,943	36,139,758	Note 2
Contract assets	19,816,568	14,641,856	Note 2
Investment properties	8,510,788	7,697,570	Note 2
Fixed assets	279,032	414,471	Note 2
Construction in progress	1,334,754	67,721	Note 2
Intangible assets	6,005,584	6,565,280	Note 2
Long-term receivables	73,822,238	76,972,065	Note 2
Total	169,155,345	162,249,335	

Note 1: Cash and bank balances with restricted ownership or use rights mainly include central bank reserves, bank acceptance bill deposits, guarantee deposits, real estate pre-sale supervision funds, mortgage deposits and etc. As of 31 December 2020, the balance of restricted cash and bank balances was RMB21,310,994 thousand (31 December 2019: RMB18,974,662 thousand).

Note 2: At 31 December 2020 and 31 December 2019, the Group pledged or mortgaged notes receivable, accounts receivable, inventories, contract assets, investment properties, fixed assets, construction in progress, intangible assets and long-term receivables to banks for borrowings.

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items

	31 December 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash and Bank balance						
USD	2,260,783	6.5249	14,751,383	2,318,654	6.9762	16,175,394
HKD	10,565,201	0.8416	8,891,673	12,984,933	0.8958	11,631,903
MOP	2,009,855	0.8175	1,643,056	2,922,876	0.8679	2,536,764
EUR	224,311	8.0250	1,800,096	183,766	7.8155	1,436,223
DZD	30,868,277	0.0494	1,524,893	24,116,528	0.0584	1,408,405
SGD	275,741	4.9314	1,359,789	309,672	5.1739	1,602,212
GBP	25,270	8.8903	224,658	81,994	9.1501	750,253
Others	N/A	N/A	3,437,673	N/A	N/A	2,466,833
Total			33,633,221			38,007,987
Accounts receivable						
HKD	12,167,109	0.8416	10,239,839	6,697,119	0.8958	5,999,279
USD	719,277	6.5249	4,693,210	771,435	6.9762	5,381,685
XAF	73,636,060	0.0122	898,360	83,793,654	0.0119	997,144
DZD	15,563,398	0.0494	768,832	18,582,764	0.0584	1,085,233
SGD	78,324	4.9314	386,247	82,983	5.1739	429,346
AED	632,509	1.7761	1,123,399	785,020	1.8992	1,490,910
Others	N/A	N/A	2,417,030	N/A	N/A	2,076,508
Total			20,526,917			17,460,105
Other receivables						
USD	97,000	6.5249	632,915	171,323	6.9762	1,195,184
HKD	564,804	0.8416	475,339	796,889	0.8958	713,853
XAF	1,197,401	0.0122	14,608	20,943,287	0.0119	249,225
Others	N/A	N/A	1,577,895	N/A	N/A	954,598
Total			2,700,757			3,112,860
Current portion of non-current assets						
HKD	909,125	0.8416	765,120	371,272	0.8958	332,585
USD	56,283	6.5249	367,241	18,301	6.9762	127,671
THB	27,866	0.2179	6,072	174,309	0.2328	40,579
Others	N/A	N/A	318,940	N/A	N/A	1,114,310
Total			1,457,373			1,615,145
Debt investments						
HKD	10,470,438	0.8416	8,811,921	12,921,323	0.8958	11,574,921
EUR	2,634	8.0250	21,138	2,581	7.8155	20,172
Total			8,833,059			11,595,093

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items (continued)

	31 December 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Long-term receivables						
HKD	528,501	0.8416	444,786	509,055	0.8958	456,011
XAF	14,389,504	0.0122	175,552	17,587,172	0.0119	209,287
USD	12,317	6.5249	80,367	15,838	6.9762	110,489
Others	N/A	N/A	1,394	N/A	N/A	309
Total			702,099			776,096
Short-term borrowings						
USD	282,856	6.5249	1,845,607	246,088	6.9762	1,716,759
Others	N/A	N/A	1,030,693	N/A	N/A	526,836
Total			2,876,300			2,243,595
Accounts payable						
USD	712,963	6.5249	4,652,012	809,830	6.9762	5,649,536
HKD	7,676,618	0.8416	6,460,642	3,967,954	0.8958	3,554,493
DZD	58,055,954	0.0494	2,867,964	62,018,571	0.0584	3,621,885
AED	1,889,796	1.7761	3,356,467	1,705,763	1.8992	3,239,585
SGD	364,128	4.9314	1,795,661	493,762	5.1739	2,554,675
MOP	1,596,727	0.8175	1,305,324	1,397,277	0.8679	1,212,697
PKR	1,573,517	0.0407	64,042	27,614,720	0.0450	1,242,662
Others	N/A	N/A	4,180,944	N/A	N/A	3,498,864
Total			24,683,056			24,574,397
Other payables						
USD	234,534	6.5249	1,530,311	234,984	6.9762	1,639,295
HKD	1,938,932	0.8416	1,631,805	128,706	0.8958	115,295
XAF	17,655,935	0.0122	215,402	18,048,594	0.0119	214,778
PKR	2,348,152	0.0407	95,570	2,307,212	0.0450	103,825
Others	N/A	N/A	4,571,074	N/A	N/A	1,334,983
Total			8,044,162			3,408,176
Current portion of non-current liabilities						
USD	836,374	6.5249	5,457,257	2,697,083	6.9762	18,815,390
HKD	6,869,303	0.8416	5,781,205	7,735,220	0.8958	6,929,210
Others	N/A	N/A	1,406,937	N/A	N/A	937,477
Total			12,645,399			26,682,077
Long-term borrowings						
HKD	95,025,457	0.8416	79,973,425	73,316,333	0.8958	65,676,771
USD	247,801	6.5249	1,616,877	1,049,607	6.9762	7,322,268

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items (continued)

	31 December 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
GBP	200,133	8.8903	1,779,242	197,696	9.1501	1,808,938
SGD	47,493	4.9314	234,207	220,144	5.1739	1,139,003
Others	N/A	N/A	240,558	N/A	N/A	243,801
Total			83,844,309			76,190,781
Bonds payable						
USD	8,789,597	6.5249	57,351,241	7,617,936	6.9762	53,144,245
HKD	2,026,488	0.8416	1,705,492	3,448,985	0.8958	3,089,601
Total			59,056,733			56,233,846
Long-term payables						
HKD	1,261,321	0.8416	1,061,528	913,734	0.8958	818,523
AED	503,614	1.7761	894,469	–	–	–
MOP	469,565	0.8175	383,869	395,453	0.8679	343,214
SGD	51,907	4.9314	255,974	56,668	5.1739	293,195
USD	1,540	6.5249	10,048	55,023	6.9762	383,851
Others	N/A	N/A	319,136	N/A	N/A	999,759
Total			2,925,024			2,838,542
Other non-current liabilities						
USD	671,606	6.5249	4,382,162	906,141	6.9762	6,321,423
Others	N/A	N/A	76,938	N/A	N/A	–
Total			4,459,100			6,321,423

VI. Changes of consolidation scope

- The entities which were not significant to the Group were included in the consolidation scope through business combination not under common control in 2020.
- There was no entity newly included in the consolidation scope through business combination under common control in 2020.
- The entities which were excluded from the consolidated scope due to disposal of subsidiaries in 2020 were not significant to the Group.

VII. Interests in other entities

1. Interests in subsidiaries

Significant subsidiaries obtained through incorporation:

	Main operation Location	Place of registration	Nature of business	Registered capital	Shareholding Percentage (%)	
					Direct	Indirect
The significant subsidiaries acquired through establishing or investment						
China Overseas Holdings Limited	Hong Kong	Hong Kong	Investment	RMB31.03 billion	100.00	–
China Overseas Land & Investment Limited	Hong Kong	Hong Kong	Real Estate Investment and Development	HKD10.95 billion	–	56.00
China State Construction International	Hong Kong	Cayman Islands	Construction and Installation	HKD15 billion	–	64.66
China Overseas Property Holdings Ltd.	Hong Kong	Cayman Islands	Property Management	HKD0.03 billion	–	61.18
China Construction First Group Corporation Limited	Beijing	Beijing	Construction and Installation	RMB7 billion	100.00	–
China Construction Second Engineering Bureau Ltd.	Beijing	Beijing	Construction and Installation	RMB5 billion	100.00	–
China Construction Third Engineering Bureau Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and Installation	RMB5.04 billion	100.00	–
China Construction Fourth Engineering Division Corp., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction and Installation	RMB5.10 billion	100.00	–
China Construction Fifth Engineering Division Corp., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction and Installation	RMB6.018 billion	100.00	–
China Construction Sixth Engineering Division Corp., Ltd.	Tianjin	Tianjin	Construction and Installation	RMB4.28 billion	100.00	–
China Construction Seventh Engineering Division. Corp., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Construction and Installation	RMB6 billion	100.00	–
China Construction Eighth Engineering Division. Corp., Ltd.	Shanghai	Shanghai	Construction and Installation	RMB13.50 billion	100.00	–
China Construction Engineering Design Group Corporation Limited	Beijing	Beijing	Engineering Prospecting and Design	RMB0.51 billion	100.00	–
China Construction Decoration Group Co., Ltd.	Beijing	Beijing	Industrial Decoration	RMB1 billion	50.00	50.00
China Construction Fangcheng Investment & Development Group Co., Ltd.	Beijing	Beijing	Infrastructure Construction	RMB5 billion	100.00	–
The significant subsidiaries acquired through a business combination not involving under common control						
China State Construction Development Holdings Limited (Note)	Hong Kong	Cayman Islands	Construction and Installation	HKD0.1 billion	–	47.89
China State Construction Harbour Construction Co., Ltd.	Shanghai	Shanghai	Infrastructure Construction	RMB1.33 billion	70.00	–
Tuxiana Corp.	Wanning, Hainan	The British Virgin Islands	Real Estate Development and Investment	USD1	–	55.99
CITIC Real Estate Group Co., Ltd.	Beijing	Beijing	Real Estate Development and Investment	RMB10.49 billion	–	55.99
The significant subsidiaries acquired through a business combination involving entities under common control						
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	Wulumuqi, Xinjiang	Wulumuqi, Xinjiang	Construction and Installation	RMB3.50 billion	85.00	–
China West Construction Group Co., Ltd.	Chengdu, Sichuan	Wulumuqi, Xinjiang	Construction Materials	RMB1.26 billion	12.29	45.50
Shenzhen China Overseas Investing Management Co., Ltd.	Hong Kong	Shenzhen, Guangdong	Real Estate Development and Operation	RMB2.65 billion	100.00	–
China State Construction Finance Co., Ltd.	Beijing	Beijing	Finance	RMB10 billion	80.00	–

Note: The Group holds 47.89% of shares of Far East Global Group Ltd. The board of directors has the rights to determine the relevant activities of Far East Global Group Ltd. The Group holds 74.06% of voting rights of Far East Global Group Ltd. according to the proportion of the board of directors.

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Significant subsidiaries involving non-controlling interest:

2020

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	44.00%	17,931,523	5,045,049	128,003,879
China State Construction International	35.34%	3,169,849	826,143	21,128,649
West Construction Co., Ltd.	42.21%	331,022	40,239	3,304,528
China State Construction Finance Co., Ltd.	20.00%	120,575	40,516	2,483,080

2019

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	44.01%	14,600,500	4,340,968	111,952,036
China State Construction International	35.34%	1,870,723	665,621	19,746,804
West Construction	42.21%	278,903	33,143	3,020,243
China State Construction Finance Co., Ltd.	20.00%	91,456	–	1,603,021

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations:

	China Overseas Land & Investment Ltd.	China State Construction International	West Construction	China State Construction Finance Co., Ltd
2020				
Current Assets	631,691,450	74,517,932	20,484,986	49,508,084
Non-current Assets	124,340,915	78,955,851	3,348,630	62,248,763
Total Assets	756,032,365	153,473,783	23,833,616	111,756,847
Current Liabilities	300,167,208	65,093,611	13,726,379	99,341,446
Non-current Liabilities	180,347,534	42,765,015	50,802	–
Total Liabilities	480,514,742	107,858,626	13,777,181	99,341,446
Revenue	187,012,838	55,568,034	23,423,096	2,640,190
Net Profit	36,880,626	5,131,456	945,990	602,877
Total Comprehensive Income	36,564,040	7,469,599	943,287	602,877
Cash flow from/(used in) operating activities	9,697,382	(3,824,677)	633,114	(7,773,500)

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Significant subsidiaries involving non-controlling interest (continued):

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations (continued):

	China Overseas Land & Investment Ltd.	China State Construction International	West Construction	China State Construction Finance Co., Ltd.
2019				
Current Assets	549,735,090	67,631,068	19,109,898	53,488,354
Non-current Assets	118,679,866	72,894,203	3,324,746	42,446,849
Total Assets	668,414,956	140,525,271	22,434,644	95,935,203
Current Liabilities	258,248,215	63,672,863	12,460,089	87,920,100
Non-current Liabilities	164,162,438	35,208,338	751,557	–
Total Liabilities	422,410,653	98,881,201	13,211,646	87,920,100
Revenue	165,180,936	54,375,087	22,896,385	2,082,544
Net Profit	33,945,880	5,035,112	733,573	457,279
Total Comprehensive Income	33,988,546	4,745,444	736,669	457,279
Cash flow from/(used in) operating activities	9,898,481	(2,381,444)	2,063,989	(15,525,192)

Perpetual bonds of subsidiaries are as follows:

As of 31 December 2020, the balance of perpetual bonds and renewable loans issued by Company's subsidiaries (hereinafter collectively referred to as the "subsidiary perpetual bonds") amounted to RMB76,740,046 thousand (31 December 2019: RMB52,869,875 thousand). The perpetual bonds of these subsidiaries exist for a long time, and the subsidiaries of the Company can decide whether to redeem and repay them. Unless there is a compulsory interest payment event that can be determined and controlled to occur by the Company's subsidiary, on each interest payment date, the Company's subsidiaries can choose to postpone the current interest and all deferred interest to the next interest payment date and is not subject to any restrictions on the number of deferred interest payments. The Group accounted for these perpetual bonds as non-controlling shareholders' equity.

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Debt-to-equity swaps of subsidiaries are as follows:

In December 2019, some of the Company's subsidiaries entered into capital increase agreements and shareholder agreements with a number of third-party investors. In accordance with the Capital Increase Agreement and the Shareholder Agreement (collectively referred to as the "Agreement"), third-party investors increase their capital in cash to the subsidiaries of such subsidiaries (hereinafter referred to as "the underlying company"), and upon completion of the capital increase, the shareholding of the Company's subsidiaries in the underlying company decreases, but there is no loss of control over the underlying company. The agreement stipulates that the profit distribution of the underlying company shall be determined by the shareholders' meeting, that the exit method of the third-party investor shall be agreed with the controlling shareholder of the target company, and that the controlling shareholder of the target company shall have the right to acquire or designate other parties to acquire the shares of the target company held by the third party investor after the expiration of a certain period ("investment period") from the date of payment of the investment price. In the event of a specific situation or the expiry of the investment period of the underlying company, a third-party investor may make a request to the subsidiary of the Company to acquire the shares of the underlying company held by the Company's subsidiaries, and if the subsidiary of the Company does not choose to acquire such shares, the annual expected dividend ratio will up to until the agreed upper limit of the dividend ratio. However, if the shareholders of the underlying company will not pay dividends it do not constitute a breach of contract; A third party investor can transfer all or part of its equity interest in the underlying company to any third part or increase the voting rights of third-party investors in the shareholders' meeting or board of directors of the underlying company in order to achieve the joint control of the underlying company with the Company's subsidiaries. The above-mentioned arrangement does not constitute a contractual obligation of the Company or its subsidiaries to deliver cash or other financial assets to other parties or to exchange financial assets or financial liabilities with other parties under potential adverse conditions, and the Company shall therefore account for such capital increases as the equity of the underlying company. As of 31 December, 2019, third-party investors increased their capital in the underlying company totalling RMB15,600,000 thousand. These transactions resulted in an increase of RMB15,606,801 thousand in non-controlling shareholders' equity in the Group's consolidated financial statements as at 31 December 2019.

In 2020, third-party investors paid in capital of RMB7,200,000 thousand in total to the underlying company. The relevant clauses in the Capital Increase Agreement and Shareholders Agreement this year are consistent with the above clauses. This year these transactions resulted in an increase in non-controlling shareholders' equity in the Group's consolidated financial statements of RMB7,200,458 thousand as at 31 December 2020.

VII. Interests in other entities (continued)

2. Interests in joint ventures and associates

	Main operation location	Place of registration	Nature of business	Registered capital	Percentage of Shares(%)		Accounting treatment
					Direct	Indirect	
Associates							
Overseas Oceans	Hong Kong	Hong Kong	Real Estate Investment and Development	5,579,100	-	38.32	Equity method

The summarised financial information in respect of Overseas Oceans adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements is as follows:

	31 December 2020	31 December 2019
Current Assets	160,985,732	128,355,460
Including: Cash and cash equivalents	20,543,265	16,755,435
Non-current Assets	6,427,765	5,741,814
Total Assets	167,413,497	134,097,274
Current Liabilities	110,189,045	90,557,019
Non-current Liabilities	29,988,070	22,026,947
Total Liabilities	140,177,115	112,583,966
Non-controlling Interests	3,103,157	1,967,981
Attributable to shareholders of the Company	24,133,225	19,545,327
Net assets calculated by the percentage of shares holding	9,247,852	7,489,769
Book value of investment	9,247,852	7,489,769
The fair value of investment in associated companies that have publicly quoted prices	4,617,437	6,258,273
	2020	2019
Revenue	42,909,060	28,590,883
Income tax expenses	(4,935,694)	(4,798,611)
Net Profit	4,604,141	3,496,961
Other Comprehensive Income	1,035,288	(302,751)
Total Comprehensive Income	5,639,429	3,194,210
Dividends received	309,427	196,548

VII. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

A summary of financial information of the joint ventures and Associates that are not individually material to the Group is as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Joint Ventures		
Total book value of investment	39,626,372	34,354,496
Subtotals by the percentage of share holding		
Net Profit (Note 1)	2,750,015	1,783,311
Other Comprehensive Income/ (loss) (Note 1)	(67,093)	33,006
Total Comprehensive Income	2,682,922	1,816,317
Associates		
Total book value of investment	37,564,837	33,072,636
Subtotals by the percentage of share holding		
Net Profit (Note 1)	1,491,710	1,614,537
Other Comprehensive loss (Note 1)	(7,321)	(221,352)
Total Comprehensive Income	1,484,389	1,393,185

Note 1: Both the net profit and other comprehensive income have considered the fair value of the identifiable assets and liabilities at the time the investment is obtained and the adjustment effects of the unified accounting policy.

3. Interests in consolidated structured entities

As at 31 December 2020, the main consolidated structured entities which set up by the Group's subsidiary China State Construction Fund Management Ltd. amounted to RMB 12,378,963 thousand, and the Group's subscribed amount is RMB 4,576,093 thousand. As at 31 December 2020, the Group's paid-in amount is RMB 4,318,740 thousand and other parties is RMB 6,907,808 thousand. The Group classified other parties' paid-in amount as non-controlling interests. The Group has no obligation and intention to provide financial supporting to these structured entities.

4. Interests in non-consolidated structured entities

As at 31 December 2020, the non-consolidated structured entities China State Construction Fund Management Ltd. participated in is amounted to RMB 35,294,455 thousand, and the Group's subscribed amount is RMB 7,052,680 thousand and other parties is RMB 28,241,775 thousand. The Group has no control power over these special purpose vehicles, thus The Group cannot consolidate them. As at 31 December 2020, the Group's paid-in amount is RMB 4,955,869 thousand and classified as long-term equity investments. The largest risk exposure of the Group is the paid-in amount as at the balance sheet date. The Group has no obligation and intention to provide financial supporting to these structured entities.

VIII. Financial instruments and related risks

1. Financial instruments by category

Carrying amounts of each category of financial instruments at the balance sheet date are as follows:

31 December 2020

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total
	Required by the standard	Financial assets at amortised cost	Required by the standard	Designated	
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	–	–	160,441,814
Accounts receivable financing	–	–	3,788,082	–	3,788,082
Other receivables	–	54,626,721	–	–	54,626,721
Current portion of non-current assets	–	37,815,606	182,608	–	37,998,214
Other current assets	–	18,592,319	–	2,906,177	21,498,496
Debt investments	–	14,605,329	–	–	14,605,329
Other debt investments	–	–	356,377	–	356,377
Long-term receivables	–	177,642,042	–	–	177,642,042
Investments in other equity instruments	–	–	–	5,838,384	5,838,384
Other non-current financial assets	335,510	–	–	–	335,510
Total	579,969	791,570,303	4,327,067	8,744,561	805,221,900

Financial liabilities

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Required by the standard	Financial liabilities at amortised cost		
Short-term loans	–	29,317,096	–	29,317,096
Notes payable	–	5,265,592	–	5,265,592
Accounts payable	–	502,386,965	–	502,386,965
Other payables	–	118,273,242	–	118,273,242
Current portion of non-current liabilities	–	87,696,178	–	87,696,178
Other current liabilities	–	2,313,213	–	2,313,213
Long-term borrowings	–	292,897,038	–	292,897,038
Bonds payable	–	88,782,471	–	88,782,471
Long-term payables	–	17,500,260	–	17,500,260
Other non-current liabilities	–	4,421,322	1,520,302	5,941,624
Total	–	4,421,322	1,145,952,357	1,150,373,679

VIII. Financial instruments and related risks (continued)

1. Financial instruments by category (continued)

Carrying amounts of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2019

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Required by the standard		Required by the standard	Designated	
Cash and bank balances	–	292,441,419	–	–	292,441,419
Financial assets held for trading	902,072	–	–	–	902,072
Notes receivable	–	26,918,443	–	–	26,918,443
Accounts receivable	–	153,961,875	–	–	153,961,875
Accounts receivable financing	–	–	3,674,166	–	3,674,166
Other receivables	–	53,186,521	–	–	53,186,521
Current portion of non-current assets	–	32,739,429	–	–	32,739,429
Other current assets	–	20,764,581	–	3,557,504	24,322,085
Debt investments	–	17,759,804	–	–	17,759,804
Other debt investments	–	–	612,106	–	612,106
Long-term receivables	–	164,825,662	–	–	164,825,662
Investments in other equity instruments	–	–	–	8,069,043	8,069,043
Other non-current financial assets	50,510	–	–	–	50,510
Total	952,582	762,597,734	4,286,272	11,626,547	779,463,135

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	–	28,498,331	28,498,331
Notes payable	–	7,030,414	7,030,414
Accounts payable	–	493,129,630	493,129,630
Other payables	–	114,030,641	114,030,641
Current portion of non-current liabilities	–	82,010,554	82,010,554
Other current liabilities	–	975,956	975,956
Long-term borrowings	–	247,800,428	247,800,428
Bonds payable	–	99,596,598	99,596,598
Long-term payables	–	19,897,230	19,897,230
Other non-current liabilities	–	1,625,455	1,625,455
Total	–	1,094,595,237	1,094,595,237

VIII. Financial instrument and risk (continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2020, the book value of bank acceptance and commercial acceptance bills approved and discounted by the Group was RMB 15,512,784 thousand (31 December 2019: RMB 8,720,704 thousand). In the view of the Group, the Group retains almost all of its risks and remuneration, including the risk of default associated with it, and therefore continues to fully recognise it and the settled accounts payable or short-term borrowings associated with it. After endorsement or discount, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As of 31 December 2020, the Group's book value of its settled accounts payable or short-term borrowings received totalled RMB 15,512,784 thousand (31 December 2019: RMB 8,720,704 thousand).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As of 31 December 2020, the book value of the Group's endorsed and discounted but not yet due bank acceptance bill was RMB 1,883,153 thousand (31 December 2019: RMB 796,241 thousand). On 31 December 2020, its maturity date is 1 to 12 months. According to the relevant provisions of the "Negotiable Instruments Law", if the acceptance bank refuses to pay, its holder has the right to claim against the group ("continue involvement"). The Group believes that the group has transferred almost all of its risks and rewards, therefore, the book value of its and related settled accounts payable is derecognised. The maximum loss and undiscounted cash flow of continued involvement and repurchase is equal to its book value. The Group believes that the continued involvement in fair value is not significant.

During the year ended 31 December, 2020, the Group did not recognise gains or losses on the transfer date. There was no income or expenses recognised in the current year and accumulatively due to the Group's continued involvement in the derecognized financial assets.

3. Financial instrument risks

The Group's activities expose it to a variety of financial risks: mainly include credit risk, liquidity risk and market risk (including interest rate risk, currency risk and equity instrument price risk). The Group's financial instrument mainly includes cash and bank balances, equity investments, debt investments, loans, bills receivable and accounts receivable, receivables financing, bills payable and accounts payable. The risks related to

the financial instruments, and the risk management strategies adopted by the Group to reduce these risks are as follows.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks, covering market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. The risk management of the Group is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and avoids related risks through close cooperation with other business departments of the Group. The internal audit department of the Group conducts regular audits on risk management controls and procedures, and reports the audit results to the audit committee of the Group.

The Group diversifies the risk of financial instruments through appropriate diversified investment and business portfolios, and formulates corresponding risk management policies to reduce the risk of concentration in any single industry, specific region or specific counterparty.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the counterparties of monetary funds, bank acceptance bills receivable are banks with good reputations and high credit ratings, these financial instruments have low credit risks.

Other financial assets of the Group include notes receivable, accounts receivable, other receivables, debt investments, other debt investments, other equity instrument investments, and other non-current financial assets. The credit risk of these financial assets stems from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Credit risk (continued)

The maximum credit risk exposure that the Group faces on each balance sheet date is the total amount collected from customers minus the amount of impairment allowances.

The Group also faces credit risks due to the provision of financial guarantees, as disclosed in Note XII 3 for details.

Since the Group only conducts transactions with recognised and reputable third parties, there is no need for collateral. Credit risk is centralized and managed according to customers/counterparties, geographic regions and industries. Because the Group's accounts receivable customer base is relatively wide. Therefore, there is no significant concentration of credit risk within the Group.

The judgment criteria for the significant increase of credit risk

The Group evaluates on each balance sheet date whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. When determining whether the credit risk has increased significantly since the initial recognition, the Group considers whether it is necessary to pay unnecessary additional costs or efforts can be made to obtain reasonable and based information, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk ratings, and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group determines the change in the risk of default during the expected life of the financial instrument by comparing the risk of default on the balance sheet date of the financial instrument with the risk of default on the initial recognition date.

When one or more of the following quantitative and qualitative standards are triggered, the Group believes that the credit risk of financial instruments has increased significantly:

- (1) The quantitative standard is mainly that the probability of default in the remaining lifetime of the reporting day has increased by more than a certain percentage compared with the initial confirmation;
- (2) The qualitative standards are mainly the major adverse changes in the debtor's business or financial situation, the list of early warning customers, etc.

Definition of credit-impaired assets

In order to determine whether credit impairment has occurred, the standard used by the Group is consistent with the internal credit risk management objectives for relevant financial instruments, while considering quantitative and qualitative indicators. The main consideration when the Group assesses whether a debtor has credit impairment the following factors:

- (1) The issuer or debtor has major financial difficulties;
- (2) The debtor breached the contract, such as defaulting or overdue payment of interest or principal;
- (3) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives the debtor a concession that the debtor would not make under any other circumstances;
- (4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- (5) The issuer or debtor's financial difficulties caused the disappearance of the active market for the financial asset;
- (6) A financial asset is purchased or originated at a significant discount, and the discount reflects the fact that credit losses have occurred.

The credit impairment of financial assets may be caused by a combination of multiple events, and may not be caused by a separately identifiable event.

Expected credit loss measurement parameters

Based on whether the credit risk has increased significantly and whether the financial asset has been credit-impaired, the Group measures the provision for impairment of different assets based on the 12-month ECLs or the lifetime ECLs. The key parameters for expected credit loss measurement include the probability of default, loss given default and default risk exposure. The Group establishes the model of probability of default, loss given default and default risk exposure based on statistics of historical data (such as the counterparty's rating, guarantee method and type of pledges, repayment method, etc.) and forward-looking information.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Credit risk (continued)

Expected credit loss measurement parameters (continued)

The relevant definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will not be able to satisfy its repayment obligations in the next 12 months or throughout the remaining lifetime. The probability of default of the Group is adjusted against the results of the credit loss model as well as the forward-looking information, to reflect the probability of default of the debtor in the current macroeconomic environment.
- (2) The loss given default is the Group's expectation on the extent of loss of default risk exposure. The loss given default varies by the types of counterparties, the manner and priority of recourse, and the collateral. The loss given default is the percentage of exposure loss at the time of default and is calculated over 12 months or lifetime; and
- (3) The default risk exposure is the amount payable to the Group at the time of default over the next 12 months or lifetime.

The assessment of a significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. Through historical data analysis, the Group has identified key economic indicators that affect the credit risks and expected credit losses of various business types. The impact of these economic indicators on the probability of default and the loss rate of default varies with different business types.

The exposure to credit risk

As at 31 December 2020 and 31 December 2019, the exposure to credit risk of accounts receivable, other receivable, debt investments and long-term receivable refers to Note V.3,4,5,7,9,12, and 13.

Liquidity risk

The Group uses circular liquidity planning tools to manage the risk of funding shortfalls. The facility takes into account both the maturity date of its financial instruments and the expected cash flows from the Group's operations.

The objective of the Group is to maintain a balance between sustainability and flexibility in financing through the use of a variety of financing instruments. As at 31 December 2020 and 31 December 2019, the Group's financial liabilities were mainly due within one year.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2020

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	29,753,230	–	–	–	29,753,230
Notes payable	5,265,592	–	–	–	5,265,592
Accounts payable	502,386,965	–	–	–	502,386,965
Other payables	118,273,242	–	–	–	118,273,242
Other current liabilities	2,321,309	–	–	–	2,321,309
Long-term borrowings	58,637,680	75,728,382	166,073,850	104,139,890	404,579,802
Bonds payable	47,299,825	4,555,942	21,270,929	99,006,795	172,133,491
Long-term payables	11,314,629	13,172,142	4,883,129	146,705	29,516,605
Other non-current liabilities	–	–	7,039,339	–	7,039,339
Financial guarantee contracts	88,988,726	830,358	214,850	3,500,000	93,533,934
Total	864,241,198	94,286,824	199,482,097	206,793,390	1,364,803,509

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:(continued)

31 December 2019

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	29,076,353	–	–	–	29,076,353
Notes payable	7,030,414	–	–	–	7,030,414
Accounts payable	493,129,630	–	–	–	493,129,630
Other payables	114,030,641	–	–	–	114,030,641
Other current liabilities	1,406,893	–	–	–	1,406,893
Long-term borrowings	53,600,827	72,035,107	134,177,611	90,273,571	350,087,116
Bonds payable	34,084,055	27,454,496	51,361,125	53,749,429	166,649,105
Long-term payables	14,053,066	15,165,467	5,199,152	229,713	34,647,398
Other non-current liabilities	6,939,864	–	6,762,559	–	13,702,423
Financial guarantee contracts	67,895,772	1,179,501	569,100	3,500,000	73,144,373
Total	821,247,515	115,834,571	198,069,547	147,752,713	1,282,904,346

Note: The above-mentioned long-term borrowings, bonds payable, long-term payables and other non-current liabilities all include the parts due within one year.

Market risk

Interest rate risk

The Group's interest rate risk arises from interest bearing borrowings including borrowings, bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages interest costs by maintaining an appropriate mix of fixed and variable rate debt. As at 31 December 2020, the Group's interest bearing borrowings with fixed rates amounted to RMB207,600,058 thousand (31 December 2019: RMB217,468,888 thousand), and floating rates interest bearing borrowings amounted to RMB292,999,141 thousand (31 December 2019: RMB245,642,137 thousand).

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings, which could have a material adverse effect on the Group's financial position. The management of the Group makes decisions with reference to the latest market conditions. The Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For 2020 and 2019 the Group did not enter into any significant interest rate swap agreements.

As at 31 December 2020, if the borrowing interest rate calculated at floating interest rate had been 50 basis points higher/lower, with all other variables held constant, the Group's net profit would have been decreased/increased by approximately RMB1,167 million (31 December 2019: approximately RMB982 million).

Currency risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions is denominated in RMB. The Group's confirmed foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in US dollars and HK dollars) are subject to foreign exchange risks. The Group's finance department at its headquarters is responsible for monitoring the foreign currency transactions and the scale of foreign currency assets and liabilities to minimize foreign exchange risks;. The Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. During 2020 and 2019, the Group did not enter into any significant forward exchange contracts or currency swap contracts.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Market risk (continued)

Currency risk (continued)

As at 31 December 2020, for Group's all kinds of foreign currency financial assets and foreign currency financial liabilities, if RMB appreciation or devaluation against foreign currency were 10%, other factors remain unchanged, the Group would increase or decrease by approximately RMB9.788 billion (31 December, 2019: approximately RMB9.665 billion).

Equity instrument price risk

The Group's equity instrument price risk mainly arises from various types of equity instrument investments, and there is a risk of changes in equity instrument prices.

As at 31 December 2020, if the expected price of various types of equity instrument investments of the Group increased or decreased by 10% and other factors remained unchanged, the Group's net profit would increase or decrease by approximately RMB27,949 thousand (31 December 2019: approximately RMB5,841 thousand), other comprehensive income would increase or decrease by approximately RMB696,888 thousand (31 December 2019: approximately RMB902,152 thousand).

4. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support business development and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk profile of related assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to owners, return capital to owners or issue new shares. The Group is not subject to external mandatory capital requirements. No changes in the objectives, policies or processes for managing capital were made in 2020 and 2019.

The Group's total capital is the shareholders' equity shown in the consolidated balance sheet. The Group uses the gearing ratio to monitor its capital. The debt to assets ratio refers to the consolidated balance sheet total liabilities divided by total assets. The debt to assets ratio of the Group at the balance sheet date was as follows:

	31 December 2020	31 December 2019
Total liabilities	1,615,078,738	1,532,616,609
Total assets	2,192,173,839	2,034,451,929
Debt to assets ratio	73.67%	75.33%

IX. Disclosure of fair value

1. Assets and liabilities measured at fair value

2020

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	214,859	–	–	214,859
Equity investments	29,600	–	–	29,600
Accounts receivables financing	–	–	3,788,082	3,788,082
Other current assets				

IX. Disclosure of fair value (continued)

1. Assets and liabilities measured at fair value (continued)

2020 (continued)

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investment in listed equity instrument	2,906,177	–	–	2,906,177
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	300,000	300,000
Non-current assets due within one year	182,608	–	–	182,608
Other investment in debenture instrument	356,377	–	–	356,377
Other investment in equity instrument				
Investment in listed equity instrument	1,329,839	–	–	1,329,839
Investment in non-listed equity instrument	–	–	4,508,545	4,508,545
Total financial assets	5,019,460	–	8,632,137	13,651,597
Recurring fair value measurements				
Other non-current liabilities	–	4,421,322	–	4,421,322
Total financial liabilities	–	4,421,322	–	4,421,322

2019

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	856,602	–	5,705	862,307
Equity investments	39,765	–	–	39,765
Accounts receivable financing	–	–	3,674,166	3,674,166
Other current assets				
Investment in listed equity instrument	–	3,557,504	–	3,557,504
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	15,000	15,000
Other investment in debenture instrument	612,106	–	–	612,106
Other investment in equity instrument				
Investment in listed equity instrument	1,659,862	–	–	1,659,862
Investment in non-listed equity instrument	–	–	6,409,181	6,409,181
Total financial assets	3,168,335	3,557,504	10,139,562	16,865,401
Recurring fair value measurements				
Current portion of non-current liabilities	–	6,939,864	–	6,939,864
Other non-current liabilities	–	4,695,968	–	4,695,968
Total financial liabilities	–	11,635,832	–	11,635,832

IX. Disclosure of fair value (continued)

2. Valuation of fair value

Fair value of financial instruments

The illustration below is the disclosure on comparison between the fair value and the carrying amount for each class of financial assets and financial liabilities other than financial instruments where the difference between the carrying amount and the fair value is insignificant:

	Carrying amounts		Fair value	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Bonds payable	88,782,471	99,596,598	95,718,907	102,571,419

The fair value of bonds payable quoted in an active market is determined at the quoted market price, and categorised within Level 1 of the fair value hierarchy. The fair value of bonds payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

Management has assessed that the fair value of cash and bank balances, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables. Given the short term maturities, the fair value approximate to the carrying value.

The Group's finance department headed by the person in charge of the accounting institution is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The person in charge of the accounting institution reports directly to the person in charge of accounting work and the audit committee. At each reporting date, the finance department analyses the movements in the value of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the person in charge of accounting work.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

Long-term receivables, long-term borrowings, debt investments, bonds payable, etc., adopt the future cash flow discount method to determine the fair value, and use the market yield of other financial instruments with similar contractual terms, credit risks and remaining maturity as the discount rate. As of 31 December 2020 and 31 December, 2019, the fair value of long-term receivables, long-term borrowings and debt investments approximated to the carrying amount. The default risk of long-term borrowings was evaluated as insignificant.

The fair value of listed equity instrument investment is determined at the market price. For investment in unlisted equity instruments, valuation models such as discounted cash flow models and market-comparable company models are used to estimate fair value, and the assumptions used are not supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are the most appropriate value on the balance sheet date.

3. Unobservable inputs

The valuation models used are mainly discounted cash flow models and market-comparable company models. The input value of valuation techniques mainly include future cash flows, price-to-book ratio and price-earnings ratio of companies of the same category.

IX. Disclosure of fair value (continued)

4. Reconciliation of fair value measurements

Reconciliation of recurring fair value measurements within Level 3 is as follows:

2020

	Opening balance of the year	Total gains or losses during the year		Purchases	Sales	Closing balance of the year	Changes in unrealised gains or losses included in profit or loss for assets held at end of the year
		Included in profit or loss	Included in other comprehensive income				
Financial assets held for trading							
Debt investments	5,705	996	-	-	(6,701)	-	-
Accounts receivable financing	3,674,166	-	-	5,671,235	(5,557,319)	3,788,082	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	15,000	-	-	300,000	(15,000)	300,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	6,409,181	28,385	(451,259)	605,341	(2,054,718)	4,508,545	-
Total	10,139,562	29,381	(451,259)	6,576,576	(7,633,738)	8,632,137	-

2019

	Opening balance of the year	Total gains or losses during the year		Purchases	Sales	Closing balance of the year	Changes in unrealised gains or losses included in profit or loss for assets held at end of the year
		Included in profit or loss	Included in other comprehensive income				
Financial assets held for trading							
Debt investments	393,676	16,813	-	548,216	(927,798)	5,705	-
Accounts receivable financing	3,427,192	-	-	3,672,874	(3,425,900)	3,674,166	-
Other non-current financial assets							
Investment in stock	268,932	(233,422)	-	-	-	35,510	(233,422)
Investment in fund	-	-	-	15,000	-	15,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	5,460,759	30,320	533,676	643,658	(228,912)	6,409,181	-
Total	9,550,559	(186,289)	533,676	4,879,748	(4,582,610)	10,139,562	(233,422)

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, gains and losses included in profit or loss that relate to financial assets and non-financial assets are as follows:

	2020	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	29,381	-
Changes in unrealised losses included in profit or loss for	-	-

IX. Disclosure of fair value (continued)

4. Reconciliation of fair value measurements (continued)

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, gains and losses included in profit or loss that relate to financial assets and non-financial assets are as follows: (continued)

	2019	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised losses included in profit or loss	(186,289)	–
Changes in unrealised losses included in profit or loss for	(233,422)	–

5. Fair value level conversion

During the year of 2020, Due to ban lifting of restricted shares, the fair value level of the listed equity instrument investment of other current assets continuously measured at fair value has changed from level 2 to level 1 (During the year of 2019:No).

X. Related party relationships and transactions

1. Parent

	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
CSCEC	Beijing	Investment holding	10 billion	56.31	56.31

The Company's ultimate controlling party is State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries

The company's important subsidiaries refer to Note VII. 1.

3. Joint ventures and associates

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows:

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (Note 5)					
Clear Elegant Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	30.00
Gainable Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	20.00
Luminous Dream Limited (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	30.00
Marble Edge Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	18.00
Sunrise JV Limited	Hong Kong, China	Hong Kong, China	Other business	No	50.00
Top Colour Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	34.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 5)					
Anhui Bengwu Expressway Investment Management (Note 1)	Anhui, China	Anhui, China	Infrastructure construction business	No	70.00
Beijing Nanyue Real Estate Development Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Real estate investment and development business	No	35.00
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	30.00
Dazhou Dahuan Development Management Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	65.80
Dalian CSCEC sponge City Construction Development (Note 1)	Liaoning, China	Liaoning, China	Infrastructure construction business	No	49.00
Danjiangkou Haijia Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	60.00
Dongguan Jiafang Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	32.50
Dongguan Zhonghai Century City Education Technology	Guangdong, China	Guangdong, China	Other business	No	50.00
Ezhou Chuangu Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	50.00
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	49.00
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Guangzhou Hong Land Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Guangzhou SuiHai Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	25.00
Guiheng Investment Co., Ltd.	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	50.00
Guizhou Leirong Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	68.90
Guizhou Zhengxi Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
Haixing Materials Co., Ltd. (Note 4)	Hong Kong, China	Hong Kong, China	Sales materials	No	-
Guangzhou XingLv Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
CSCEC New Urbanization (Xinjiang) Investment Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 5)					
China Resources (Tai) Land Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Huizhou Zhongjian municipal fifth Road Investment (Note 3)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	100.00
China Construction Jingmen 207 Highway Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	52.00
Longguang International Co., Ltd. (Note 3)	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	60.00
Leading Investment Co., Ltd. (Note 1)	Jiangsu, China	Hong Kong, China	Real estate investment and development business	No	51.00
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	80.00
Mianyang Zhongjian Kefa Guanlang road investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Housing construction business	No	31.58
Nanjing Kang Real Estate Development Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	49.00
Qingdao Fangchen Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangchuan Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fanghui Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangqian Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Maozhang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business		18.00
Qingdao Songmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business		18.00
Qingdao tengmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business		18.00
Qufu Nishan cultural tourism real estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	50.00
Rizhao Zhongjian Transportation Service Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	26.50
Sanya Bihai Jincheng Business Management Co., Ltd. (Note 1)	Hainan, China	Hainan, China	Real estate investment and development business	No	17.00
Xiamen Yongjing Bay Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Real estate investment and development business	No	20.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 5)					
Shandong China Overseas Huachuang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	64.00
Sichuan Huayou Zhonglan Energy Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Other business	No	12.00
TEDA Group Co., Ltd. (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	33.00
Tianjin Chuangliang Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	34.00
Tianjin Chuangqing Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	51.00
Tianjin Shunji Real Estate Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Real estate investment and development business	No	12.50
Tianjin Wanjiang Real Estate Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Real estate investment and development business	No	33.40
Tianjin Yingchao Real Estate Development Co., Ltd.	Tianjin, China	Tianjin, China	Real estate investment and development business	No	50.00
Tongxiang Haoli Enterprise Management Co., Ltd. (Note 1)	Zhejiang, China	Zhejiang, China	Other business	No	25.00
Ulanhot City Xingcai Fund Management Center (Limited Partnership) (Note 1)	Neimenggu, China	Neimenggu, China	Other business	No	49.99
Urumqi Linkong Construction Infrastructure Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Other business	No	49.00
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Other business	No	65.34
Xi'an Chuxin investment and Construction Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	49.00
Xi'an Dingsheng Dongyue Properties Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Xi'an Hehui Xingshang Properties Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Xiangtan Haijia Construction Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	51.00
Hing Chong Enterprise Co., Ltd.	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xinggui Investment Co., Ltd.	Zhejiang, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xuzhou Metro Line Three Investment Development Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	44.44
Xuancheng Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	65.00
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Housing construction business	No	70.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 5)					
TDE-Empreendimentos Imobiliarios, S.A.	Portugal	Portugal	Housing construction business	No	50.00
Young Yue Investment Co., Ltd. (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	45.00
Yinchuan Shenyang Road Underground Comprehensive Pipe Gallery Construction Management Co., Ltd. (Note 1)	Ningxia, China	Ningxia, China	Infrastructure construction business	No	70.00
Changsha Yida Chuangzhi Property Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Real estate investment and development business	No	49.00
Changsha CSCEC Urban Investment Pipe Gallery Construction Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	66.94
Changsha Zhongjian International Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	65.00
Changsha China Construction Future Technology City Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	51.00
Zhaotong Zhongjian Construction Investment Development Co., Ltd. (Note 1)	Yunnan, China	Yunnan, China	Infrastructure construction business	No	51.00
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd. (Note 1)	Henan, China	Henan, China	Infrastructure construction business	No	61.00
China Shipping Hecai (Beijing) Equity Investment Fund Management Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Other business	No	55.00
Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	45.00
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Infrastructure construction business	No	25.50
CSCEC Chengdu rail transit investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
CSCEC Dacheng Construction Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	50.00
China Construction International (Xiangyang) Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Housing construction business	No	70.00
China Construction Haijia (Foshan) Investment and Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Other business	No	80.00
China State Construction Technology Hubei Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Housing construction business	No	60.00
Construction Technology Jingmen Co., Ltd.	Hubei, China	Hubei, China	Other business	No	50.00
CSCEC Road & Bridge Group Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	51.00
China Construction Third Bureau Hubei Dadong Lake Deep Tunnel Engineering Construction and Operation Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	55.00
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	25.00
China State Construction Zhanjiang Avenue Investment and Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	70.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 5)					
China Construction Zhengda Technology Co., Ltd.	Beijing, China	Beijing, China	Infrastructure construction business	No	50.00
CITIC Polytec Real Estate (Foshan) Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Chongqing Qingneng Yuehe Real Estate Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	49.00
Zunyi South Ring Expressway Development Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
Fuzhou Xinzhi Investment Development Co., Ltd.	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
Associates (Note 5)					
Fast Shift Investments Limited	Macao, China	Macao, China	Real estate investment and development business	No	29.00
Macao Cement Works Co., Ltd.	Macao, China	Macao, China	Sales materials	No	31.34
Baoding China Construction Industrial Investment Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	15.00
Beijing National Alpine Skiing Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Other business	No	12.00
Beijing Hui Guang Enterprise Management Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Real estate investment and development business	No	16.52
Beijing Jianyan Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	49.00
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	40.00
Beijing China Construction Zhongchao Concrete Co., Ltd.	Beijing, China	Beijing, China	Other business	No	30.00
Beijing China Construction Runlong Electrical Engineering Construction Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	30.00
Chengdu Beichen Tianchen Real Estate Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	20.00
Chengdu Chuanhui Jianxing Construction Co., Ltd.	Sichuan, China	Sichuan, China	Housing construction business	No	20.00
Chengdu Chuantou Airport Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
Chengdu Changtuo Dongjin Construction Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	1.00
Guangzhou Fuchuang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	34.00
Guangzhou Zengcheng run Yu Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Haikou Qiyue Urban Construction Co., Ltd. (Note 2)	Hainan, China	Hainan, China	Infrastructure construction business	No	2.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 5)					
Haikou Tuoyi Real Estate Co., Ltd.	Hainan, China	Hainan, China	Real estate investment and development business	No	20.00
Hanzhong Xinghan City Parking Lot Construction Management Co., Ltd. (Note 2)	Shanxi, China	Shanxi, China	Other business	No	18.00
Hangzhou Chengtuo Wulin Investment Development Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
Hebei Chenghong Pipe Gallery Engineering Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	5.00
Hebei Xiong'an Citizen Service Center Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	50.50
Hubei Trading Xiangyang North Expressway Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
Jinan Hongbi Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Jinan Taihui Real Estate Development Co Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	33.00
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	32.36
Jiqing High Speed Railway Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	8.40
Jiangmen Pengjiang Hebang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Henan, China	Henan, China	Other business	No	30.00
Jinmao investment (Changsha) Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
Jinyu Jiaxing Nanjing Real Estate Development Co., Ltd.	Nanjing, China	Nanjing, China	Real estate investment and development business	No	30.00
Jinjiang Zhongyun Sports Construction Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Infrastructure construction business	No	10.00
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	Guangxi, China	Guangxi, China	Infrastructure construction business	No	40.00
Liupanshui Dongda highway investment and Development Co., Ltd. (Note 2)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	50.00
Luzhou Yangtze River Second Bridge Construction Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	10.00
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	33.00
Nanjing CSCEC Gubei Urban Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	45.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 5)					
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Nanyang Zhongjian Jinrui Urban Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	20.00
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	9.00
Panjin Xinjian Construction Co., Ltd.	Liaoning, China	Liaoning, China	Infrastructure construction business	No	45.85
Pingdingshan City Development and Investment China Construction City First Hospital New District Management Co., Ltd.	Henan, China	Henan, China	Other business	No	42.77
Putian Puyang University Construction Co., Ltd.	Fujian, China	Fujian, China	Housing construction business	No	32.90
Putian Zhongjian Mulan Construction Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	49.90
Qingdao Changming Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	22.50
Qingdao Runfu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	47.62
Qingdao Yufu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Qingdao Yuefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Qingdao Zefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Qingdao China Construction Eighth Bureau Urban Investment Development Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	2.68
Qingdao China Construction Eighth Bureau Education Development Co., Ltd.	Shandong, China	Shandong, China	Other business	No	38.65
Rizhao China Construction Eighth Bureau culture and Technology Development Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	14.00
Sanmenxia National Highway 310 South Moving Project Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	40.00
Xiamen Haitou Construction Technology Co., Ltd.	Fujian, China	Fujian, China	Other business	No	30.00
Xiamen Junyi Properties Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
Shandong Qilu Ningliang Expressway Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	49.00
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Shandong Zhongjian Material Equipment Co., Ltd.	Shandong, China	Shandong, China	Other business	No	30.00
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Shantou CSCEC new urbanization Investment Co., Ltd.	Guangdong, China	Guangdong, China	Infrastructure construction business	No	36.77

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 5)					
Shangqiu Xinhangcheng development and Construction Management Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	4.16
Shangqiu Yunheng Urban Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	7.61
Shangqiu China Construction Cloud City Urban Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	9.00
Shanghai Fuhong Real Estate Co., Ltd. (Note 3)	Shanghai, China	Shanghai, China	Real estate investment and development business	No	100.00
Shanghai Jiasheng Real Estate Development Co., Ltd.	Shanghai, China	Shanghai, China	Real estate investment and development business	No	49.00
Shanghai Xingxin Real Estate Development Co., Ltd. (Note 4)	Shanghai, China	Shanghai, China	Real estate investment and development business	No	–
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	49.00
Sichuan Xijianshantui Logistics Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	30.00
Sichuan Xijianzhonghe Machinery Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	44.44
Suzhou Fu Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	34.00
Suzhou Mudu Zhongxin land Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	35.00
Wenzhou China Construction Steel Structure Olympic Sports Project Management Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
Wuhan Chenfa Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Wuhan Chenzhan Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	50.00
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	29.83
Xianyi International Co., Ltd.	Hong Kong, China	Hong Kong, China	Other business	No	30.00
Xinjiang China Construction Urban Construction Investment Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Xinyu Huancheng Road Construction Investment Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Infrastructure construction business	No	10.00
Suzhou Junda National Road 206 Construction Co., Ltd.	Anhui, China	Anhui, China	Housing construction business	No	20.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 5)					
Suzhou Xinghui West Ring Road Construction Co., Ltd.	Anhui, China	Anhui, China	Infrastructure construction business	No	30.93
Xuzhou Metro Line Three Investment Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	38.30
Xuchang Chenheng Real Estate Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	39.00
Yunnan Huali expressway investment and Development Co., Ltd.	Yunnan, China	Yunnan, China	Infrastructure construction business	No	46.00
Zhangzhou Zhan Environmental Technology Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Other business	No	19.00
Zhangzhou Yingzhi Construction Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Infrastructure construction business	No	3.00
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	20.10
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
Changsha Xirong Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	33.00
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	25.00
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	40.00
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd. (Note 2)	Henan, China	Henan, China	Sales materials	No	18.00
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	25.00
China Construction Haoyun Co., Ltd.	Hebei, China	Hebei, China	Other business	No	35.00
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
China Construction Third Engineering Bureau Jingzhou Huanchang Lake construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	15.00
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	46.00
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows: (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 5)					
China Construction Third Engineering Bureau Xianning Big Continent Lake ecological construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	10.00
China Construction Third Engineering Bureau Yichang City pipe gallery construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	41.29
Wuhan Huangxiaohe Airport River Environment Comprehensive Treatment Construction Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	42.20
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	40.00
China State Construction Xi'an Urban Construction Investment Co., Ltd.	Shanxi, China	Shanxi, China	Infrastructure construction business	No	30.00
Oriental Anzhen (Beijing) Hospital Management Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Other business	No	5.98
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Ganzhou Hangyu Construction Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Real estate investment and development business	No	2.10
Hong Kong and Kowloon Concrete Co., Ltd.	Hong Kong, China	Hong Kong, China	Sales materials	No	31.50
Guangzhou Bisen Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	14.28
Guangzhou Lihe Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Guangzhou Lvrong Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	16.66
CCCC Jijiao Expressway Investment Development Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	21.00
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	Chongqing, China	Chongqing, China	Real estate investment and development business	No	45.00
Chongqing Tianchengjiang Real Estate Co., Ltd. (Note 3)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	100.00
Zhoukou Xintong Urban Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	30.00
Fernvale Lane Pte Ltd.	Singapore	Singapore	Housing construction business	No	20.00

Note 1: The Group's shareholding ratio in some of the aforementioned joint ventures is less than 50% or more than 50%. Major business decisions made by the board of directors of these companies or similar institutions can only be approved after the unanimous consent of all investors; or according to the provisions of the articles of association of these companies, major business decisions must be approved by representatives of more than two-thirds of the voting rights. These decisions can be passed only if the Group and other shareholders agree unanimously. The Group has no substantial control over these companies, so these companies are accounted for as joint ventures.

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

Note 2: For invested companies with a shareholding ratio of less than 20%, the Group has the right to participate in their business decision-making by appointing directors to the board of directors of these companies, and has a significant influence; for invested companies with a shareholding ratio of not less than 50%, According to the provisions of the articles of association of these companies on the decision-making mechanism for major operations and financial decisions, they cannot be controlled or jointly controlled, but the Group can only exercise significant influence. Therefore, these companies are accounted for as associates.

Note3: Due to the acquisition of these companies' equity or changes in the company's articles of association this year, on 31 December 2020, the Group has included them in the scope of consolidation.

Note4: Due to the disposal of the equity of these companies this year, on 31 December 2020, the Group no longer holds their equity.

Note5: The aforementioned joint ventures include joint ventures and their subsidiaries, and associates include associates and their subsidiaries.

4. Other related parties

	Relationship with the group
Beijing Hongde Materials Co., Ltd.	Controlled by the same parent company
Beijing Zhongjian Qiming Enterprise Management Co., Ltd	Controlled by the same parent company
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	Controlled by the same parent company
CSCEC Electronic Commerce Co., Ltd.	Controlled by the same parent company
China Construction Environmental Energy Technology Co., Ltd.	Controlled by the same parent company
China Construction Aluminum New materials Chengdu Co., Ltd.	Controlled by the same parent company
China Construction Aluminum New materials Henan Co., Ltd.	Controlled by the same parent company
China Construction Aluminum New materials Co., Ltd.	Controlled by the same parent company
China Construction Water Affairs Environmental Protection Co., Ltd.	Controlled by the same parent company
China State Construction Asset Management Co., Ltd.	Controlled by the same parent company
China Automobile Material Trade Co., Ltd.	Controlled by the same parent company
SIPG Bayport Terminal Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanggang group Ruitai Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanggang group Ruixiang Real Estate Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanghai Port Group Israel Haifa New Port Wharf Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group

5. Major transactions between the Group and its related parties

(1) Related party goods and services transactions

Purchase of goods and accepting services from related parties

	Nature of the transaction	2020	2019
CSCEC Electronic Commerce Co., Ltd.	Purchase of goods	2,556,976	480,940
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	Purchase of goods	1,216,607	2,403,343
Hong Kong and Kowloon Concrete Co., Ltd.	Purchase of goods	118,994	34,263
Macau Cement Works Co., Ltd.	Purchase of goods	40,138	81,367
Haixing Materials Co., Ltd.	Purchase of goods	—	45,448
Others	Purchase of goods and Accepting services	56,094	96,284
Total		3,988,809	3,141,645

X. Related party relationships and transactions (continued)

5. Major transactions between the Group and its related parties (continued)

(2) Contract engineering and projects sub-contracted out

Contract engineering

	Nature of the transaction	2020	2019
Guizhou Leirong Expressway Investment Management Co., Ltd.	Contract engineering	2,180,763	360,244
Sanmenxia National Highway 310 South Moving Project Construction Management Co., Ltd.	Contract engineering	2,167,593	2,472,977
Xuzhou Line 3 Rail Transit Investment Development Co., Ltd.	Contract engineering	2,079,115	757,220
China State Construction Xi'an Urban Construction Investment Co., Ltd.	Contract engineering	1,907,250	103,207
Jiqing High Speed Railway Co., Ltd.	Contract engineering	1,817,344	1,654,438
Shandong Qilu Ningliang Expressway Co., Ltd.	Contract engineering	1,719,796	1,429,465
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	Contract engineering	1,464,629	–
Shantou CSCEC new urbanization Investment Co., Ltd.	Contract engineering	1,356,832	892,252
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	Contract engineering	1,257,119	535,535
Shangqiu Yuncheng Urban Construction Development Co., Ltd.	Contract engineering	1,234,772	1,600,404
CCCC Jijiao Expressway Investment Development Co., Ltd.	Contract engineering	1,182,368	717,896
Anhui Bengwu Expressway Investment Management Co., Ltd.	Contract engineering	1,056,642	493,135
Hangzhou Chengtuo Wulin Investment Development Co., Ltd.	Contract engineering	1,052,300	–
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	Contract engineering	1,012,403	4,589,409
Yunnan Huali expressway investment and Development Co., Ltd.	Contract engineering	968,775	1,346,324
Xi'an Chuxin investment and Construction Co., Ltd.	Contract engineering	956,896	194,844
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	Contract engineering	927,374	12,662
China State Construction Zhanjiang Avenue Investment and Construction Co., Ltd.	Contract engineering	845,585	113,153
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Contract engineering	824,457	836,850
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	Contract engineering	735,303	1,507,903
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	Contract engineering	715,171	545,883
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Contract engineering	713,770	117,095
Qingdao China Construction Eighth Bureau Urban Investment Development Co., Ltd.	Contract engineering	710,102	200,271
Zhangzhou Zhan Environmental Technology Co., Ltd.	Contract engineering	698,412	64,255
China Construction Third Bureau Hubei Dadong Lake Deep Tunnel Engineering Construction and Operation Co., Ltd.	Contract engineering	658,573	–
Nanyang Zhongjian Jinrui Urban Construction Development Co., Ltd.	Contract engineering	658,305	189,882
Jiaozuo Zhongjian South to North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	Contract engineering	656,458	–
Guangzhou Lihe Real Estate Development Co., Ltd.	Contract engineering	648,325	–
Jinjiang zhongyun Sports Construction Development Co., Ltd.	Contract engineering	634,434	873,798
Xinjiang China Construction Urban Construction Investment Co., Ltd.	Contract engineering	633,398	–
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	Contract engineering	618,701	–
CSCEC Wuhan Huangxiaohe Airport River Water Environment Comprehensive Treatment Construction and Operation Co., Ltd.	Contract engineering	618,566	203,889
Xinyu Huancheng Road Construction Investment Co., Ltd.	Contract engineering	604,429	982,913
Hebei Chenghong pipe gallery Engineering Co., Ltd.	Contract engineering	595,909	424,052

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(2) Contract engineering and projects sub-contracted out (continued)****Contract engineering (continued)**

	Nature of the transaction	2020	2019
Qingdao China Construction Eighth Bureau Education Development Co., Ltd.	Contract engineering	546,244	133,472
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	Contract engineering	542,130	–
Ganzhou Hangyu Construction Co., Ltd.	Contract engineering	529,043	159,855
China Construction Third Engineering Bureau Xianning Big Continent Lake ecological construction and Operation Co., Ltd.	Contract engineering	528,810	–
Ulanhot Xingcai Fund Management Center (Limited Partnership)	Contract engineering	506,801	83,197
Zhoukou Xintong Urban Construction Development Co., Ltd.	Contract engineering	501,110	250,231
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	Contract engineering	483,655	–
Shanggang group Ruitai Development Co., Ltd.	Contract engineering	479,639	370,230
China Construction Jingmen 207 Highway Construction Co., Ltd.	Contract engineering	479,591	104,922
Chengdu Chuantou Airport Construction Co., Ltd.	Contract engineering	463,962	34,586
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd.	Contract engineering	442,228	–
Qingdao Maozhang Real Estate Co., Ltd.	Contract engineering	426,002	–
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	Contract engineering	392,307	–
China Construction International (Xiangyang) Construction Co., Ltd.	Contract engineering	392,295	543,526
Rizhao China Construction Eighth Bureau Culture and Technology Development Co., Ltd.	Contract engineering	373,593	–
Urumqi Linkong Construction Infrastructure Co., Ltd.	Contract engineering	372,248	–
Hubei Trading Xiangyang North Expressway Co., Ltd.	Contract engineering	363,206	–
Pingdingshan City Development and Investment China Construction City First Hospital New District Management Co., Ltd.	Contract engineering	357,241	181,236
Beijing Jianyan Real Estate Development Co., Ltd.	Contract engineering	355,916	616,471
Putian Puyang University Construction Co., Ltd.	Contract engineering	354,140	648,480
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Contract engineering	344,209	255,717
Changsha China State Construction International Development Co., Ltd.	Contract engineering	338,339	342,313
Chengdu Chuanhui Jianxing Construction Co., Ltd.	Contract engineering	315,538	351,270
Zhangzhou Yingzhi Construction Development Co., Ltd.	Contract engineering	282,792	447,725
Xianyi International Co., Ltd.	Contract engineering	279,876	849,988
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Contract engineering	243,926	636,745
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	Contract engineering	216,731	1,137,436
Xuzhou Line One Rail Transit Investment Development Co., Ltd.	Contract engineering	198,010	1,612,505
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd.	Contract engineering	145,802	365,308
Fast Shift Investments Limited	Contract engineering	138,044	334,979
Suzhou Junda National Road 206 Construction Co., Ltd.	Contract engineering	97,085	440,478
Dalian CSCEC sponge City Construction Development Co., Ltd.	Contract engineering	38,782	426,129
Zunyi South Ring Expressway Development Co., Ltd.	Contract engineering	31,714	687,959
Danjiangkou Haijia Construction Co., Ltd.	Contract engineering	27,661	467,415

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(2) Contract engineering and projects sub-contracted out (continued)****Contract engineering (continued)**

	Nature of the transaction	2020	2019
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Contract engineering	500	1,478,838
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	Contract engineering	–	937,683
China Construction Water Affairs Environmental Protection Co., Ltd.	Contract engineering	–	827,344
Others	Contract engineering	17,517,517	12,432,128
Total		65,018,556	50,378,122

Projects sub-contracted out

	Nature of the transaction	2020	2019
CSCEC-Dacheng Construction Ltd.	projects sub-contracted out	486,217	500,945
China Construction Water Affairs Environmental Protection Co., Ltd.	projects sub-contracted out	122,139	417,909
CSCEC Road & Bridge Group Co., Ltd.	projects sub-contracted out	101,518	489,148
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	projects sub-contracted out	6,094	42,408
Others	projects sub-contracted out	82,745	154,541
Total		798,713	1,604,951

(3) Related party leasing**As lessor**

	Types of leased assets	2020	2019
China Construction Water Affairs Environmental Protection Co., Ltd.	Office Building	3,066	2,920
Beijing Hongde Materials Co., Ltd.	Office Building	1,608	–
China Construction Environmental Energy Technology Co., Ltd.	Office Building	663	–
CSCEC Electronic Commerce Co., Ltd.	Office Building	338	257
Others	Office Building	1,229	–
Total		6,904	3,177

As lessee

	Types of leased assets	2020	2019
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Machinery equipment	245,626	184,782
China Construction Aluminum New Materials Chengdu Co., Ltd.	Materials	77,336	8,397
Sichuan Xijianshantui Logistics Co., Ltd.	Transport equipment	58,776	55,640
Sichuan Xijianzhonghe Machinery Co., Ltd.	Transport equipment	49,859	55,977
Others	Office buildings, etc	62,944	43,199
Total		494,541	347,995

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(4) Related party guarantee****Offering guarantee to related parties**

2020

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou bison Real Estate Development Co., Ltd.	186,525	11 December 2018	1 February 2021	No
Guangzhou bison Real Estate Development Co., Ltd.	142,784	26 December 2018	25 December 2021	No
Guangzhou Lihe Real Estate Development Co., Ltd.	280,000	22 April 2019	21 April 2022	No
Guangzhou Lihe Real Estate Development Co., Ltd.	180,000	29 June 2020	28 June 2023	No
Guangzhou Lihe Real Estate Development Co., Ltd.	127,880	13 July 2018	21 May 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	292,883	13 November 2018	29 November 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	98,960	30 September 2019	29 September 2022	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	33,320	11 April 2019	10 April 2022	No
Changsha Xirong Real Estate Co., Ltd.	154,595	14 January 2020	9 December 2021	No
Guiheng Investment Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	135,150	14 April 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	82,950	20 November 2020	19 November 2025	No
Guiheng Investment Co., Ltd.	39,850	21 March 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	32,500	16 March 2017	15 March 2022	No
Total	1,962,397			

2019

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou Bison Real Estate Development Co., Ltd.	108,528	11 December 2018	1 February 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	71,393	23 July 2019	2 December 2020	No
Guangzhou Bison Real Estate Development Co., Ltd.	62,832	2 January 2019	1 January 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	49,980	22 January 2019	2 December 2020	No
Guangzhou Bison Real Estate Development Co., Ltd.	32,815	2 February 2019	1 February 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	21,420	26 December 2018	2 December 2020	No
Guangzhou Lihe Real Estate Development Co., Ltd.	575,460	13 July 2018	21 May 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	233,240	13 November 2018	29 November 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	99,960	30 September 2019	29 September 2022	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	59,976	1 March 2019	29 November 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	49,980	11 April 2019	10 April 2022	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	16,660	28 June 2019	10 April 2022	No
Guiheng Investment Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	135,150	14 April 2017	15 March 2022	No

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(4) Related party guarantee (continued)****Offering guarantee to related parties (continued)**

2019 (continued)

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guiheng Investment Co., Ltd.	78,500	20 January 2017	13 October 2021	No
Guiheng Investment Co., Ltd.	52,500	16 March 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	39,850	21 March 2017	15 March 2022	No
Guiheng Investment Co., Ltd.	28,150	3 January 2017	13 October 2021	No
Changsha Xirong Real Estate Co., Ltd.	150,713	16 January 2019	12 December 2024	No
Total	2,042,107			

(5) Inter bank loan of related parties**Capital borrowings**

2020

	Borrowing amount	Starting date	Ending date
China State Construction Group	1,500,000	30 December 2020	29 December 2021
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	16,170	30 April 2020	No fixed maturity date
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd.	4,578	26 September 2020	No fixed maturity date
Total	1,520,748		

2019

	Borrowing amount	Starting date	Ending date
Sunrise JV Limited	2,400,000	11 March 2019	22 August 2024
China State Construction Group	2,000,000	30 December 2019	27 December 2024
Sunrise JV Limited	885,000	11 March 2019	No fixed maturity date
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	706,500	28 July 2019	No fixed maturity date
Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	369,160	26 June 2019	No fixed maturity date
Xi'an Dingsheng Dongyue Properties Co., Ltd.	229,987	28 January 2019	No fixed maturity date
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	200,000	27 November 2019	No fixed maturity date
Qingdao Songmao Real Estate Co., Ltd.	138,350	27 June 2019	25 November 2020
Xi'an Dingsheng Dongyue Properties Co., Ltd.	120,000	15 October 2019	No fixed maturity date
Xi'an Dingsheng Dongyue Properties Co., Ltd.	89,942	27 November 2019	No fixed maturity date
Dongguan Jiafang Real Estate Development Co., Ltd.	82,073	1 January 2019	No fixed maturity date
Qingdao Fanghui Real Estate Co., Ltd.	51,154	31 May 2019	30 May 2020
Qingdao Fangchuan Real Estate Co., Ltd.	50,506	27 June 2019	26 June 2020
China Resources (Taiyuan) Development Co., Ltd.	50,000	30 August 2019	No fixed maturity date
Qingdao Fangchen Real Estate Co., Ltd.	40,989	30 April 2019	29 April 2020
Qingdao Fangchuan Real Estate Co., Ltd.	11,050	24 May 2019	23 May 2020
Total	7,424,711		

X. Related party relationships and transactions (continued)

5. Major transactions between the Group and its related parties

(5) Inter bank loan of related parties (continued)

Fund lent

2020

	Loan amount	Starting date	Ending date
China State Construction Group	2,500,000	9 September 2020	8 September 2021
China State Construction Group	2,200,000	9 September 2020	8 September 2021
China State Construction Group	800,000	16 December 2020	15 December 2021
Guangzhou Hong Land Co., Ltd.	612,997	18 August 2020	18 August 2022
Top Colour Development Limited	527,080	22 January 2020	No fixed maturity date
Ezhou Chuanggu Real Estate Development Co., Ltd.	460,565	13 January 2020	13 January 2022
Chongqing Qingneng Yuehe Real Estate Co., Ltd.	390,979	8 January 2020	15 April 2021
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	301,688	3 August 2020	2 August 2021
Chengdu Beichen Tianchen Real Estate Co., Ltd.	292,127	10 June 2020	10 June 2022
China Construction Water Affairs Environmental Protection Co., Ltd.	250,000	16 April 2020	15 April 2021
Xinjiang China Construction Urban Construction Investment Co., Ltd.	229,558	16 December 2020	15 June 2021
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	203,518	12 October 2020	12 October 2021
China State Construction Group	200,000	16 March 2020	16 June 2020
China State Construction Group	200,000	15 June 2020	30 June 2020
China Construction Water Affairs Environmental Protection Co., Ltd.	200,000	25 December 2020	15 March 2021
Wuhan Chenzhan Real Estate Development Co., Ltd.	150,854	8 September 2020	8 September 2022
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	126,917	1 January 2020	24 December 2021
Wuhan Chenfa Real Estate Development Co., Ltd.	126,560	8 September 2020	8 September 2022
Fernvale Lane Pte Ltd.	118,866	4 June 2020	31 December 2025
TEDA Group Co., Ltd.	95,230	14 August 2020	No fixed maturity date
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	82,500	8 May 2020	31 December 2020
Overseas Hongyang	75,026	19 October 2020	18 October 2023
Putian Zhongjian Mulan Construction Development Co., Ltd.	56,351	30 December 2020	No fixed maturity date
Ezhou Chuanggu Real Estate Development Co., Ltd.	50,000	13 January 2020	13 January 2021
Jinjiang zhongyun Sports Construction Development Co., Ltd.	40,000	15 January 2020	No fixed maturity date
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	23,100	8 September 2020	31 December 2020
CSCEC Electronic Commerce Co., Ltd.	20,000	12 May 2020	11 May 2021
Jinan Hongbi Real Estate Co., Ltd.	20,000	1 January 2020	30 June 2020
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	19,800	25 December 2020	31 December 2020
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	19,344	23 November 2020	No fixed maturity date
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	19,064	22 December 2020	21 December 2021
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd.	13,398	31 January 2020	No fixed maturity date
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	12,500	1 October 2020	1 December 2021

X. Related party relationships and transactions (continued)

5. Major transactions between the Group and its related parties (continued)

(5) Inter bank loan of related parties (continued)

Fund lent (continued)

2020 (continued)

	Loan amount	Starting date	Ending date
Putian Puyang University Construction Co., Ltd.	10,000	16 November 2020	No fixed maturity date
China construction aluminum new materials Chengdu Co., Ltd.	10,000	22 June 2020	21 June 2021
China construction aluminum new materials Henan Co., Ltd.	10,000	4 August 2020	3 August 2021
China construction aluminum new materials Chengdu Co., Ltd.	10,000	9 December 2020	8 December 2021
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	2,000	1 October 2020	No fixed maturity date
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	1,000	1 August 2020	No fixed maturity date
Total	10,534,386		

2019

	Loan amount	Starting date	Ending date
Clear Elegant Limited	4,235,495	3 December 2019	No fixed maturity date
Luminous Dream Limited	2,637,429	15 April 2019	No fixed maturity date
China State Construction Group	2,630,000	10 September 2019	9 September 2020
Shanghai Fuhong Real Estate Co., Ltd.	2,143,194	29 September 2019	No fixed maturity date
China State Construction Group	2,000,000	25 September 2019	30 September 2019
China State Construction Group	1,800,000	25 September 2019	27 September 2019
Gainable Development Limited	1,360,948	15 August 2019	No fixed maturity date
Marble Edge Limited	1,213,622	29 May 2019	No fixed maturity date
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	1,003,971	22 August 2019	18 June 2020
Xianyi International Co., Ltd.	459,325	1 July 2019	No fixed maturity date
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	435,064	20 February 2019	No fixed maturity date
Shanghai Xingxin Real Estate Development Co., Ltd.	403,972	1 January 2019	31 May 2020

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)****Fund lent (continued)**

2019 (continued)

	Loan amount	Starting date	Ending date
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	378,882	28 June 2019	No fixed maturity date
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	318,500	1 July 2019	No fixed maturity date
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	242,634	22 August 2019	2020December 31
Tianjin Shunji Real Estate Co., Ltd.	211,418	1 July 2019	No fixed maturity date
Tianjin Chuangliang Investment Management Co., Ltd.	132,600	1 July 2019	No fixed maturity date
Anhui Bengwu Expressway Investment Management Co., Ltd.	131,800	11 July 2019	No fixed maturity date
Jinjiang Zhongyun Sports Construction Development Co., Ltd.	120,000	1 July 2019	No fixed maturity date
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	101,000	1 July 2019	No fixed maturity date
Jinjiang Zhongyun Sports Construction Development Co., Ltd.	90,000	25 October 2019	No fixed maturity date
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	87,500	21 January 2019	No fixed maturity date
Overseas Hongyang	78,230	1 January 2019	No fixed maturity date
Jinjiang Zhongyun Sports Construction Development Co., Ltd.	70,000	24 December 2019	No fixed maturity date
China Construction Water Affairs Environmental Protection Co., Ltd.	50,000	27 December 2019	25 December 2020
Jinan Hongbi Real Estate Co., Ltd.	45,000	28 August 2019	No fixed maturity date
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	42,098	25 June 2019	No fixed maturity date
Jinjiang Zhongyun Sports Construction Development Co., Ltd.	40,000	25 January 2019	No fixed maturity date
Xiamen Yongjing Bay Real Estate Co., Ltd.	32,440	31 December 2019	No fixed maturity date
Xianyi International Co., Ltd.	30,187	1 January 2019	31 May 2020
Jinan Taihui Real Estate Development Co Ltd	23,100	17 January 2019	No fixed maturity date
Xuchang Chenheng Real Estate Co., Ltd.	20,000	25 January 2019	25 January 2020
Anhui Bengwu Expressway Investment Management Co., Ltd.	8,843	13 September 2019	No fixed maturity date
Anhui Bengwu Expressway Investment Management Co., Ltd.	8,113	25 November 2019	No fixed maturity date
Anhui Bengwu Expressway Investment Management Co., Ltd.	7,663	31 December 2019	No fixed maturity date
Fuzhou Xinzhi Investment Development Co., Ltd.	5,000	23 November 2019	No fixed maturity date
Fuzhou Xinzhi Investment Development Co., Ltd.	5,000	31 December 2019	No fixed maturity date
Xiamen Yongjing Bay Real Estate Co., Ltd.	3,320	10 September 2019	No fixed maturity date
Anhui Bengwu Expressway Investment Management Co., Ltd.	888	31 January 2019	No fixed maturity date
Total	22,607,236		

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(6) A takes deposits**

2020

	1 January 2020	Increase in the current year	Decrease in the current year	31 December 2020
CSCEC Electronic Commerce Co., Ltd.	315,902	2,550,191	(1,574,597)	1,291,496
China Construction Water Affairs Environmental Protection Co., Ltd.	438,078	2,728,826	(2,492,353)	674,551
China State Construction Group	14,136	23,307,368	(23,086,821)	234,683
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	34,489	176,486	(135,331)	75,644
China construction aluminum new materials Chengdu Co., Ltd.	–	87,306	(75,948)	11,358
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	2,357	117,117	(109,953)	9,521
China State Construction Asset Management Co., Ltd.	–	7,008	(1,160)	5,848
China construction aluminum new materials Co., Ltd.	10,023	3,031	(8,500)	4,554
China Construction Environmental Energy Technology Co., Ltd.	–	2,000	–	2,000
China construction aluminum new materials Henan Co., Ltd.	–	56,479	(54,533)	1,946
China Construction Haoyun Co., Ltd.	100,000	154	(99,559)	595
CSCEC Dacheng Construction Co., Ltd.	52,498	99,036	(151,169)	365
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	1,110	29,821	(30,633)	298
China Automobile Material Trade Co., Ltd.	582	2	(402)	182
Nanjing CSCEC Gubei Urban Development Co., Ltd.	6,781	4,010	(10,619)	172
Total	975,956	29,168,835	(27,831,578)	2,313,213

2019

	1 January 2019	Increase in the current year	Decrease in the current year	31 December 2019
China Construction Water Affairs Environmental Protection Co., Ltd.	282,252	1,510,711	(1,354,885)	438,078
CSCEC Electronic Commerce Co., Ltd.	129,233	703,969	(517,300)	315,902
China Construction Haoyun Co., Ltd.	–	100,000	–	100,000
CSCEC Dacheng Construction Co., Ltd.	–	52,498	–	52,498
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	540,000	54,489	(560,000)	34,489
China State Construction Group	407,401	47,291,447	(47,684,712)	14,136
CSCEC aluminum new materials Co., Ltd.	–	56,023	(46,000)	10,023
Nanjing CSCEC Gubei Urban Development Co., Ltd.	–	2,398,000	(2,391,219)	6,781
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	–	3,407	(1,050)	2,357
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	–	100,861	(99,751)	1,110
China Automobile Material Trade Co., Ltd.	–	57,275	(56,693)	582
Total	1,358,886	52,328,680	(52,711,610)	975,956

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)**

(7) Transfer of related parties assets

	Nature of the transaction	2020	2019
Overseas Hongyang	Trade mark use right	178,000	174,200

(8) Other related parties transactions

	2020	2019
Key management's remuneration	6,325	8,808

6. Amounts due from related parties

(1) Notes receivable

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Qingdao Fangqian Real Estate Co., Ltd.	60,418	–	50,930	–
Changsha China Construction Future Technology City Investment Co., Ltd.	28,000	–	–	–
China Construction Water Affairs Environmental Protection Co., Ltd.	21,000	–	–	–
Qingdao Fanghui Real Estate Co., Ltd.	14,565	–	–	–
Others	14,101	–	–	–
Total	138,084	–	50,930	–

(2) Accounts receivable

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Guizhou Leirong Expressway Investment Management Co., Ltd.	794,470	(35,751)	371,768	–
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	707,622	(15,846)	651,423	(6,154)
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	661,443	(23,990)	1,168,242	(13,642)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	621,229	–	82,921	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	579,122	(72,606)	–	–
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	508,188	(50,819)	722,021	(32,491)
China Construction International (Xiangyang) Construction Co., Ltd.	488,312	–	336,349	–
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	415,308	(125,448)	518,241	(103,714)
Jiqing High Speed Railway Co., Ltd.	258,102	(15,955)	145,360	(6,541)
Xuzhou Metro Line Three Investment Development Co., Ltd.	256,857	(24,812)	240,975	(10,844)
Anhui Bengwu Expressway Investment Management Co., Ltd.	249,790	(6,187)	289,727	(9,934)
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	248,403	(37,467)	205,297	(37,467)
Shangang group Ruitai Development Co., Ltd.	227,629	(53,143)	435,363	(46,321)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	220,819	(11,041)	333,140	(6,663)
China Construction Water Affairs Environmental Protection Co., Ltd.	184,464	–	297,404	–

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(2) Accounts receivable (continued)

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Danjiangkou Haijia Construction Co., Ltd.	184,441	–	308,300	–
Changsha Zhongjian International Development	168,568	–	131,909	–
Chengdu Changtuo Dongjin Construction Co., Ltd.	167,903	(3,358)	–	–
Gangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	146,521	(14,652)	146,521	(11,669)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	146,168	(6,578)	350,728	(15,783)
Gangzhou Bohai New Area China Construction Port Construction Management Co., Ltd.	134,455	(68,706)	151,125	(8,363)
Changsha Yida Chuangzhi Property Development Co., Ltd.	123,500	–	60,748	–
Hanzhong Xinghan City Parking Lot Construction Management Co., Ltd.	118,907	(2,498)	–	–
Dalian CSCEC sponge City Construction Development Co., Ltd.	112,665	(8,394)	79,693	(3,586)
Liupanshui Dongda highway investment and Development Co., Ltd.	109,562	(10,956)	129,562	(5,837)
Shangang group Ruixiang Real Estate Development Co., Ltd.	100,634	(4,529)	66,831	(3,007)
Dazhou Dahuan Development Management Co., Ltd.	98,299	(4,915)	157,799	(3,156)
CCCC Jijiao Expressway Investment Development Co., Ltd.	7,635	(344)	152,126	(8,504)
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	–	–	495,466	(4,955)
Xianyi International Co., Ltd.	–	–	156,687	–
Others	1,619,722	(112,408)	2,434,586	(127,337)
Total	9,660,738	(710,403)	10,620,312	(465,968)

(3) Other receivables

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	1,596,707	(63,867)	–	–
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd.	1,135,984	(11,360)	–	–
Guangzhou XingLv Real Estate Development Co., Ltd.	726,454	(29,068)	–	–
Suzhou Fu Real Estate Co., Ltd.	645,036	(25,775)	–	–
Guangzhou fuchuang Real Estate Development Co., Ltd.	595,777	(23,831)	–	–
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	419,569	(4,196)	–	–
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	225,249	(16,875)	–	–
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	181,287	(181)	–	–
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	152,449	(6,260)	220,642	(9,500)
Dongguan Zhonghai Century City Education Technology Development Co., Ltd.	145,986	(11,057)	180,486	(11,059)
Sichuan Huayou Zhonglan Energy Co., Ltd.	100,000	(100,000)	–	–
Suzhou Junda National Road 206 Construction Co., Ltd.	91,804	(7,824)	91,804	(3,686)
Baoding China Construction Industrial Investment Co., Ltd.	85,000	(3,400)	17	(1)
Xiamen Haitou Construction Technology Co., Ltd.	74,250	(2,228)	–	–

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(3) Other receivables (continued)

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China Construction Third Engineering Bureau Xiangyang East West Axis Construction and Operation Co., Ltd.	53,242	(4,259)	–	–
Shantou CSCEC new urbanization Investment Co., Ltd.	52,920	(10,584)	52,920	(3,704)
China Construction Technology Jingmen Co., Ltd.	50,886	(509)	–	–
CSCEC Road & Bridge Group Co., Ltd.	50,806	(4,328)	8,456	(266)
Rizhao Zhongjian Transportation Service Co., Ltd.	50,000	(4,000)	60,636	(2,425)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	42,165	(1,311)	–	–
China State Construction Technology Hubei Co., Ltd.	41,632	(419)	–	–
Xuchang Chenheng Real Estate Co., Ltd.	26,891	(1,076)	115,073	(6,712)
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	6,468	(6,449)	418,200	(12,546)
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	–	–	500,000	(100)
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd.	528	(1)	68,722	(69)
Rizhao China Construction Eighth Bureau Culture and Technology Development Co., Ltd.	–	–	450,000	(18,000)
Xinggui Investment Co., Ltd.	–	–	237,500	–
Chongqing Tianchengjiang Real Estate Co., Ltd.	–	–	106,889	(8,373)
Dalian CSCEC sponge City Construction Development Co., Ltd.	–	–	90,000	(2,700)
Others	407,869	(24,950)	251,342	(8,558)
Total	6,958,959	(363,808)	2,852,687	(87,699)

(4) Contract assets

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	848,360	(3,823)	707,917	(3,503)
Hebei Xiong'an Citizen Service Center Co., Ltd.	514,776	(3,646)	482,663	(500)
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	446,269	(6,008)	186,733	(5,336)
Hebei Chenghong pipe gallery Engineering Co., Ltd.	335,659	(7,320)	204,003	(2,341)
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	294,093	(1,914)	330,637	(1,945)
Zunyi South Ring Expressway Development Co., Ltd.	253,247	(825)	–	–
Jiqing High Speed Railway Co., Ltd.	237,861	(1,431)	226,489	(738)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	155,511	(512)	–	–
Suzhou Junda National Road 2006 Construction Co., Ltd.	143,520	(823)	–	–
Luzhou Yangtze River Second Bridge Construction Co., Ltd.	125,191	(10,478)	–	–
Guangzhou Lihe Real Estate Development Co., Ltd.	112,526	(556)	49,026	(270)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	102,620	(416)	103,072	(442)
Xinjiang Zhongjian Construction Investment Development Co., Ltd.	89,110	(516)	–	–
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	85,006	(16,971)	78,776	(23,264)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(4) Contract assets (continued)

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Shantou CSCEC new urbanization Investment Co., Ltd.	84,678	(706)	–	–
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	83,421	(458)	88,876	(668)
Wuhan Yangsigang Road and Bridge Construction and Operation Co. Ltd.	82,194	(252)	–	–
Haikou Qiyue Urban Construction Co., Ltd.	80,557	(376)	100,680	(645)
Shangang group Ruitai Development Co., Ltd.	72,396	(298)	17,999	(138)
Hubei Trading Xiangyang North Expressway Co., Ltd.	70,591	–	–	–
CITIC Polytec Real Estate (Foshan) Co., Ltd.	67,306	(484)	51,360	(411)
Shandong Ningliang Expressway Co., Ltd.	66,004	(330)	–	–
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	63,744	(247)	–	–
Panjin Xinjian Construction Co., Ltd.	62,345	(47,778)	4,981	(25)
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	62,005	(62)	–	–
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	61,619	(261)	90,280	(451)
Nanjing Kang Real Estate Development Co., Ltd.	58,282	(264)	–	–
Tianjin Shunji Real Estate Co., Ltd.	56,037	(280)	–	–
Yinchuan Shenyang Road Underground Comprehensive Pipe Gallery Construction Management Co., Ltd.	51,980	(176)	–	–
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	50,968	(1,689)	–	–
China Construction Haoyun Co., Ltd.	38,197	(257)	171,197	(1,006)
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd.	23,490	(153)	219,214	(993)
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	3,057	(15)	77,770	(61,237)
Shangqiu Xinhangcheng Development and Construction Management Co., Ltd.	–	–	104,312	(495)
Others	1,290,133	(53,594)	1,408,845	(54,075)
Total	6,172,753	(162,919)	4,704,830	(158,483)

(5) Other current assets

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China State Construction Group	5,500,000	(161,700)	2,630,000	(77,322)
Tianjin Chuangqing Investment Management Co., Ltd.	1,179,001	–	–	–
Tongxiang Haoli Enterprise Management Co., Ltd.	874,340	–	961,840	–
Leading Investment Co., Ltd.	821,098	–	–	–
Xinggui Investment Co., Ltd.	778,275	–	813,424	–
Xuchang Chenheng Real Estate Co., Ltd.	751,869	–	809,399	–
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	541,622	(81,654)	529,122	(26,041)
Top Colour Development Limited	527,183	–	–	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	469,480	(32,864)	609,480	(22,324)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(5) Other current assets (continued)**

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China Construction Water Affairs Environmental Protection Co., Ltd.	450,000	(13,230)	–	–
Tianjin Chuangliang Investment Management Co., Ltd.	449,219	–	449,216	–
Jinjiang zhongyun Sports Construction Development Co., Ltd.	326,500	–	320,000	(8,800)
Tianjin Shun Ji Property Co., Ltd.	302,668	(49,364)	339,918	(34,729)
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	300,000	(14,400)	300,000	(14,400)
Shanghai Jiasheng Real Estate Development Co., Ltd.	235,590	–	801,723	–
Overseas Hongyang	200,404	–	585,712	–
Tianjin Wanjiang Real Estate Co., Ltd.	189,084	–	213,760	–
Jinan Hongbi Real Estate Co., Ltd.	35,361	(2,029)	225,361	(16,229)
Shangqiu Yunheng Urban Construction Development Co., Ltd.	10,967	–	210,967	(6,329)
Shanghai Fuhong Real Estate Co., Ltd.	–	–	2,143,194	(85,728)
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	–	–	1,003,971	(1,004)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	–	–	695,298	–
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	–	–	242,634	(312)
Longguang International Co., Ltd.	–	–	210,181	–
Others	1,021,083	(130)	1,299,026	(17,193)
Total	14,963,744	(355,371)	15,394,226	(310,411)

(6) Long-term receivables

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Hubei Trading Xiangyang North Expressway Co., Ltd.	20,000	(60)	–	–
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	6,000	(600)	–	–
Xuzhou Metro Line Three Investment Development Co., Ltd.	4,000	(80)	–	–
Tianjin Yingchao Real Estate Development Co., Ltd.	1,424	(1)	–	–
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	1,413	(28)	–	–
Qingdao Yufu Real Estate Co., Ltd.	–	–	216,840	(217)
Qingdao Runfu Real Estate Co., Ltd.	–	–	96,855	(97)
Others	1,763	(74)	–	–
Total	34,600	(843)	313,695	(314)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(7) Debt Investments

	31 December 2020		31 December 2019	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Clear Elegant Limited	2,545,359	–	4,235,495	–
Luminous Dream Limited	1,639,100	–	2,637,429	–
TEDA Group Co., Ltd.	1,673,702	–	1,643,465	–
Gainable Development Limited	1,364,837	–	1,360,948	–
Marble Edge Limited	1,208,615	–	1,213,622	–
Qingdao Changming Real Estate Co., Ltd.	841,453	–	882,330	–
Guangzhou SuiHai Real Estate Co., Ltd.	833,750	–	1,133,750	–
Beijing Nanyue Real Estate Development Co., Ltd.	729,714	–	717,487	–
Hing Chong Enterprise Co., Ltd.	633,284	–	672,572	–
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	626,092	–	665,981	–
Guangzhou Hong Land Co., Ltd.	616,326	–	–	–
Dazhou Dahuan Development Management Co., Ltd.	612,997	–	719,272	–
Ezhou Chuanggu Real Estate Development Co., Ltd.	510,565	–	–	–
Xianyi International Co., Ltd.	405,437	–	483,962	–
Chongqing Qingneng Yuehe Real Estate Co., Ltd.	390,979	(1,173)	–	–
Xiamen Yijun Real Estate Co., Ltd.	375,650	–	805,938	–
Jinan Taihui Real Estate Development Co Ltd.	374,167	–	539,167	–
Guiheng Investment Co., Ltd.	336,833	–	473,088	–
Guangzhou Zengcheng Runyu Estate Co., Ltd.	315,600	–	345,600	–
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	301,688	(30)	–	–
Xiamen Yongjing Bay Real Estate Co., Ltd.	299,202	–	323,400	–
Changsha Yida Chuangzhi Property Development Co., Ltd.	288,835	–	274,103	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (Note)	270,264	(2,703)	270,264	(2,703)
Chengdu Beichen Tianchen Real Estate Co., Ltd.	222,144	–	–	–
Jiangmen Pengjiang Hebang Real Estate Development Co., Ltd.	221,126	–	221,126	–
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	216,882	–	–	–
Xiangtan Haijia Construction Co., Ltd.	193,223	–	183,700	–
Wuhan Chenzhan Real Estate Development Co., Ltd.	154,170	–	–	–
Beijing Huiguang Enterprise Management Co., Ltd.	143,688	–	–	–
Wuhan Chenfa Real Estate Development Co., Ltd.	129,377	–	–	–
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	126,917	(381)	–	–
Sanya Bi Hai Jin Cheng Business Management Co., Ltd.	84,158	–	446,258	–
Others	868,613	(4,091)	1,004,516	(12,328)
Total	19,554,747	(8,378)	21,253,473	(15,031)

Note: As at 31 December 2020, the entrusted loan amounted RMB270,264 thousand lent to a joint venture of the Group, China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (31 December 2019: RMB270,264 thousand) and China State Construction Xi'an Urban Construction Investment Co., Ltd., an associate of the Group, amounted RMB100,659 thousand (31 December 2019: RMB100,659 thousand), are presented in the entrusted loans of Note V. 12.

X. Related party relationships and transactions (continued)

7. Payables to related parties

(1) Accounts payable

	31 December 2020	31 December 2019
CSCEC Electronic Commerce Co., Ltd.	760,488	264,269
Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	293,810	–
CSCEC-Dacheng Construction Ltd.	209,736	130,934
CSCEC Road & Bridge Group Co., Ltd.	193,738	386,450
China Construction Water Affairs Environmental Protection Co., Ltd.	166,239	–
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	161,059	1,244,520
Qufu Nishan cultural tourism real estate Co., Ltd.	154,800	–
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	98,509	16
China Construction aluminum new materials Chengdu Co., Ltd.	63,682	16,176
Beijing China Construction Zhongchao Concrete Co., Ltd.	61,050	40,110
Sichuan Xijianshantui Logistics Co., Ltd.	44,968	24,433
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	35,031	37,695
China Construction Environmental Energy Technology Co., Ltd.	32,858	–
Shandong Zhongjian Material Equipment Co., Ltd.	29,753	657
Sichuan Xijianzhonghe Machinery Co., Ltd.	29,053	37,882
China Construction Zhengda Technology Co., Ltd.	26,623	28,598
Shandong Zhongcheng Machinery Leasing Co., Ltd.	13,925	116,444
China Construction Technology Jingmen Co., Ltd.	6,515	35,646
Others	109,153	329,286
Total	2,490,990	2,693,116

(2) Other Payables

	31 December 2020	31 December 2019
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	3,304,091	–
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	1,111,063	–
Nanjing CSCEC Gubei Urban Development Co., Ltd.	930,115	–
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	895,474	200,000
Sunrise JV Limited	881,655	924,473
Xinggui Investment Co., Ltd.	762,028	995,000
Guangzhou Lihe Real Estate Development Co., Ltd.	716,735	–
Hing Chong Enterprise Co., Ltd.	655,000	765,000
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	614,250	706,500
Leading Investment Co., Ltd.	593,550	–
Qingdao Yuefu Real Estate Co., Ltd.	280,026	–
Qingdao Zefu Real Estate Co., Ltd.	199,549	–
Shantou CSCEC new urbanization Investment Co., Ltd.	191,212	–
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	184,000	–

X. Related party relationships and transactions (continued)

7. Payables to related parties (continued)

(2) Other Payables (continued)

	31 December 2020	31 December 2019
Xi'an Hehui Xingshang Properties Co., Ltd.	183,765	550,000
Guangzhou Ivrong Real Estate Development Co., Ltd.	167,433	–
China State Construction Group	163,349	–
Qingdao tengmao Real Estate Co., Ltd.	138,818	–
China Shipping Hecai (Beijing) Equity Investment Fund Management Co., Ltd.	132,389	–
Suzhou Mudu Zhongxin land Co., Ltd.	112,278	222,021
Guiheng Investment Co., Ltd.	105,050	410,000
China Resources (Tai) Land Co., Ltd.	100,000	275,000
Shandong China Overseas Huachuang Real Estate Co., Ltd.	83,026	498,026
Dongguan Jiafang Real Estate Development Co., Ltd.	71,793	382,810
Young Yue Investment Co., Ltd.	22,500	1,261,544
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	4,618	387,848
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	3,415	254,930
Xi'an Dingsheng Dongyue Properties Co., Ltd.	–	639,942
China Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	–	469,363
Longguang International Co., Ltd.	–	393,596
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	–	222,488
Others	2,092,041	2,303,737
Total	14,699,223	11,862,278

(3) Contract Liabilities

	31 December 2020	31 December 2019
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,075,022	1,003,852
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,331,887	746,159
Yunnan Huali Expressway Investment and Development Co., Ltd.	911,163	–
Wuhan Huangxiaohe Airport River Environment Comprehensive Treatment Construction Operation Co., Ltd.	676,033	434,611
Jiqing High Speed Railway Co., Ltd.	626,044	11,647
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	354,701	186,597
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd.	256,086	–
Zhoukou Xintong Urban Construction Development Co., Ltd.	231,299	–
Wenzhou China Construction Steel Structure Olympic Sports Project Management Co., Ltd.	225,681	–
China Construction Third Engineering Bureau Jingzhou Huanchang Lake Construction and Operation Co., Ltd.	207,539	147,784
Jiaozuo Zhongjian South to North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	202,679	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	198,765	–
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	188,523	284,268

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(3) Contract Liabilities (continued)**

	31 December 2020	31 December 2019
China State Construction Xi'an Urban Construction Investment Co., Ltd.	183,505	–
China Construction Third Engineering Bureau Dazhou Lake Ecological Construction and Operation Co., Ltd.	167,794	463,975
China Construction Third Bureau Hubei Dadong Lake Deep Tunnel Engineering Construction and Operation Co., Ltd.	166,665	–
Chengdu Changtuo Dongjin Construction Co., Ltd.	148,417	–
Hebei Chenghong pipe gallery Engineering Co., Ltd.	141,200	–
SIPG Bayport Terminal Co., Ltd.	127,652	–
Beijing National Alpine Skiing Co., Ltd.	125,462	62,706
Hangzhou Chengtuo Wulin Investment Development Co., Ltd.	122,589	117,464
Mianyang Zhongjian Kefa Guanlang road investment and Construction Co., Ltd.	115,173	–
Xuzhou Metro Line Three Investment Development Co., Ltd.	114,885	199,433
Anhui Bengwu Expressway Investment Management Co., Ltd.	113,028	240,112
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	105,484	–
Chengdu Beichen Tianchen Real Estate Co., Ltd.	104,390	–
Haikou Tuoyi Real Estate Co., Ltd.	93,806	114,815
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	86,523	202,227
Shangang Group Ruitai Development Co., Ltd.	57,713	208,037
Yichang Urban Pipe gallery construction and Operation Co., Ltd.	50,403	147,150
Fast Shift Investments Limited	–	547,363
Shanghai Port Group Israel Haifa New Port Wharf Co., Ltd.	–	234,303
Others	2,045,798	1,193,699
Total	10,555,909	6,546,202

(4) Entrusted loans

	31 December 2020	31 December 2019
China State Construction Group	3,502,322	2,000,000
Jinmao Investment (Changsha) Co., Ltd.	615,000	440,000
Total	4,117,322	2,440,000

(5) Long-term Payables

	31 December 2020	31 December 2019
Sunrise JV Limited	2,400,000	2,400,000
Others	151,455	129,304
Total	2,551,455	2,529,304

XI. Share-based payment

1. Overview

	2020	2019
Number of restricted shares unlocked	303,016,000	112,527,800
Number of restricted shares forfeited	10,558,200	10,604,200
The remaining term of the contract of the outstanding stock options at the end of the year	4.0	3.0
	2020	2019
Total amount of employee services in exchange for share based payment	506,233	554,496

The equity-settled share-based payment is as follows:

	2020	2019
Accumulated amount of equity-settled share-based payment in capital surplus	1,680,450	1,174,217
Total expenses recognised in equity-settled share-based payment	506,233	554,496

2. Share-based payment plan

(a) Share-based payment by the Company

- (1) In accordance with the authorisation of the first extraordinary General Meeting of Shareholders held on 19 December 2016, the Company held the 104th meeting of the first session of the Board of Directors on 29 December 2016, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Second Batch Restricted Shares Incentive Plan (A share) ("the second batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 1,575 targets ("the second batch Incentive Targets"). From 23 December 2016 to 27 December 2016, the Company completed the repurchase of 260,130,000 shares ("the second batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 29 December 2016 ("the second batch grant day"). The second batch Incentive Targets' purchase price is RMB4.866 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the second batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 29 December 2018 (the first batch of Phase II), 29 December 2019 (the second batch of Phase II) and 29 December 2020 (the third batch of Phase II) respectively.

In accordance with the authorisation of the third extraordinary General Meeting of Shareholders held on 3 December 2018, the Company held the 15th meeting of the second session of the Board of Directors on 26 December 2018, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Third Batch Restricted Shares Incentive Plan (A share) ("the third batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,081 targets ("the third batch Incentive Targets"). From 4 December 2018 to 21 December 2018, the Company completed the repurchase of 599,910,000 shares ("the third batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 26 December 2018 ("the third batch grant day"). The third batch Incentive Targets' purchase price is RMB3.468 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the third batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 26 December 2020 (the first batch of Phase III), 26 December 2021 (the second batch of Phase III) and 26 December 2022 (the third batch of Phase III) respectively.

In accordance with the authorisation of the third extraordinary General Meeting of Shareholders held on 7 December 2020, the Company held the 50th meeting of the second session of the Board of Directors on 23 December 2020, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Third Batch Restricted Shares Incentive Plan (A share) ("the fourth batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,765 targets ("the fourth batch Incentive Targets"). From 30 October 2020 to 14 December 2020, the Company completed the repurchase of 912,036,000 shares ("the fourth batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 23 December 2020 ("the fourth batch grant day"). The fourth batch Incentive Targets' purchase price is RMB3.06 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the fourth batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 23 December 2022 (the first batch of Phase III), 23 December 2023 (the second batch of Phase III) and 23 December 2024 (the third batch of Phase III) respectively. If the business achievement or individual performance fail to meet the unlock condition, the unlocked restricted shares will be repurchased by the Company at the grant price and with no interests.

XI. Share-based payment (continued)

2. Share-based payment plan (continued)

(a) Share-based payment by the Company (continued)

- (2) The market price of the second batch of Restricted Shares was RMB9.16 per share at the second batch grant date. The price paid by the second batch Incentive Targets was RMB4.866 per share, considering the influence from gain restrictive, the fair value of the second batch of Restricted Shares granted this time was determined to be RMB2.2118 per share at the second batch grant date. Due to converting reserves into shares approved by the resolution of the general meeting of shareholders on 3 May 2018, the subscription price of the second batch Incentive Targets was adjusted to RMB3.476 per share.

The market price of the third batch of Restricted Shares was RMB5.58 per share at the third batch grant date. The price paid by the third batch Incentive Targets was RMB3.468 per share, based on which, the fair value of the third batch of Restricted Shares granted this time was determined to be RMB2.2112 per share at the third batch grant date.

The market price of the fourth batch of Restricted Shares was RMB5.00 per share at the third batch grant date. The price paid by the fourth batch Incentive Targets was RMB3.06 per share, based on which, the fair value of the fourth batch of Restricted Shares granted this time was determined to be RMB1.94 per share at the fourth batch grant date.

- (3) In 2020, there are total 303,016,000 shares has been unlocked due to the third batch of Phase II and the first batch of Phase III meet the unlock condition, and the treasury stock decreased by RMB1,051,692 thousand.

(4) Increase/decrease of restricted shares in the reporting period

	2020	2019
Number of restricted shares at the beginning of the year	709,868,803	833,000,803
Number of restricted shares granted in current year	912,036,000	–
Number of restricted shares unlocked in current year	(303,016,000)	(112,527,800)
Number of restricted shares forfeited in current year	(10,558,200)	(10,604,200)
Number of restricted shares at the end of the year	1,308,330,603	709,868,803

- (5) The impact on the Company's financial position and operating results from restricted shares is as follows:

	2020	2019
Total expenses recognised in equity-settled share-based payment	506,233	554,496
	31 December 2020	31 December 2019
Accumulated amount of equity-settled share-based payment in capital surplus	1,680,450	1,174,217

(b) Share Option Schemes by China Overseas Land & Investment Ltd

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 107,320,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 107,320,000 Share Options granted, a total of 2,000,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$25.85 per share. The Share Options granted will vest on 29 June 2020, 29 June 2021 and 29 June 2022 respectively.

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 285,840,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 285,840,000 Share Options granted, a total of 6,300,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$18.724 per share.

As at 31 December 2020, 378,960,000 share options were granted for the plan (31 December 2019: 102,310,000).

The fair value of the Share Options was determined by the Binomial Options Pricing Model. For the year ended 31 December 2020, the relevant cost was RMB17,594 thousand arising from staff services. (For the 2019: RMB205,425 thousand).

XII. Commitments and Contingencies

1. Commitments

	31 December 2020	31 December 2019
Contracted, but not provided for Capital commitments		
Purchase and construction of non-current assets	4,390,960	4,276,122
Investment commitments	14,413,258	16,567,580
Total	18,804,218	20,843,702

2. Contingencies

	31 December 2020	31 December 2019	
Contingent liabilities arising from pending litigations or arbitrations	7,482,255	6,069,121	Note 1
Contingent liabilities arising from the provision of guarantees	93,533,934	73,144,373	Note 2
Total	101,016,189	79,213,494	

Note 1: As at 31 December 2020 and 31 December 2019, pending litigations in which the Group was the defending party are listed as follows:

	31 December 2020 Disputed value	31 December 2019 Disputed value
China Construction Third Engineering Bureau Co., Ltd.	1,901,742	1,824,125
China Construction Seventh Engineering Division Co., Ltd.	1,309,537	1,018,443
The Company	627,609	219,702
Jilin Zhongjian Construction Engineering Co., Ltd.	599,351	950,963
China Construction Eighth Engineering Division Co., Ltd.	595,222	204,073
China Overseas Holdings Limited	402,944	508,408
China Construction Engineering Design Group Co., Ltd.	364,316	261,407
China Construction Fourth Engineering Division Co., Ltd.	349,237	141,034
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	328,746	97,958
China Construction First Building (Group) Co., Ltd.	327,801	265,207
China Construction Fifth Engineering Division Co., Ltd.	202,533	187,035
China Construction Second Engineering Bureau Ltd.	154,035	100,479
China Construction Decoration Group Ltd.	102,906	214,739
China Construction Railway Construction Co., Ltd.	100,396	–
China Construction Railway Investment and Construction Group Co., Ltd.	53,608	–
China Construction Sixth Engineering Bureau Co., Ltd.	30,649	–
China Southwest Geotechnical Investigation & Design Institute Co., Ltd.	23,012	24,790
China Construction Port and Shipping Bureau Group Co., Ltd.	7,015	29,811
China Northwest design and Research Institute Co., Ltd.	1,596	–
China Construction (Siping) Infrastructure Development Co., Ltd.	–	20,947
Total	7,482,255	6,069,121

Note: The above pending litigations are mostly related with project quality, progress payment, etc. Please refer to Note V. 39 for the progress of litigation matters at 31 December 2020 and the confirmed losses of judgment results, and relevant liabilities are not recognized for the event that the potential obligations generated do not meet the conditions for the recognition of provisions for other liabilities and charges.

XII. Commitments and Contingencies (continued)

2. Contingencies (continued)

Note 2: As at 31 December 2020 and 31 December 2019, the Group's external guarantees are listed as follows:

	31 December 2020 Guarantee amount	31 December 2019 Guarantee amount
Mortgage guarantee provided to property owners (Note)	88,071,537	67,602,266
Guarantees for bank loan	5,462,397	5,542,107
Total	93,533,934	73,144,373

Note: The Group provides guarantees to property owners and property owners pledge the houses they have bought when taking loans from banks. For the year of 2020 and for the year of 2019, there was no significant breach of contract from commodity house buyers and the Group considers the risk associated with the guarantee obligation is immaterial.

XIII. Events after the balance sheet date

- Pursuant to a resolution of the Board of Directors dated 16 April 2021, the Board of Directors proposed that the Company distributes a cash dividend of RMB2.147 (before tax) for every 10 ordinary shares to all ordinary shareholders on the basis of 41,948,167,800 shares as at the date of disclosure, dividends totalling approximately RMB9.01 billion. In the event of any change in the total share capital of the Company before the date of registration of the dividend distribution, it is proposed to maintain the same distribution ratio per share but to adjust the total distribution accordingly. The details of the adjustment will be disclosed separately. The proposal for the distribution of dividends is yet to be approved by the shareholders of the Company in general meeting and is not recognised in this financial statement.
- On 7 April 2021, the Company cancelled a total of 16,903,667 restricted shares not eligible for unlocking, which were repurchased from 185 grantees who held Phase I, Phase II and Phase III restricted shares in the Company (Phase II and Phase III restricted shares held by 42 of the 185 grantees have all been repurchased by the Company). After the cancellation, the share capital of the Company was reduced by RMB16,903,667 to RMB 41,948,167,844.
- After the balance sheet date, the bonds issued by the subsidiaries of the Group are as follows:

Issuer	Type of bond	Value in issue	Issuance date	Interest rate (%)
China Shipping Enterprise Development Group Co., Ltd.	Medium-term notes	1,500,000	13 January 2021	3.35
China Construction Eighth Engineering Bureau Co., Ltd.	Medium-term notes	3,000,000	19 March 2021	2.95
China Construction Second Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,500,000	9 April 2021	2.35
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	9 April 2021	2.73
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	23 March 2021	2.68
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	17 March 2021	3.09
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	12 March 2021	2.99
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	11 March 2021	2.85
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	25 February 2021	2.39
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	28 January 2021	2.70
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	28 January 2021	2.39
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	5,000,000	8 April 2021	2.35
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,500,000	4 March 2021	2.39
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	3,500,000	3 March 2021	2.45

XIV. Other important matters

1. Segment reporting

Operating segments

For management purpose, the Group is organised into business units based on their products and has five reportable operating segments as follows:

- (1) Building construction engineering;
- (2) Infrastructure construction and investment;
- (3) Real estate development and investment;
- (4) Prospecting, design, etc.;
- (5) Others.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the profit or loss of reportable segment.

The intersegment transactions are transacted with reference to the prices used for transactions made to third parties at then prevailing market prices.

2020

	2020							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Revenue from external	972,432,561	343,565,132	271,130,912	10,134,610	17,760,112	-	-	1,615,023,327
Inter-segment revenue	28,668,465	4,870,229	161,441	472,687	3,561,522	-	(37,734,344)	-
Total revenue	1,001,101,026	348,435,361	271,292,353	10,607,297	21,321,634	-	(37,734,344)	1,615,023,327
Cost of goods sold	(933,774,639)	(318,931,135)	(200,162,296)	(8,039,404)	(15,494,857)	-	36,270,697	(1,440,131,634)
Credit impairment losses	(1,935,276)	(1,105,469)	(137,180)	(97,021)	(65,569)	(1,009)	-	(3,341,524)
Asset impairment (losses)/reversal	329,365	(169,820)	(486,331)	(4,060)	2,364	-	-	(328,482)
Depreciation and amortisation	(4,434,224)	(1,437,446)	(1,885,623)	(116,525)	(956,174)	(57,723)	-	(8,887,715)
Profit before income taxes	25,109,480	14,875,767	59,788,743	838,203	253,407	(5,111,348)	(1,463,647)	94,290,605
Less: Income tax expenses								(23,340,225)
Net profit								70,950,380
Total segment assets	553,061,207	456,631,155	890,515,087	13,438,532	349,688,054	138,837,009	(209,997,205)	2,192,173,839
Total segment liabilities	390,520,198	337,118,018	479,634,722	7,821,554	213,060,085	382,846,922	(195,922,761)	1,615,078,738

XIV. Other important matters (continued)

1. Segment reporting (continued)

Operating segments (continued)

2019

	2019							Total
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	
Revenue from external	854,153,349	318,085,139	216,942,909	9,854,917	20,800,274	-	-	1,419,836,588
Inter-segment revenue	18,212,768	20,196	36,919	39,363	3,000,621	-	(21,309,867)	-
Total revenue	872,366,117	318,105,335	216,979,828	9,894,280	23,800,895	-	(21,309,867)	1,419,836,588
Cost of goods sold	(816,661,197)	(290,979,462)	(149,490,891)	(8,071,133)	(16,529,092)	-	19,505,575	(1,262,226,200)
Credit impairment (losses)/reversal	(895,279)	28,290	(137,432)	(85,421)	(1,182,988)	1,274	-	(2,271,556)
Asset impairment (losses)/reversal	(1,354,324)	(92,869)	191,662	-	(11,138)	-	-	(1,266,669)
Depreciation and amortisation	(4,376,408)	(1,614,901)	(1,763,100)	(165,473)	(1,023,710)	(103,800)	-	(9,047,392)
Profit before income taxes	24,454,176	18,459,731	47,172,280	277,669	1,834,372	(8,941,204)	(1,789,178)	81,467,846
Less: Income tax expenses								(18,262,603)
Net profit								63,205,243
Total segment assets	492,194,948	452,629,131	797,028,350	14,359,158	296,162,491	151,036,314	(168,958,463)	2,034,451,929
Total segment liabilities	344,650,751	357,982,984	431,415,403	8,006,469	218,824,106	340,650,990	(168,914,094)	1,532,616,609

Other information

Information about products and services

Revenue from external customers

	2020	2019
Building construction engineering	972,432,561	854,153,349
Infrastructure construction and investment	343,565,132	318,085,139
Real estate development and investment	271,130,912	216,942,909
Prospecting and design	10,134,610	9,854,917
Others	17,760,112	20,800,274
Total	1,615,023,327	1,419,836,588

XIV. Other important matters (continued)

1. Segment reporting (continued)

Other information (continued)

Geographic information

Revenue from external customers

	2020	2019
Mainland China	1,525,382,093	1,315,805,861
In other countries/geographical regions	89,641,234	104,030,727
Total	1,615,023,327	1,419,836,588

The revenue information above is based on the locations of the customers.

Non-current assets

	31 December 2020	31 December 2019
Mainland China	282,535,433	260,947,653
In other countries/geographical regions	30,542,196	30,635,140
Total	313,077,629	291,582,793

The non-current asset information above is based on the locations of the assets and excludes financial assets, long-term equity investments and deferred tax assets.

Information about a major customer

The Group does not rely on one or several major customers.

2. Leases

As lessee

Finance leases: As at 31 December 2020, the unrecognised financing charge amounted to RMB79,516 thousand (2019: RMB23,679 thousand), which was amortised using the effective interest method over each period of the lease term. The Group had total future minimum lease payments under non-cancellable leases with its tenants lessors falling due as follows:

	31 December 2020	31 December 2019
Within 1 year, inclusive	481,314	169,689
1 to 2 years, inclusive	424,735	152,288
2 to 3 years, inclusive	287,895	63,574
Over 3 years	–	28,441
Total	1,193,944	413,992

XIV. Other important matters (continued)

2. Leases (continued)

As lessee (continued)

Operating lease commitments: The Group had total future minimum lease payments under non-cancellable leases with its lessors falling due as follows:

	31 December 2020	31 December 2019
Within 1 year	3,030,470	585,259
1 to 2 years	1,737,994	210,325
2 to 3 years	746,716	142,339
Over 3 years	1,448,515	183,909
Total	6,963,695	1,121,832

XV. Notes to the Company's financial statements

1. Accounts receivable

The ageing analysis of accounts receivable is as follows:

	31 December 2020	31 December 2019
Within 1 year	14,956,163	23,888,813
1-2 years	8,151,057	2,659,068
2-3 years	1,257,783	2,436,807
3-4 years	1,909,386	388,734
4-5 years	55,866	201,669
Over 5 years	777,603	341,097
Subtotal	27,107,858	29,916,188
Less: Impairment allowance	(2,311,807)	(1,829,600)
Total	24,796,051	28,086,588

Accounts receivable and impairment allowance are disclosed by category:

	31 December 2020			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	11,928,970	44.01	952,099	7.98
Impairment allowance accrued by credit risk portfolio	15,178,888	55.99	1,359,708	8.96
Total	27,107,858	100.00	2,311,807	8.53

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

Accounts receivable and impairment allowance are disclosed by category: (continued)

	31 December 2019			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	14,609,339	48.83	1,009,564	6.91
Impairment allowance accrued by credit risk portfolio	15,306,849	51.17	820,036	5.36
Total	29,916,188	100.00	1,829,600	6.12

As at 31 December 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Amount	Impairment	Expected credit losses ratio (%)	Reasons
Company 1	1,874,817	412,460	22.00	Recovery possibility
Company 2	489,578	61,197	12.50	Recovery possibility
Company 3	387,151	124,186	32.08	Recovery possibility
Company 4	370,659	50,677	13.67	Recovery possibility
Company 5	248,403	37,467	15.08	Recovery possibility
Others	8,558,362	266,112	3.11	Recovery possibility
Total	11,928,970	952,099		

As at 31 December 2019, impairment allowance of accounts receivable individually accrued is as follows:

	Amount	Impairment	Expected credit losses ratio (%)	Reasons
Company 1	2,004,490	440,988	22.00	Recovery possibility
Company 2	517,409	103,677	20.04	Recovery possibility
Company 3	495,466	4,955	1.00	Recovery possibility
Company 4	378,603	22,419	5.92	Recovery possibility
Company 5	270,299	210,371	77.83	Recovery possibility
Others	10,943,072	227,154	2.08	Recovery possibility
Total	14,609,339	1,009,564		

The accounts receivable with impairment allowance accrued by credit risk portfolio are as follows:

Portfolio 1:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	2,633,444	2.00	52,669	4,871,767	2.00	97,435
1-2 years	1,022,530	5.00	51,126	818,301	5.00	40,915
2-3 years	372,463	15.00	55,869	133,891	15.00	20,084
3-4 years	1,633	30.00	490	19,147	30.00	5,744
4-5 years	41,868	45.00	18,841	–	45.00	–
Over 5 years	10,382	100.00	10,382	10,382	100.00	10,382
Total	4,082,320		189,377	5,853,488		174,560

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

The accounts receivable with impairment allowance accrued by credit risk portfolio are as follows: (continued)

Portfolio 2:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	1,446,424	6.00	86,785	2,025,215	6.00	121,513
1-2 years	232,130	12.00	27,856	137,901	12.00	16,548
2-3 years	71,975	25.00	17,994	216	25.00	54
3-4 years	–	45.00	–	25,154	45.00	11,319
4-5 years	3,966	70.00	2,776	–	70.00	–
Over 5 years	253	100.00	253	268	100.00	268
Total	1,754,748		135,664	2,188,754		149,702

Portfolio 3:

	31 December 2020			31 December 2019		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	4,899,150	4.50	220,462	6,345,230	4.50	285,535
1-2 years	3,602,468	10.00	360,247	576,856	10.00	57,686
2-3 years	465,325	20.00	93,065	228,193	20.00	45,639
3-4 years	22,726	40.00	9,090	9,258	40.00	3,703
4-5 years	996	65.00	648	5,312	65.00	3,453
Over 5 years	351,155	100.00	351,155	99,758	100.00	99,758
Total	9,341,820		1,034,667	7,264,607		495,774

Impairment allowance of accounts receivable are as follows:

For the year ended 31 December 2020:

Opening balance	Provision	Reversal	Other movements	Closing balance
1,829,600	1,122,770	(594,203)	(46,360)	2,311,807

For the year ended 31 December 2019:

Balance at the end of prior year	Changes in accounting policies	Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
1,583,960	585,495	2,169,455	595,711	(891,982)	(52,441)	8,857	1,829,600

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

The important reversal amounts in 2020 are listed as follows:

	Reason for reversal/collection	Basis for the impairment allowance	Amount of reversal/collection	Way of collection
Company 1	Accounts receivable of project collected	Individually accrued	78,536	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	37,342	Cash
Company 3	Accounts receivable of project collected	Collectively accrued	35,230	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	29,711	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	28,293	Cash
Others	Accounts receivable of project collected	Individually and collectively accrued	385,091	Cash
Total			594,203	

As at 31 December 2020, the five largest accounts receivable due to customers are as follows:

	Amount	Amount of impairment allowance	% of total accounts receivable
Total amount of the five largest accounts receivable	4,830,004	607,609	17.82%

As at 31 December 2019, the five largest accounts receivable due to customers are as follows:

	Amount	Amount of impairment allowance	% of total accounts receivable
Total amount of the five largest accounts receivable	5,107,065	473,479	17.07%

2. Other receivables

	31 December 2020	31 December 2019
Dividend receivables	1,190,122	1,173,991
Interest receivable	–	3,157
Other receivables	20,838,785	21,392,563
Total	22,028,907	22,569,711

The ageing analysis of other receivables is as follows:

	31 December 2020	31 December 2019
Within 1 years	15,056,515	16,322,284
1-2 years	5,605,813	3,933,831
2-3 years	1,573,531	1,097,297
3-4 years	26,589	1,232,786
4-5 years	257,061	157,518
Over 5 years	203,889	664,620
	22,723,398	23,408,336
Less: Impairment allowance	(694,491)	(838,625)
Total	22,028,907	22,569,711

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

Natures of other receivables are as follows:

	31 December 2020	31 December 2019
Receivables from related parties	19,777,018	20,073,488
Dividends receivable	1,190,122	1,173,991
Deposits and petty cash receivable	879,962	1,150,454
Others	876,296	1,010,403
Subtotal	22,723,398	23,408,336
Less: Impairment allowance	(694,491)	(838,625)
Total	22,028,907	22,569,711

Changes in impairment allowance recognised for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows:

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	35,688	802,937	838,625
Changes due to the opening balance			
– Transfer to Stage 3	(20,445)	20,445	–
– Transfer to Stage 1	9,886	(9,886)	–
Accrual	12,890	50,859	63,749
Reversal	(12,305)	(181,293)	(193,598)
Write-off	–	(4,203)	(4,203)
Other movements	(4,128)	(5,954)	(10,082)
Closing Balance	21,586	672,905	694,491

For the year ended 31 December 2019

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	92,591	788,881	881,472
Accrual	15,425	1,021,127	1,036,552
Reversal	(26,086)	(45,097)	(71,183)
Write-off	(2,061)	(1,008,400)	(1,010,461)
Other movements	(44,181)	46,426	2,245
Closing Balance	35,688	802,937	838,625

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

The changes in the book value of other receivables that affect the changes in the provision are as follows:

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	22,553,131	855,205	23,408,336
Changes due to the opening balance			
– Transfer to Stage 3	(983,000)	983,000	–
– Transfer to Stage 1	18,972	(18,972)	–
Addition	13,458,952	214,246	13,673,198
Derecognition	(13,931,858)	(375,817)	(14,307,675)
Write-off	–	(4,203)	(4,203)
Other movements	(29,090)	(17,168)	(46,258)
Closing balance	21,087,107	1,636,291	22,723,398

For the year ended 31 December 2019

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	21,021,896	807,605	21,829,501
Changes due to the opening balance			
Addition	9,329,381	1,096,285	10,425,666
Derecognition	(7,734,038)	(87,968)	(7,822,006)
Write-off	(19,321)	(1,008,539)	(1,027,860)
Other movements	(44,787)	47,822	3,035
Closing balance	22,553,131	855,205	23,408,336

The important reversal amounts in 2020 are listed as follows:

	Reason for reversal/ collection	Basis for the impairment allowance	Amount of reversal/ collection	Way of collection
Company 1	Receivable collected	Individually accrued	149,579	Cash
Company 2	Receivable collected	Collectively accrued	16,000	Cash
Company 3	Receivable collected	Collectively accrued	5,022	Cash
Company 4	Receivable collected	Collectively accrued	3,611	Cash
Company 5	Receivable collected	Collectively accrued	2,500	Cash
Others	Receivable collected	Individually and collectively accrued	16,886	Cash
Total			193,598	

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

As at 31 December 2020, other receivables from the five largest customers are as follows:

	Closing Balance	% of total balance	Relation to the Company	Ageing	Provision for impairment amount
Company 1	1,833,215	8.07	Due from Related parties	Within 2 years	–
Company 2	1,623,876	7.15	Due from Related parties	Within 1 year	–
Company 3	1,083,020	4.77	Due from Related parties	Within 1 year	–
Company 4	1,058,251	4.66	Due from Related parties	1-3 years	–
Company 5	772,226	3.39	Due from Related parties	Within 1 year	–
Total	6,370,588	28.04			–

As at 31 December 2019, other receivables from the five largest customers are as follows:

	Closing Balance	% of total balance	Relation to the Company	Ageing	Provision for impairment amount
Company 1	3,417,687	14.60	Due from Related parties	Within 1 year and 1-5 years	–
Company 2	1,760,500	7.52	Due from Related parties	1-5 years	–
Company 3	1,005,000	4.29	Due from Related parties	1-4 years	–
Company 4	965,546	4.12	Due from Related parties	Within 1 year	–
Company 5	915,324	3.91	Due from Related parties	Within 1 year	–
Total	8,064,057	34.44			–

3. Long-term equity investments

	31 December 2020	31 December 2019
Subsidiaries	174,729,180	162,880,983
– Subsidiaries under direct control (1)	166,788,258	156,768,828
– Subsidiaries under indirect control (2)	7,940,922	6,112,155
Joint ventures (3)	6,420,211	4,457,648
Associates (4)	4,694,469	4,144,278
Subtotal	185,843,860	171,482,909
Less: Impairment allowance	(1,114,938)	(759,180)
Total	184,728,922	170,723,729

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(1) Subsidiaries under direct control

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	9,300,000
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	1,238,830
China Construction Second Engineering Bureau Ltd.	5,209,149	–	5,209,149	1,972,030
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	4,381,770
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	1,290,320
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	2,677,779
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	759,980
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	1,368,470
China Construction Eighth Engineering Bureau Ltd.	10,139,151	–	10,139,151	3,807,130
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	3,601,537	(3,300,000)	301,537	–
Infrastructure Business of China State Construction	10,194,030	1,000,000	11,194,030	920
China State Construction Finance Co., Ltd.	4,724,554	3,200,000	7,924,554	162,064
China Construction America, Inc.	2,655,833	1,321,020	3,976,853	–
China State Construction Development Co., Ltd.	1,410,947	379,690	1,790,637	–
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	3,984
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,641,967	239,939	2,881,906	91,280
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	–	520,630	75,120
China Construction Decoration Group Ltd.	548,375	–	548,375	53,380
China Construction Capital Holding Co., Ltd.	3,000,000	5,305,000	8,305,000	–
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	1,166,000	334,000	1,500,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	886,096	150,000	1,036,096	–
China Construction North Investment Co., Ltd.	903,981	–	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	1,200,000	500,000	1,700,000	57,010
Others	13,395,797	889,781	14,285,578	427,309
Total	156,768,828	10,019,430	166,788,258	27,667,376

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(1) Subsidiaries under direct control (continued)

For the year ended 31 December 2019

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	7,281,230
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	667,230
China Construction Second Engineering Bureau Ltd.	5,209,149	–	5,209,149	1,057,710
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	2,591,010
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	405,030
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	1,096,970
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	18,620
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	1,100,620
China Construction Eighth Engineering Bureau Ltd.	10,139,151	–	10,139,151	2,401,450
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	3,601,537	–	3,601,537	–
Infrastructure Business of China State Construction	3,855,956	6,338,074	10,194,030	–
China State Construction Finance Co., Ltd.	4,724,554	–	4,724,554	–
China Construction America, Inc.	2,655,833	–	2,655,833	–
China State Construction Development Co., Ltd.	1,400,947	10,000	1,410,947	18,000
China State Construction Shandong Investment Co., Ltd.	1,000,000	(1,000,000)	–	–
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	–
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,292,614	349,353	2,641,967	124,540
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	–	520,630	–
China Construction Decoration Group Ltd.	548,375	–	548,375	–
China Construction Capital Holding Co., Ltd.	3,000,000	–	3,000,000	–
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	833,000	333,000	1,166,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	553,096	333,000	886,096	–
China Construction North Investment Co., Ltd.	816,435	87,546	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	–	1,200,000	1,200,000	–
Others	10,161,447	3,234,350	13,395,797	129,588
Total	145,883,505	10,885,323	156,768,828	16,891,998

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(2) Subsidiaries under indirect control

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	49,270
China West Construction Group Co., Ltd.	942,264	–	942,264	13,188
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	3,370
CSCES Technology and Engineering Co., Ltd. (Formerly known as China Construction Steel Structure Corp. Ltd)	739,664	–	739,664	56,770
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	543,504
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	–
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	30,800
China Construction Wuhan Construction Investment Co., Ltd.	60,000	–	60,000	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	250,690	1,828,767	2,079,457	–
Total	6,112,155	1,828,767	7,940,922	696,902

For the year ended 31 December 2019

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	39,870
West Construction	942,264	–	942,264	10,860
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	–
CSCES Technology and Engineering Co., Ltd. (Formerly known as China Construction Steel Structure Corp. Ltd)	739,664	–	739,664	–
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
Nanning China Construction Yongshen City Construction Investment Co., Ltd.	356,700	(356,700)	–	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	–
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China Construction Chongqing Infrastructure Investment Co., Ltd	180,000	(180,000)	–	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	15,800
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	–
China Construction Wuhan Construction Investment Co., Ltd.	60,000	–	60,000	–

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(2) Subsidiaries under indirect control (continued)

For the year ended 31 December 2019 (continued)

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction Langiang Infrastructure Investment and Development Co., Ltd.	45,000	(45,000)	–	–
China Construction Science & Technology Co., Ltd	700,000	(700,000)	–	–
China Construction Bridge Co., Ltd	300,000	–	300,000	–
China Construction South Investment Co., Ltd	1,000,000	(1,000,000)	–	–
China Construction Zhejiang Investment Co, Ltd	816,424	(816,424)	–	–
China Construction East China Investment Co., Ltd	485,000	(485,000)	–	–
Others	1,362,820	(1,112,130)	250,690	–
Total	10,807,409	(4,695,254)	6,112,155	66,530

(3) Joint ventures

For the year ended 31 December 2020

	Opening Balance	Movement during the year					Closing Balance
		Increase/ (Decrease) in investment	Investment income/ (losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	504,445	–	6,928	–	–	–	511,373
China Railway Construction Capital Construction Investment Co., Ltd.	500,023	(75,000)	(16)	–	–	–	425,007
CSCEC Road & Bridge Group Co., Ltd.	409,465	–	30,254	(165)	–	–	439,554
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	–	–	–	1,029,089
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	320,063	–	3,398	–	–	–	323,461
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	318,458	53,879	(2,524)	–	–	–	369,813
ASEC CEMENT SPA	289,048	–	(545)	–	–	(44,726)	243,777
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	–	–	–	–	–	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	235,092	225,692	–	–	–	–	460,784
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,225	–	(5)	–	–	–	229,220
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	227,360	–	4,253	–	–	–	231,613
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	286,000	–	–	–	–	386,000
CSCEC-Dacheng Construction Ltd	94,205	50,000	7,871	–	(5,000)	–	147,076
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	58,800	235,200	–	–	–	–	294,000
Chongqing Rail Transit Line 9 Construction and Operation Co., Ltd.	–	–	–	–	–	–	–
Others	577,800	494,866	(61)	–	(11,645)	–	1,060,960
Total	4,457,648	1,974,877	49,222	(165)	(16,645)	(44,726)	6,420,211

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(3) Joint ventures (continued)

For the year ended 31 December 2019

	Opening balance	Movement during the year					Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	511,431	-	(6,986)	-	-	-	504,445
China Railway Construction Capital Construction Investment Co., Ltd.	375,477	-	124,546	-	-	-	500,023
CSCEC Road & Bridge Group Co., Ltd.	330,703	-	28,952	345	-	49,465	409,465
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	-	325,180	-	-	-	-	325,180
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	300,218	19,800	45	-	-	-	320,063
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	16,000	314,539	(12,081)	-	-	-	318,458
ASEC CEMENT SPA	287,279	-	(437)	-	-	2,206	289,048
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	-	-	-	-	-	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	-	235,092	-	-	-	-	235,092
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,225	-	-	-	-	-	229,225
Dalian Zhongjian Cavemous city construction and Development Co., Ltd.	227,019	-	341	-	-	-	227,360
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	-	-	-	-	-	100,000
CSCEC-Dacheng Construction Ltd	97,042	-	2,163	-	(5,000)	-	94,205
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	-	58,800	-	-	-	-	58,800
Chongqing Railway Line No. 9 Construction & Operation Co. Ltd.	1,600,751	(1,600,751)	-	-	-	-	-
Others	496,471	91,410	1,532	-	(11,613)	-	577,800
Total	4,840,100	(555,930)	138,075	345	(16,613)	51,671	4,457,648

(4) Associates

For the year ended 31 December 2020

	Opening balance	Movement during the year				Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	1,662,658
Yunnan Huali Expressway Investment & Development Co., Ltd.	790,000	395,000	-	-	-	1,185,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	450,000	214,335	-	-	-	664,335
Anhui Province Yuehuang Expressway Co., Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	199,754	(106,053)	1,473	-	-	95,174
Liyang Zhongjian Sander Environmental Management Co., Ltd.	140,880	-	5,260	-	-	146,140
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	75,301	(46,000)	2,929	(3,263)	-	28,967

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(4) Associates (continued)

For the year ended 31 December 2020 (continued)

	Opening balance	Movement during the year				Closing balance
		Increase/ (Decrease) in investment	Investment income/ (losses) under equity method	Distribution of dividends	Others	
Xinyu Ring Road Construction Investment Co., Ltd.	60,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,727	-	(132)	-	-	19,595
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co., Ltd.	19,600	-	-	-	-	19,600
Zhangzhou Zhan Environmental Technology Co., Ltd.	19,000	57,000	(35)	-	-	75,965
Others	378,028	(328,072)	(404)	-	(1,517)	48,035
Total	4,144,278	628,125	(73,154)	(3,263)	(1,517)	4,694,469

For the year ended 31 December 2019

	Opening Balance	Movement during the year				Closing Balance
		Increase/ (Decrease) in investment	Investment income/ (losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd	1,248,821	131,000	(76,833)	-	-	1,302,988
Yunman Huaili Expressway Investment & Development Co, Ltd	-	790,000	-	-	-	790,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	186,000	279,000	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd	300,000	150,000	-	-	-	450,000
Anhui Province Yuehuang Expressway Co, Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	193,270	-	6,484	-	-	199,754
Liyang Zhongjian Sander Environmental Management Co, Ltd.	29,947	107,008	3,925	-	-	140,880
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	75,301	-	6,538	(6,538)	-	75,301
Xinyu Ring Road Construction Investment Co, Ltd.	10,000	50,000	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	10,000	10,000	(273)	-	-	19,727
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co, Ltd.	19,600	-	-	-	-	19,600
Zhangzhou Zhan Environmental Technology Co, Ltd.	-	19,000	-	-	-	19,000
Shijiazhuang City Jiaojian Expressway Development Management Co., Ltd.	78,400	-	(78,400)	-	-	-
Others	384,148	2,561	(7,634)	(1,055)	8	378,028
Total	2,759,487	1,538,569	(146,193)	(7,593)	8	4,144,278

4. Revenue and cost of sales

	31 December 2020		31 December 2019	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	93,540,194	92,064,559	111,375,307	108,072,371
Revenue from other operations	51,542	41,396	41,241	32,610
Total	93,591,736	92,105,955	111,416,548	108,104,981

XV. Notes to the Company's financial statements (continued)

4. Revenue and cost of sales (continued)

Revenue is shown as follows:

	31 December 2020	31 December 2019
Revenue from contracts with customers	93,553,817	111,382,044
Rentals	37,919	34,504
Total	93,591,736	111,416,548

As at 31 December 2020 and 2019, the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

The breakdown of revenue generated by the contract with customers is as follows:

	31 December 2020	31 December 2019
Timing of revenue recognition		
Recognise revenue at a point in time	233,245	6,736
Others	233,245	6,736
Recognise revenue over time	93,320,572	111,375,308
Housing construction project	19,478,468	26,612,161
Infrastructure construction and investment	73,677,998	84,711,954
Others	164,106	51,193
Total	93,553,817	111,382,044

5. Investment income

	31 December 2020	31 December 2019
Investment income from disposal of long-term equity investments under equity method	28,364,278	16,958,528
Investment income from debt investments	511,099	648,808
Investment income from other equity instrument investments	60,702	53,556
Investment loss from disposal of long-term equity investments under equity method	(23,932)	(8,118)
Investment income from disposal of long-term equity investments	–	169,863
Investment income obtained during the holding period of the held for trading financial assets	–	25,463
Total	28,912,147	17,848,100

The company has no major restrictions on the repatriation of investment income.

SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

1. Statement of non-recurring profit or loss

	2020
Gains from disposal of non-current assets	143,538
Government grants related with non-daily operations	110,094
Gain from stepped acquisition	133,746
In addition to the normal operation of the company's effective hedging business, Income/losses arising from changes in fair value and from disposal/redemption of the financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	247,894
Interest income from loans to non-financial corporations	58,784
Reversal of the provision on receivables and contract assets for impairment on an individual basis	1,288,041
Income from disposal of long-term equity investments	7,016
Investment income from disposal of subsidiaries	136,721
Losses from non-operating activities or occasional matters	1,212,987
Other non-operating income and expenses than the above items	(278,721)
Subtotal	3,060,100
Impact on income tax	(559,777)
Subtotal	2,500,323
Impact on non-controlling interests (after tax)	(241,595)
Total	2,258,728

The Group's recognition of non-recurring profit or loss items shall be carried out in accordance with the provisions of "Explanatory Notice of Corporate Information Disclosure of Public Securities Offering No. 1 – Non-recurring Profit or Loss" (CSRC Announcement No. [2008]43).

2. Return on net assets and earnings per share

2020

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	15.54	1.07	1.07
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	14.76	0.99	0.98

2019

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	15.60	0.97	0.96
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	15.84	0.98	0.97



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