中國建築興業集團有限公司
CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 830)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHTS

	2019	2018 (restated)	Change
RESULTS (HK$'000)			
Revenue	**4,619,412**	4,243,167	8.9%
Profit attributable to owners of the Company	**175,560**	182,780	(4.0)%
Profit from core business	**217,731** *	148,571**	46.6%
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents)	**8.14**	8.48	(4.0)%

* On the basis of core business, profit attributable to owners of the Company excluded one-off rental and discontinuation expenses of factories

** Unrestated profit attributable to owners of the Company published in the 2018 Annual Report as stated to be comparative figure

The board of directors (the "Board") of China State Construction Development Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019, together with the restated comparative figures for 2018 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	**2019** **HK$'000**	2018 *HK$'000* (restated)
Revenue	*3*	**4,619,412**	4,243,167
Costs of sales	*5*	**(4,075,348)**	(3,757,094)
Gross profit		**544,064**	486,073
Other income and other gains, net	*4*	**19,640**	8,782
Administrative, selling and other operating expenses	*5*	**(248,104)**	(213,603)
Finance costs	*6*	**(38,687)**	(29,044)
Profit before tax		**276,913**	252,208
Income tax charge	*7*	**(109,173)**	(73,519)
Profit for the year		**167,740**	178,689
Profit/(loss) for the year attributable to:			
Owners of the Company		**175,560**	182,780
Non-controlling interests		**(7,820)**	(4,091)
		167,740	178,689
Earnings per share (HK cents)			
Basic and diluted	*9*	**8.14**	8.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Profit for the year	**167,740**	178,689
Other comprehensive loss		
Items that may be reclassified to profit and loss		
Exchange differences arising on translation of foreign operations	**(26,664)**	(99,652)
Other comprehensive loss for the year, net of tax	**(26,664)**	(99,652)
Total comprehensive income for the year, net of tax	**141,076**	79,037
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	**148,880**	83,844
Non-controlling interests	**(7,804)**	(4,807)
	141,076	79,037

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2019

	Note	2019 HK$'000	2018 HK$'000 (restated)
Non-current Assets			
Property, plant and equipment		**1,957,144**	1,838,290
Interests in infrastructure project investments	*10*	**193,890**	-
Prepaid lease payments		**-**	166,495
Goodwill		**138,149**	138,149
Deferred tax assets		**171,971**	172,560
		2,461,154	2,315,494
Current Assets			
Interests in infrastructure project investments	*10*	**54,010**	-
Inventories		**98,524**	127,378
Contract assets		**1,017,935**	967,471
Trade and other receivables	*11*	**1,633,535**	1,239,963
Deposits and prepayments		**133,429**	70,484
Tax recoverable		**874**	707
Amounts due from fellow subsidiaries		**824,232**	1,320,965
Amounts due from related companies		**3,725**	-
Cash and cash equivalents		**826,576**	696,736
		4,592,840	4,423,704

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 31 December 2019

	Note	2019 HK$'000	2018 HK$'000 (restated)
Current Liabilities			
Bank borrowings	*12*	**655,780**	505,178
Contract liabilities		**685,696**	664,328
Trade payables, other payables and accruals	*13*	**1,387,986**	1,220,049
Lease liabilities		**7,641**	-
Finance lease payables		**-**	793
Deposits received		**38,685**	35,405
Current tax payables		**175,610**	106,756
Amounts due to fellow subsidiaries		**1,795,833**	1,536,863
Amount due to a related company		**1,475**	-
		4,748,706	4,069,372
Total Assets less Current Liabilities		**2,305,288**	2,669,826
Capital and Reserves			
Share capital	*14*	**21,555**	21,555
Share premium and reserves		**1,103,770**	1,006,009
Equity attributable to owners of the Company		**1,125,325**	1,027,564
Non-controlling interests		**(66,812)**	(59,008)
		1,058,513	968,556
Non-current Liabilities			
Contract liabilities		**770,912**	780,629
Bank borrowings	*12*	**211,758**	211,746
Loan from a fellow subsidiary		**-**	33,180
Amount due to a fellow subsidiary		**229,580**	673,580
Lease liabilities		**29,990**	-
Finance lease payables		**-**	1,842
Deferred tax liabilities		**4,535**	293
		1,246,775	1,701,270
		2,305,288	2,669,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PREPARATION

The consolidated financial statements of China State Construction Development Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

As at 31 December 2019, the Group had net current liabilities HK$155,866,000. The Group has sufficient committed undrawn facility and cash flow generated from operations to meet its liabilities. Based on the Group's historical operating performance and its expected future working capital requirements, the directors consider that there are sufficient financial resources available to the Group to meet its obligations as and when they fall due within the next twelve months from the balance sheet date. Accordingly, the financial statements have been prepared on a going concern basis.

On 30 December 2019, the Group acquired 100% of equity interests in 瀋陽皇姑熱電有限公司 ("Shenyang Huanggu Company") by way of purchase of (i) the entire issued share capital of China Overseas Public Utility Investment Limited ("COPUI") which owns 99.69% of the registered capital of Shenyang Huanggu Company; and (ii) the 0.31% of the registered capital of Shenyang Huanggu Company held by 深圳海豐德投資有限公司 ("Shenzhen Haifengde"), for an aggregate consideration of HK$673,580,000.

COPUI is a direct wholly-owned subsidiary of Ever Power Group Limited, a direct wholly-owned subsidiary of China State Construction International Holdings Limited ("CSCIHL"), which is an intermediate holding company of the Company. Shenzhen Haifengde is an indirect wholly-owned subsidiary of CSCIHL.

The transfer of the equity interests in COPUI (the "Acquired Company") and the 0.31% equity interests in Shenyang Huanggu Company held by Shenzhen Haifengde (together, the "Acquired Group") was regarded as common control combination. Accordingly, the consolidated financial statements of the Group for the year ended 31 December 2019 had been prepared using the principle of Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as if the Acquired Group had been combined from the date when the Acquired Group first came under the control of the controlling party of the Group and Acquired Group. The comparative figures of the consolidated financial statements have been restated accordingly.

(1) BASIS OF PREPARATION *(continued)*

The effect of the combination of Acquired Group on the result of the Group for the year ended 31 December 2018 and the financial position of the Group as at 31 December 2018 are summarised below:

	For the twelve months ended 31 December 2018 HK$'000 (previously stated)	Combination of the Acquired Group HK$'000	Combination Adjustment HK$'000	For the twelve months ended 31 December 2018 HK$'000 (restated)
Revenue	3,611,770	631,397	-	4,243,167
Costs of sales	(3,189,952)	(567,112)	(30)	(3,757,094)
Gross profit	421,818	64,285	(30)	486,073
Other income and other gains, net	2,848	5,934	-	8,782
Administrative, selling and other operating expenses	(191,204)	(22,399)	-	(213,603)
Finance costs	(26,717)	(2,395)	68	(29,044)
Profit before tax	206,745	45,425	38	252,208
Income tax charge	(62,265)	(11,254)	-	(73,519)
Profit for the year	144,480	34,171	38	178,689
Profit/(loss) for the year attributable to:				
Owners of the Company	148,571	34,064	145	182,780
Non-controlling interests	(4,091)	107	(107)	(4,091)
	144,480	34,171	38	178,689

(1) BASIS OF PREPARATION *(continued)*

	31 December 2018 HK$'000 (previously stated)	Combination of the Acquired Group HK$'000	Combination Adjustment HK$'000		31 December 2018 HK$'000 (restated)
Non-current Assets					
Property, plant and equipment	476,959	1,495,974	(134,643)		1,838,290
Prepaid lease payments	32,491	-	134,004		166,495
Goodwill	138,149	-	-		138,149
Deferred tax assets	92,647	79,913	-		172,560
	740,246	1,575,887	(639)		2,315,494
Current Assets					
Inventories	7,014	120,364	-		127,378
Contract assets	967,471	-	-		967,471
Trade and other receivables	1,173,875	66,088	-		1,239,963
Deposits and prepayments	53,842	16,642	-		70,484
Tax recoverable	707	-	-		707
Amounts due from fellow subsidiaries	37,026	1,283,939	-		1,320,965
Cash and cash equivalents	386,630	310,106	-		696,736
	2,626,565	1,797,139	-		4,423,704
Current Liabilities					
Bank borrowings	505,178	-	-		505,178
Contract liabilities	299,857	364,471	-		664,328
Trade payables, other payables and accruals	1,049,699	170,350	-		1,220,049
Lease liabilities	-	246	(246)		-
Finance lease payables	793	-	-		793
Deposits received	-	35,405	-		35,405
Current tax payables	88,880	17,876	-		106,756
Amounts due to fellow subsidiaries	170,240	18,451	1,348,172		1,536,863
Amount due to immediate holding company	-	1,348,172	(1,348,172)	^	-
	2,114,647	1,954,971	(246)		4,069,372
Total Assets less Current Liabilities	1,252,164	1,418,055	(393)		2,669,826
Capital and reserve	1,097,291	599,877	(669,604)		1,027,564
Non-controlling interests	(59,008)	3,817	(3,817)		(59,008)
Non-current liabilities	213,881	814,361	673,028	*	1,701,270
	1,252,164	1,418,055	(393)		2,669,826

^ The combination adjustment represents the reclassification of amount due to Ever Power Group Limited.

* The combination adjustment includes the consideration payable to acquire 100% shareholding in Shenyang Huanggu Company of HK$673,580,000.

(2) THE APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND IMPROVEMENTS TO EXISTING STANDARDS AND INTREPRETATIONS

In the current year, the Group has applied the following new and revised standards, amendments and improvements to Hong Kong Accounting Standards ("HKAS(s)"), HKFRS (hereinafter collectively referred to as the "new HKFRSs") issued by the HKICPA, which are relevant to the Group:

Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Annual Improvement Project	Annual Improvements 2015- 2017 Cycle
HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS3, HKFRS11, HKAS12 and HKAS23

Except for the adoption of HKFRS 16 "Leases", the application of the above new standard and amendments has had no material impact on the Group's result and financial position.

HKFRS 16 "Leases"

The Group has adopted HKFRS 16 from 1 January 2019. HKFRS 16 establishes new accounting requirements on leases which lead to the recognition of lease transactions in lessees' financial statements. HKFRS 16 focuses on whether an arrangement contains a lease or a service agreement and introduces a substantial change to lessee accounting. The previous distinction between operating and finance leases is eliminated for lessee. A right-of-use asset (representing the right to use the leased asset for the lease term) and a lease liability (representing the obligation to pay rentals) are recognised for all leases.

In accordance with the transition provisions of HKFRS 16, the Group has adopted the modified retrospective application for existing leases at 1 January 2019 with certain transition reliefs, and under which comparative figures are not restated. For leases previously classified as operating leases, the Group has elected to measure the right-of-use assets at the amounts equal to the lease liabilities adjusted by any prepaid or accrued lease payments. For those leases previously classified as finance leases, the right-of-use assets and lease liabilities are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application. Accordingly, no adjustments were recognised to the opening balance of retained profits at the date of initial application.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17.

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- Applied the recognition exemption for leases of low value assets
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 "Leases" and Interpretation 4 "Determining whether an Arrangement contains a Lease".

Upon the adoption of HKFRS 16, the Group reclassified the assets under finance leases (mainly land and buildings and motor vehicles) from property, plant and equipment and prepaid lease payments under operating leases to right-of-use assets and the liabilities under obligations under finance leases to lease liabilities for presentation purpose.

(2) THE APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND IMPROVEMENTS TO EXISTING STANDARDS AND INTREPRETATIONS ***(continued)***

HKFRS 16 "Leases" ***(continued)***

The table below explains the difference between operating lease commitments disclosed at 31 December 2018 by applying HKAS 17 and lease liabilities recognised at 1 January 2019 by applying HKFRS 16:

	2019 HK$'000
Operating lease commitments disclosed as at 31 December 2018 (restated)	86,828
Discounted using the lessee's incremental borrowing rate of at the date of initial application*	86,574
Add: finance lease liabilities recognised as at 31 December 2018	2,635
(Less): short-term leases not recognised as a liability	(1,375)
(Less): adjustments as a result of a different treatment of extension and termination options	(57,179)
Lease liability recognised as at 1 January 2019	30,655
Of which are:	
Current lease liabilities	7,931
Non-current lease liabilities	22,724
	30,655

* The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4%.

The table below summarises the impact of the adoption of HKFRS 16:

	At 1 January 2019
Decrease in prepaid lease payments	166,495
Decrease in property, plant and equipment – land, buildings and motor vehicles	33,491
Increase in property, plant and equipment – right-of-use assets	228,006
Decrease in finance lease payables – current	793
Decrease in finance lease payables – non-current	1,842
Increase in lease liabilities – current	7,931
Increase in lease liabilities – non-current	22,724

(2) THE APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND IMPROVEMENTS TO EXISTING STANDARDS AND INTREPRETATIONS *(continued)*

The Group has not early applied the following new standards and amendments to existing standards that have been issued but are not yet effective.

Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 3	Definition of Business[1]
HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting[1]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 The mandatory effective date will be determined

The Group will adopt the above new standards and amendments to existing standards as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group.

(3) REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the façade contracting business, general contracting business and operating management business. The Group's revenue represents revenue from construction and management contracts.

The Group has classified the reportable segments into three operating segments, principally based on reportable business units as well as the reporting organisation hierarchy, and are determined as follows:

— Façade Contracting Works

— General Contracting Works

— Operating Management

Operating management segment includes the Group's urban planning management and consultation services, engineering consultancy services and thermoelectricity business.

The executive directors of the Company are the Group's chief operating decision-maker ("CODM"). The CODM assess the performance of the operating segments based on a measure of adjusted profit or loss before interest and tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, if any, such as restructuring costs, legal expenses and impairment of goodwill. The measurement also excludes the effects of share-based payments and unrealised gains/losses on financial instruments. Interest income and expenses resulting from the central treasury function are not allocated to segments.

(3) REVENUE AND SEGMENT INFORMATION *(continued)*

Segment results for the years ended 31 December 2019 and 2018 are as follows:

	Revenue		Gross profit		Segment result	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)		(restated)
Reportable segments:						
Façade Contracting Works	**2,785,753**	2,518,261	**233,623**	252,352	**123,001**	143,608
General Contracting Works	**940,564**	850,553	**56,594**	69,423	**47,410**	63,531
Operating Management	**893,095**	874,353	**253,847**	164,298	**199,284**	123,361
Total	**4,619,412**	4,243,167	**544,064**	486,073	**369,695**	330,500
Unallocated corporate expenses					**(52,810)**	(50,057)
Other income and other gains, net					**(1,285)**	809
Finance costs					**(38,687)**	(29,044)
Profit before tax					**276,913**	252,208

Segment revenue of Façade Contracting Works comprises revenue from Greater China, Asia and other region amounting to HK$2,314,407,000 (2018: HK$1,981,504,000) and revenue from North America region amounting to HK$471,346,000 (2018: HK$536,757,000). Segment revenue of General Contracting Works and Operating Management represent revenue from Greater China region.

Amounts included in the measure of segment result:

	Depreciation of property, plant and equipment		Loss/(gain) on disposal of property, plant and equipment	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)
Façade Contracting Works	**12,719**	5,529	**2**	(28)
General Contracting Works	**774**	96	**-**	-
Operating Management	**3,353**	294	**421**	(481)
	16,846	5,919	**423**	(509)

An analysis of the Group's financial position by business is as follows:

	Non-current assets*		Addition to property, plant and equipment	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)
North America	**366,913**	310,997	**38,318**	116,196
Greater China, Asia and Others	**1,922,270**	1,831,937	**68,544**	193,025
	2,289,183	2,142,934	**106,862**	309,221

* *Other than deferred tax assets.*

Major customer information

One customer in Façade Contracting Works amounted to approximately HK$778,574,000 (2018: No customer) represents more than 10 per cent of the Group's total revenue.

(4) OTHER INCOME AND OTHER GAINS, NET

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Bank interest income	**2,737**	3,318
Exchange gain, net	**7,355**	-
Insurance claim received	**653**	-
Rental income	**3,001**	842
Service income	**2,191**	1,531
Sundry income	**4,126**	2,582
(Loss)/gain on disposal of property, plant and equipment	**(423)**	509
	19,640	8,782

(5) EXPENSES BY NATURE

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Costs of sales		
Costs of contracting works performed	**3,570,306**	3,171,154
Cost of supply of heat, steam and electricity	**487,492**	567,142
Warranty provisions, net	**17,550**	18,798
	4,075,348	3,757,094
Administrative, selling and other operating expenses		
Staff costs, including directors' emoluments:		
Salaries, bonuses and allowances	**826,602**	723,163
Retirement benefits scheme contributions	**59,932**	38,912
Less: amounts included in cost of sales	**(728,736)**	(625,591)
	157,798	136,484
Depreciation of property, plant and equipment, excluding right-of-use assets	**168,285**	137,193
Less: amounts included in cost of sales	**(162,594)**	(131,274)
	5,691	5,919
Depreciation of right-of-use assets	**13,516**	-
Less: amounts included in cost of sales	**(2,361)**	-
	11,155	-
Operating lease charges — land and buildings	**30,927**	49,592
Less: amounts included in cost of sales	**(20,049)**	(37,456)
	10,878	12,136
Amortisation of prepaid land lease payments	**-**	679
Less: amounts included in cost of sales	**-**	(679)
	-	-
Auditor's remuneration		
Audit services	**2,787**	2,847
Non-audit services	**1,424**	563
	4,211	3,410
Exchange loss, net	**-**	2,148
Provision of trade and other receivables, net	**5,287**	387
Others	**53,084**	53,119
	248,104	213,603

Note: Expenses of discontinuation of factories of HK$31,050,000 and HK$11,121,000 are included in salaries, bonuses and allowances and operating lease charges respectively.

(6) FINANCE COSTS

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Interest on bank loans and overdrafts	**39,363**	26,537
Interest on loan from a fellow subsidiary	**-**	2,327
Interest on lease liabilities	**1,373**	-
Finance lease charges	**-**	180
	40,736	29,044
Less : amounts capitalised in property, plant and equipment	**(2,049)**	-
	38,687	29,044

(7) INCOME TAX CHARGE

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Current tax — Hong Kong profits tax		
Provision for the year	**44,560**	57,662
Under/(Over)provision in prior years	**20**	(89)
	44,580	57,573
Current tax — Mainland China and overseas		
Provision for the year	**60,494**	26,623
Under/(Over)provision in prior years	**7**	(5,834)
	60,501	20,789
Deferred tax, net	**4,092**	(4,843)
Income tax charge for the year	**109,173**	73,519

Hong Kong profits tax has been provided at 16.5% of the estimated assessable profit for both years.

Certain of the Group's subsidiaries in the Mainland China were approved as new and high technology enterprises pursuant to certain of which the Mainland China subsidiaries can enjoy a preferential income tax rate of 15% effective from 2018 to 2021.

The tax charge on estimated assessable profits elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices.

(8) DIVIDENDS

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
Interim dividend paid of HK1.2 cents (2018: HK1.0 cent) per ordinary share	**25,867**	21,555
No proposed final dividend (2018: HK1.2 cents per ordinary share)	**-**	25,867
	25,867	47,422

The Board does not recommend payment of a final dividend for the year ended 31 December 2019. The final dividend for 2018 was recognised and paid during the year.

(9) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following:

	For the year ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**175,560**	182,780
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares used in diluted earnings per share calculation	**2,155,545**	2,155,545
Basic earnings per share (HK cents)	**8.14**	8.48

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the year ended 31 December 2019 (2018: Nil).

(10) INTERESTS IN INFRASTRUCTURE PROJECT INVESTMENTS

	At 31 December	
	2019	2018
	HK$'000	*HK$'000*
Interests in infrastructure project investments	**247,900**	-
Less: Portion due within one year included in current assets	**(54,010)**	-
Portion due after one year	**193,890**	-

On 7 January 2019, the Group acquired 100% of equity interests in and shareholder's loan to Fuller Sky Enterprises Limited ("Fuller Sky") and Value Idea Investments Limited ("Value Idea") from Ever Power Group Limited, a wholly owned subsidiary of China State Construction International Holdings Limited for a total consideration of HK$295,000,000.

Interests in infrastructure project investments represent funding denominated in RMB advanced to joint ventures for Public-Private-Partnership ("PPP") infrastructure projects located in Mainland China. The Group is responsible to provide finance for the construction of the infrastructure of these projects, whereby the Group's return is predetermined in accordance with the provisions of the relevant agreements.

The effective interest rates on the infrastructure project investments range from 10.2% to 10.7% (2018: nil) per annum. The interests in infrastructure project investments were not past due as at 31 December 2019.

The Directors reviewed individually the infrastructure projects' operations and financial positions as at 31 December 2019 based on the present values of estimated future cash flows from those investments, discounted at their respective original effective interest rates.

(11) TRADE AND OTHER RECEIVABLES

The analysis of trade and other receivables, including the aging analysis of trade receivables, based on invoice date, and net of provisions, is as follows:

	At 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Trade receivables:		
0 to 30 days	**725,353**	483,608
31 to 60 days	**24,506**	26,503
61 to 90 days	**28,388**	2,944
More than 90 days	**151,990**	115,745
	930,237	628,800
Retention receivables	**630,996**	549,706
	1,561,233	1,178,506
Other receivables	**72,302**	61,457
Trade and other receivables	**1,633,535**	1,239,963

Except for the receivable arising from construction contracts which are billed and immediately payable in accordance with the terms of the relevant agreement, the Group generally allows an average credit period not exceeding 90 days (2018: 90 days) to its customers and the retention receivables are repayable approximately one year after the expiry of the defect liability period of construction projects.

(12) BANK BORROWINGS

	At 31 December	
	2019	2018
	HK$'000	*HK$'000*
Bank loans, secured	**12,232**	12,183
Bank loans, unsecured	**855,306**	704,741
	867,538	716,924
The borrowings are repayable as follows:		
On demand or within one year	**655,780**	505,178
In the second year	**200,494**	455
In the third to fifth years, inclusive	**11,264**	201,485
More than five years	**-**	9,806
	867,538	716,924
Less: amounts due for settlement within twelve months	**(655,780)**	(505,178)
Amounts due for settlement after twelve months	**211,758**	211,746

At 31 December 2019, a bank loan of HK$12,232,000 (2018: HK$12,183,000) is secured by the Group's land and buildings of HK$17,016,000 (2018: HK$16,980,000).

(13) TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The analysis of trade payables, other payables and accruals, including the aging analysis of trade payables, based on invoice date, is as follows:

	At 31 December	
	2019	2018
	HK$'000	*HK$'000*
		(restated)
Trade payables:		
0 to 30 days	**800,389**	574,745
31 to 60 days	**21,618**	36,338
More than 60 days	**138,011**	251,655
	960,018	862,738
Retention payables	**249,052**	189,179
	1,209,070	1,051,917
Other payables and accruals	**178,916**	168,132
Trade payables, other payables and accruals	**1,387,986**	1,220,049

(14) SHARE CAPITAL

	Issued and fully paid	
	Number of shares	**Share capital Amount**
	'000	***HK$'000***
Ordinary shares of HK$0.01 each		
At 1 January 2018, 1 January 2019 and 31 December 2019	2,155,545	**21,555**

BUSINESS REVIEW

In 2019, China State Construction Development Holdings Limited and its subsidiaries (collectively the "Group") pursued the policy of "striving for higher quality and efficiency, innovation, optimisation, transformation and upgrade", accurately seized market opportunities, fully capitalised on internal synergy, timely adjusted the management structure and business layout, actively strengthened the traditional curtain wall business, pushed forward with various operational deployments in an orderly manner, and achieved significant results. In view of the Company's overall strategic development and its strategic position in the future and to further unify the brand image, the Group changed the name of the Company from "Far East Global Group Limited" to "CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED" in 2019, and implemented an in-depth dual-core-driven strategy of "traditional business and innovative business" to speed up strategic transformation. Pursuant to the strategic restructuring of the Group's assets, the Company acquired the infrastructure operation business of two bridges in Nanchang and Shenyang Huanggu thermoelectricity business from the parent company to further consolidate the asset operating management business. The newly awarded contract value of the core curtain wall business reached a record high, while the general contracting business developed steadily and the operations in Mainland China progressed smoothly.

Market Conditions

In 2019, the global political and economic conditions wobbled amid intensifying trade protectionism in the US, escalating trade tensions around the globe, the mounting risk of hard Brexit, slowing global economic growth, and the apparent downtrend in emerging economies. The turmoil in the financial market intensified as the Federal Reserve suspended rate hikes and cut interest rates for the third time in a row during the year, and the central banks around the world restarted monetary easing measures. China-US trade disputes eased somewhat after the two countries had reached a phase one trade agreement, alleviating the pressure on economic slowdown in China. Following the implementation of a series of policies to stabilise the economy, China saw stable economic development in general with improving quality of growth.

The Group adhered to the operational strategy of "rooting in Hong Kong and Macau, relying on Mainland, exploring overseas markets, joining internal and external forces", persisted with its prudent bidding strategy, drew on internal synergy, and proactively developed premium projects that could enjoy branding effect.

1. **Contracting Engineering Business**

   Curtain Wall Business
   Hong Kong and Macau are the traditional key markets of the Group. The Group overcame the adverse effects of the social events on the economy in Hong Kong, further stepped up its investment in the Hong Kong market, and consolidated the competitive advantages of the curtain wall business to further strengthen its leadership in Hong Kong's curtain wall market. In Macau, the high-end curtain wall market stabilised as the economy began to bottom out. As a recognised high-end curtain wall total solution provider in Hong Kong and Macau, the Group focused on deepening the strategic cooperation with its major clients and actively expanded its strategic client base while striving for better coordination internally. Its strong performance in the Hong Kong and Macau markets renewed the record for business scale, after the Group had successfully bid for iconic commercial projects with great technical difficulties and high quality requirements. In 2019, the Group's newly awarded projects in the regions included Building B of Two Taikoo Place, Section B of the commercial project building located in New Kowloon Inland Lot No. 6556 at Kai Tak, Phase I redevelopment of Kwong Wah Hospital in Kowloon, the commercial

project at 2 Murray Road, Central, etc. The Group has put emphasis on managing the schedule, quality, safety, cash flow and efficiency of its projects in progress. Synergy is achieved by consolidating the internal design, procurement, production and installation resources of the Group. The Group has also been working on measures such as enhancing safety control and implementing incentive schemes, so as to adjust and maximise project teams' motivation.

Growth of the construction and curtain wall market in the US slowed down amid trade frictions. The Group consciously shifted its bidding strategy in North America towards Canadian regions where more mature resources and management conditions were found, focusing on profitable premium projects with controllable risks. During the year, in North America, the Group was awarded the projects of 700 St Jacques Victoria and 1500 Rene-Levesque in Montreal, Canada. Apart from these, more potential projects are being examined. With its effort in strengthening project cost control and contract management, promoting integrated management over its North American operations, and enhancing its cross-field resources allocation and coordination, the Group successfully integrated and optimised production capacity of the US factories, and achieved initial results in cost reduction and efficiency enhancement. The lease of the factory in Miami was discontinued smoothly in 2019, and costs and expenses of more than US$4 million were expected to be saved each year from 2020 onwards. The level of management and control over the Group's projects in North America was improving continuously, and all projects in progress were proceeding smoothly.

There is huge potential in the curtain wall market in Mainland China, but disordered price competition in the industry is yet to be improved. The Group has been selective about curtain wall projects in Mainland China and has focused on major projects owned by creditworthy landlords. In 2019, the Group leveraged its branding effect to proactively explore strategic high-end clients in Mainland China. Capitalising on the internal synergy, the Group was awarded a number of premium projects, such as the curtain wall modification project at Building G1 of Huawei's production centre, the curtain wall subcontracting project of office and hotel buildings of China Overseas' Unipark Phase II, the specialised curtain wall subcontracting project for the reconstruction and expansion of Nanshan Hospital, the curtain wall project of Vitality Smart Island (活力智島) Phase II in the southern part of Nanjing Science and Technology Creative Park, and the curtain wall project in the core area of the life medical science and technology service platform in Xuzhou Economic and Technological Development Zone.

The largest manufacturing base of the Group in Mainland China began to take shape in Zhuhai as the Shenzhen factory was successfully relocated and merged with the new Zhuhai factory in the first half of 2019. With the production capacity of quality products of the Group's Hong Kong and Macau projects and the further upgrade and modification of the smart factory in Zhuhai, scalable production capacity was in place after the new Zhuhai factory had come into operation, with the capacity utilisation rate ramping up as planned. Benefiting from the opening of the Hong Kong- Zhuhai-Macau Bridge, the new Zhuhai factory will play a greater role leveraging its large capacity.

In addition to the Greater China region and North America, the Group was highly dedicated to the curtain wall projects in progress in other overseas regions, and prudently involved itself in local competition only when the performance risks of projects were manageable. In 2019, the police headquarters project in Melbourne, Australia, the project for the supply of components for West Side Place Stage 1 in Melbourne, Australia, as well as the project of The Stage in London, the UK were progressing well.

Contracting Business
The development of our contracting business was stable. The Group actively participated in the bidding of small and medium housing projects in Hong Kong, and proactively explored internal cooperation opportunities. Bidding work was progressing steadily. The projects in progress were proceeding smoothly, with the work regarding Chuang's residential development at Tuen Mun Town Lot No. 514 and Hong Kong Henderson Land's project in Ma Tau Wai being conducted in an orderly manner.

2. Operating Management Business

In 2019, pursuant to the strategic business transformation of the Group under the direction of the parent company, the Group further expanded its operating management business with the full support of the parent company. In the first half of 2019, the Group completed the acquisition of Nan Chang Bridge and Zhong Hai Xin Ba Yi Bridge operating management business from China State Construction International Holdings Limited, our controlling shareholder. In September 2019, the Group announced the acquisition of Shenyang Huanggu thermoelectricity operating business from China State Construction International Holdings Limited, our controlling shareholder, and completed the acquisition process at the end of 2019. It is expected that the acquisitions above will bring stable cash flow and considerable returns, laying a solid foundation for the Group's expansion into new operating businesses, making a further step in the transition of the Group towards a professional operation enterprise, and promoting the vertical in-depth development of the Group's dual-core driven strategy.

Furthermore, the name of the Company has been changed from "Far East Global Group Limited" to "China State Construction Development Holdings Limited". The change of the Company's name will better reflect the strong branding effect of "China State Construction", and is more compatible to the direction of the Group's future business development.

Abiding by its "big markets, big landlords, and big projects" operational strategy while enhancing the business synergy within its systems, China Overseas Supervision (中海監理) of the Group was awarded a number of projects, such as the Shenzhen Innovation and Technology Zone project in Shenzhen-Hong Kong Innovation and Technology Co-operation Zone, the archives project in Shenzhen Longhua District, and the Leping Jing Ying and Lushui River projects, which further bolstered the advantages of the supervision business.

The Group has also been proactively exploring investment and operating business in the elderly care sector. Preliminary planning and design of the investment project involving elderly care apartments in Toronto, Canada were completed and executed as scheduled, which represented a step forward in the Group's investment business

Overall Results
For the year ended 31 December 2019, the Group continued to expand the Group's operating asset portfolio, enabling the Group to head to the strategic target of "Dual-core Driving" by construction related business and operating management business. The Group recorded aggregate revenue of HK$4,619 million (2018 (restated): HK$4,243 million), an increase of 8.9% as compared to last year. The profit attributable to owners of the Company was HK$176 million (2018 (restated): HK$183 million), a decrease of 4.0% as compared to last year. Excluding the impact of one-off expenses of discontinuation of factories amounting to HK$42 million, the profit from core business was HK$218 million, increased by 46.6% as compared to the profit attributable to owners of the Company before restatement of last year. The basic earnings per share was HK8.14 cents (2018 (restated): HK8.48 cents), a decrease of 4.0% as compared to last year. Taking into account of the development needs of operating management business in the future, the Board of Directors does not recommend the

payment of a final dividend for the year ended 31 December 2019. The total dividend for the year amounted to HK1.2 cents per share, representing 14.7% payout of the distributable profit for the year.

During the year, the Group acquired 100% of equity interests in and shareholder's loan to Fuller Sky Enterprises Limited ("Fuller Sky") and Value Idea Investments Limited ("Value Idea") from Ever Power Group Limited, a wholly owned subsidiary of China State Construction International Holdings Limited for a total consideration of HK$295 million. Fuller Sky holds 55.24% of the equity interests in a joint venture company which owns the management and operation rights for the Nan Chang Zhong Hai Xin Ba Yi Bridge. Value Idea holds 55.24% of the equity interests in three joint venture companies which together own the management and operation rights for the Nan Chang Bridge.

The Group also acquired 100% of equity interests in Shenyang Huanggu Thermoelectricity Company Limited ("Shenyang Huanggu") from Ever Power Group Limited for a cash consideration of approximately HK$674 million. The acquisition was treated as common control combination and merger accounting was adopted as if Shenyang Huanggu had been combined from the date when Shenyang Huanggu first came under the control of the controlling party. The comparative figures of the consolidated financial statements have been restated.

Segment analysis

Façade Contracting Business

Revenue contribution from the segment remained stable, the segment's revenue recorded an increase to HK$2,786 million for the year ended 31 December 2019 (2018: HK$2,518 million). The operating profit decreased to HK$123 million for the year ended 31 December 2019 (2018: HK$144 million). It is due to the fact that the discontinuation of the factories in Shenzhen, China and Miami, US incurred one-off discontinuation expenses amounting HK$42 million during the year and the newly awarded projects of 2019 have not yet made a significant contribution in the preliminary stage of construction.

General Contracting Business

The segment delivered a steady growth of revenue to HK$941 million for the year ended 31 December 2019 (2018: HK$851 million). The segment profit decreased to HK$47 million for the year ended 31 December 2019 (2018: HK$64 million) as a results of the increase in construction cost of certain projects.

Operating Management Business

With the contribution from newly acquired Shenyang Huanggu, Nan Chang Zhong Hai Xin Ba Yi Bridge and Nan Chang Bridge, the segment's revenue recorded a revenue of HK$893 million for the year ended 31 December 2019 (2018 (restated): HK$874 million). The operating profit increased to HK$199 million for the year ended 31 December 2019 (2018 (restated): HK$123 million).

Administrative, selling and other operating expenses

As a results of the acquisition of Shenyang Huanggu and the restructure of business unit in North America, administrative expenses increased by 15.9% to HK$248 million (2018 (restated): HK$214 million).

Finance costs

For the year ended 31 December 2019, the Group's finance costs increased to HK$39 million (2018 (restated): HK$29 million) as a result of the increase in bank borrowings.

New Contracts Awarded and Project in Progress

The Group recorded an accumulated new contract value of HK$5,054 million for the year ended 31 December 2019 and achieved the full year target of 2019.

As of 31 December 2019, the on-hand contract value amounted to approximately HK$15,279 million, among which the backlog was approximately HK$8,196 million**.**

Business Segments	New Contract Awarded (HK$ million)	Project in Progress	
		Total Value (HK$ million)	Backlog (HK$ million)
Curtain Wall	4,538	12,051	6,956
Building Works	16	2,362	724
Operating Management	500	866	516
Total	5,054	15,279	8,196

Financial Management
In 2019, the Group continued to enhance its financial management. Under the principle of stringent financial management, the Group improved the efficiency in utilisation of its capital and actively expanded its finance channels. In addition, the Group focused on expediting its collection of payments due from projects, thereby improving cash flow and liquidity pragmatically, and effectively fulfilling the capital needs of projects in progress and investment projects.

The Group generally finances its operation with internally generated cash flow and credit facilities provided by its principal bankers. At 31 December 2019, the Group had cash and cash equivalents of HK$827 million (31 December 2018 (restated): HK$697 million), total borrowings of the Group were HK$868 million (31 December 2018 (restated): HK$750 million). The Group's net gearing ratio (net debt to total net assets) as at 31 December 2019 was approximately 3.9% (31 December 2018 (restated): 5.5%). Furthermore, the Group had unutilised banking facilities (including performance guarantee facilities, working capital facilities and loan facilities) of approximately HK$2,051 million, the Group had sufficient financial resources to meet the business development and expansion. The Group's borrowings are principally on a floating rate basis and have not been hedged by any interest rate financial instruments.

The maturities of the Group's bank and other borrowings, including a loan from a fellow subsidiary, as at 31 December 2019 and 31 December 2018 are set out as follows:

	31 December 2019 *HK$'000*	31 December 2018 *HK$'000* (restated)
On demand or within one year	**655,780**	505,178
More than one year but not exceeding two years	**200,494**	455
More than two years but not more than five years	**11,264**	234,665
More than five years	**-**	9,806
	867,538	750,104

As at 31 December 2019, the Group's equity attributable to owners of the Company amounted to HK$1,125 million (31 December 2018 (restated): HK$1,028 million), comprising issued capital of HK$22 million (31 December 2018: HK$22 million) and reserves of HK$1,103 million (31 December 2018 (restated): HK$1,006 million).

Treasury Policy
The Group adopts a conservative treasury policy in cash and financial management. The Group's treasury activities are centralised in order to achieve better risk control and minimise cost of funds. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollar or Renminbi. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments or maturity of bank loans, the Group will consider new financing while maintaining an appropriate level of gearing.

Corporate Governance
Adhering to the corporate governance philosophy of honesty, integrity, transparency and efficiency, the Group strictly complied with various laws and regulations and abided by the Listing Rules and regulatory requirements. The Group continuously improved its corporate governance structure and measures to gradually establish and optimise a series of policy systems, internal control system and management mechanism and processes to ensure sound corporate governance. The board of directors strived to maintain high standard commercial ethics, healthy corporate culture and excellent corporate governance, so that the Group was able to actively adjust its business strategy in response to changes of market trends, allowing each professional decision-making team to play its role and strengthening the regionalised governance capability of each business unit.

Risk Management and Control
The Group continued to improve its internal control system to enhance the ability of risk predictions and the effects of risk management and control, and promote the integration of internal control and business processes. In response to changes in business environments and regulatory requirements, the Group strengthened supervision over major areas and key issues to prevent operational risks and eliminate management loopholes. The Group continued to improve its management systems and optimise mechanisms and procedures to ensure healthy operations.

The Group monitored the policies in overseas markets and the trends of exchange rates constantly and focused its resources on key cities in Europe and North America with relatively optimistic economic prospects to avoid political and exchange rate risks..

Human Resource Management
By persisting in the "people-oriented" managerial philosophy, the Group emphasises the attraction, retention, and cultivation of all levels of talents who recognise its corporate vision. The Group improves employees' satisfaction and work efficiency by creating a variety of systems that cover employees' recruitment, training, performance assessment and remuneration, and has established an open and transparent mechanism for staff selection and employment to provide its employees with a healthy environment for professional competition and development. During the year, the Group implemented its lecture system to enrich training and the exchange of ideas. The Group also continued to improve its KPI assessment for the purpose of establishing a more comprehensive assessment system. The further implementation of the "Site Contracting Responsibility System" (《地盤目標管理責任制》), the "Design Contracting Incentives System" (《設計承包激勵制度》), the "Site-related Integrated Appraisal and Incentives Methods" (《地盤綜合獎勵評選辦法》) and the "Shenzhen Production Line Motivation System" (《深圳生產線激勵制度》) in Hong Kong, Macau and Mainland China has greatly improved the enthusiasm and work efficiency of employees.

The Group has also formulated solutions targeted to the needs of employees for regimes, procedures, benefits and training, and built a smooth communication platform to create a sound communication atmosphere and contribute ideas for the development of the Company.

At 31 December 2019, the Group employed a total of 3,197 (31 December 2018: 2,735) employees. The Group has sound policies of management incentives and competitive remuneration, which align the interests of management, employees and shareholders' alike. The Group sets its remuneration policy by reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of base salary, allowances, fringe benefits including medical insurance and contributions to pension funds as well as incentives such as discretionary bonus.

Social Responsibilities
The Group has been a participant of charity events such as "Walks for Millions" and "Kids' Dream" for many years. The Group is also named a "Caring Company" by virtue of its active participation in and promotion of the "Earth Hour" event, demonstrating its dedication towards the community and contribution to social harmony and stability.

PROSPECTS

Looking forward to 2020, continual global trade frictions and geopolitical tensions, slowdown in global economic growth, the complicated and ever-changing general outlook of the macroeconomy, and the frequent occurrence of "black swan" and "grey rhino" events contribute to mounting uncertainties in the market, thus presenting new risks and challenges to the global economy. The second round of China-US trade talks is about to begin. Affected by the novel coronavirus outbreak, the downward pressure on the Chinese economy remains large in the short term. However, in view of faster economic transformation and structural adjustment, internal growth momentum of the Chinese economy will build up, which will promote the long-term stability and healthy development of the country's economy. Moreover the group's factory in China have reopened and operated in March 2020.

The recovery of construction market in North America will slow down as growth momentum of the US economy diminishes. Hong Kong's construction market size will remain stable despite stiffer competition. The economy in Macau will start to recover after major correction. The continual construction of Guangdong-Hong Kong-Macau Bay Area will usher in ample opportunities for the construction industry in Hong Kong and Macau. There is huge potential in the curtain wall market in Mainland China. The imbalance between demand and supply in the curtain wall market in the Mainland manifests itself, resulting in more disordered competition.

Business and Development Strategies
The curtain wall business is the Group's core business. The Group will continue to adopt the operational strategy of "big markets, big landlords, big projects", adhere to the business philosophy of "closely focusing on high-end markets and providing high-quality services", integrate advantageous resources, improve its operational and management and control models by taking into consideration the features of various markets, and optimise business deployment. It will further dive into the Hong Kong and Macau markets and participate in the competition in the North America and Mainland China markets with sustainable strategies. At the same time, it will prudently explore other overseas markets such as Australia, the UK and Asia-Pacific region. The Group will further utilise and integrate existing resources and production capacity, continue to focus on the work schedule, quality, safety, capital and cost management of projects and production restructuring plan while improving the synergies created during design, production and installation processes. The Group will sharpen its integrated competitive edges in its curtain wall business. Efforts will be made to further improve

branding and market development, strengthen management over projects on hand, consolidate the Group's core competitiveness in design, procurement, production and construction, and exercise rigorous control over the project risks while maintaining desired profitability.

The Group highly values the building of its design teams, and will strengthen its design teams in Hong Kong and North America while expanding its design teams in Mainland China, by continuously recruiting additional experts and coordinating resources to ensure the design standards of key projects in Hong Kong, Macau and overseas markets. Meanwhile, the Group will provide stronger support to its personnel serving overseas, which includes establishing the basic policies for overseas core management team setup and the remuneration and benefits of personnel serving overseas, thereby maintaining the stability of overseas teams and enhancing the Group's cohesiveness and competitive strengths.

The Group will strengthen its system, make a plan in advance and facilitate communication for project design and construction plan evaluation. In addition, the Group will dovetail the design and production processes of projects to elevate the contract business management levels. Efforts will be increased to improve planning for the procurement of materials and for better process-oriented management to ensure successful completion of all projects.

In respect of its general contracting business, to cope with the robust demand for small and mediumsized buildings in Hong Kong's construction market, the Group will actively leverage the rich experience of China State Construction International, our controlling shareholder, in project management, and utilize the synergy with China State Construction Engineering (Hong Kong) to actively expand its client base in target markets and secure premium projects.

In the field of operating management business, while further improving the operation model of its operating management business, the Group will thoroughly explore the direction of its innovative businesses in Mainland China, and continue to study the feasibility of injecting quality operation assets from its system. The Group will also proactively seek for opportunities of merger and acquisition of quality assets, promote industry-finance integration, and strive to increase the contribution of its operating management business in order to achieve its dual-core-driven strategic objective.

The board of directors is able to discern and face various problems that may arise in the course of development and wishes to, through constant exploration and efforts, establish and maintain a healthy system integrating the mutual interests of shareholders, the board of directors, management and general employees as well as customers to promote the sustainable growth of the Group's revenue and profitability.

FINAL DIVIDEND

The Board does not recommend payment of a final dividend for the year ended 31 December 2019 (2018 final dividend: HK1.2 cents per share). As an interim dividend of HK1.2 cents per share was paid to shareholders on 4 October 2019, total dividend for the year amounts to HK1.2 cents per share.

ANNUAL GENERAL MEETING

The 2020 annual general meeting of the Company ("AGM") will be held on Thursday, 28 May 2020. The notice of the AGM, which constitutes part of the circular to the shareholders of the Company, will be sent together with the 2019 Annual Report.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 25 May 2020 to Thursday, 28 May 2020 (both days inclusive). In order to qualify for attending and voting at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 22 May 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries has made any purchase, sale or redemption of any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2019 with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the following deviation:

Code provision E.1.2 - code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Mr. Zhang Haipeng, Chairman of the Board and Non-executive Director, was unable to attend the annual general meeting held on 29 May 2019 due to other business engagement and Mr. Wu Mingqing, Vice Chairman and Chief Executive Officer, chaired the meeting in his stead to answer questions at the meeting. The Vice Chairman reported back to the Chairman the views of shareholders after the meeting.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have complied with the Model Code in their securities transactions throughout the year ended 31 December 2019.

REVIEW OF ACCOUNTS

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 have been reviewed by the Audit Committee which comprises three Independent Non-executive Directors.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The financial figures on page 2 to page 18 of this announcement have been agreed by the Company's external auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no assurance has been expressed by PricewaterhouseCoopers on this announcement.

APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to all shareholders and customers for their strong support and to all employees for their hard work and commitment.

By Order of the Board
China State Construction Development Holdings Limited
Zhang Haipeng
Chairman and Non-executive Director

Hong Kong, 24 March 2020

As at the date of this announcement, the Board comprises Mr. Zhang Haipeng as Chairman and Non-executive Director; Mr. Wu Mingqing (Vice Chairman and Chief Executive Officer) and Mr. Wang Hai as Executive Directors; Mr. Huang Jiang as Non-executive Director; and Mr. Zhou Jinsong, Mr. Hong Winn and Ms. Kwong Sum Yee Anna as Independent Non-executive Directors.