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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2020-052



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG . CORP. LTD

Announcement on Investing in the Project on Historic Preservation and Urban Renewal in Shanghai Municipality

The Board of Directors of the Company and each member of the Board of Directors guarantee that the contents of the public announcement contain no false or misunderstanding statements or major omission, and they are jointly and severally liable for the truthfulness, accuracy and completeness of the said contents.

Important Notes:

- Investment target: The project on historic preservation and urban renewal, located at Parcel 67-71, Jianguo East Road, Huangpu District, Shanghai
- Investment value: Approximately RMB 59 billion
- Potential risks: It takes a long time to complete the downtown Shanghai-based project, and the expected returns on the project are likely to be subject to the expropriation of apartments, the trimming of industry policy by local governments, and the changing circumstances of the real estate market.

I. Overview

1. Investment

China Overseas Land & Investment (Shanghai) Limited (hereinafter referred to as "COLI Shanghai"), a company under China State Construction Engineering Corporation Limited (hereinafter referred to as "the Company") and Shanghai Zhongcheng Enterprise Group Real Estate Co., Ltd. (hereinafter referred to as "Zhongcheng Group") signed to launch the project on historic preservation and urban renewal (hereinafter referred to as the "Project"), located at Parcel 67-71, Jianguo East Road, Huangpu District, Shanghai. Both parties have established Shanghai COLI Haihua Real Estate Co., Ltd. and Shanghai COLI Haiting Real Estate Co., Ltd., with 98% of capital contributed by COLI Shanghai and the remaining 2% by Zhongcheng Group. The work concerning the expropriation of apartments and the follow-up development is planned to start.

As a party to the Project, Zhongcheng Group is a state-owned enterprise under Shanghai Huangpu District's SASAC, with Zhao Yueli as its legal person and RMB 150 million in registered capital. Its main businesses involve property development and operation, business consultation, exhibitions and conventions, among others.

2. Deliberation of the Board of Directors and Approving Process

The *Proposal of COLI for the Project on Historic Preservation and Urban Renewal Located at Parcel 67-71, Jianguo East Road, Huangpu District, Shanghai* was approved at the 41st session of the Company's second Board of Directors (BOD) on

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July 28, 2020. The proposal is not subject to the deliberation and approval at the Company's general meeting of stockholders.

3. The Project is not a form of connected transaction or of major asset restructuring.

II. Investment Target

The Project is based on the New World (or "Xintiandi") area in Huangpu District, a central district of Shanghai, and in the proximity of the New World business circle on Huaihai Road and of Shanghai Metro Line 8, Line 9, Line 10, and Line 13. Covering an area of 147,500 square meters, the Project comprises areas intended for commercial (Parcel 67) and residential (Parcel 68-71) uses and plans for a gross floor area of 368,000 square meters (including new apartments and architectures for landscape protection and historic preservation). It takes approximately six years to complete the Project worth about RMB 59 billion. The capital for the Project comprises funds at the disposal of the localities, shareholder loans, development loans from banks, and reinvestment of sales revenue.

III. Benefits to the Company

As Shanghai's major, exemplary program on people's livelihood, the Project promotes the Company's development strategy and brand value.

IV. Risk Analysis

It takes a long time to complete the central Shanghai-based Project, and the expected returns on the Project are likely to be subject to the expropriation of apartments, the trimming of industry policy by local governments, and the changing circumstances of the real estate market. The planning and formalities for developing the Project are subject to the approval of government authorities, and the total investment and construction period are likely to change as the construction of the Project advances.

The Company will closely follow and study China's macroeconomics and industry trends, adopt the positive development plan and operation strategy to ensure steady progress on approving processes and housing expropriation, evaluate risks and trim strategies in a timely, realistic manner.

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited
July 28, 2020