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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2024-027



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

Announcement on the Proposed Increase of External Guarantee Quota in 2024

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 misleading statements or major omission, and they are jointly and severally liable for the truthfulness, accuracy and completeness of the said contents.

Important Notice:

- According to the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2024* reviewed and adopted at the 56th meeting of the 3rd Board of Directors of the Company, the year 2024 will see the Company providing an additional external guarantee of RMB 27.7 billion for its wholly and majority-owned subsidiaries, and its wholly and majority-owned subsidiaries providing an additional external guarantee of RMB 152.3 billion for their subsidiaries and participating companies, and an additional mortgage guarantee of RMB 140 billion for individual property owners.
- The Proposal shall be submitted to the 2023 Annual General Meeting of the Company for review.
- No external guarantee of the Company was found overdue.

I. Overview of additional external guarantees to be provided in 2024

China State Construction Engineering Corporation Limited (hereinafter, the "Company") deliberated on and adopted the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2024* at the 56th meeting of the 3rd Board of Directors on April 18, 2024. The details are as follows:

(I) Additional external guarantee provided by the Company to its wholly and majority-owned subsidiaries

The Company intends to extend an extra external guarantee amounting to RMB 27.7 billion for its wholly and majority-owned subsidiaries. This includes an additional financing guarantee of RMB 7.7 billion and an additional operational guarantee of RMB 20 billion. Furthermore, it plans to allocate RMB 21.8 billion in guarantees for entities with a debt-to-asset ratio equal to or above 70%, and an additional RMB 5.9 billion in guarantees for those with a debt-to-asset ratio below 70%. The details are as follows:

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Unit: RMB 100,000,000

Type of guarantee	Type of the guaranteed entity	Guaranteed entity	Additional external guarantee
Financing guarantee	The guaranteed entity with a debt-to-asset ratio above 70% (inclusive)	CSCEC International Operations, China Construction Infrastructure Co., Ltd., China Construction First Group Corporation Limited, China Construction Second Engineering Division Corp. Ltd., China Construction Third Engineering Division Corp. Ltd., China Construction Fourth Engineering Division Corp. Ltd., China Construction Fifth Engineering Division Corp. Ltd., China Construction Sixth Engineering Division Corp. Ltd., China Construction Seventh Engineering Division Corp. Ltd., China Construction Eighth Engineering Division Corp. Ltd., CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd., China Construction America, CSCEC Mediterranean, and other subsidiaries wholly or majority-owned by CSCEC.	68
	The guaranteed entity with a debt-to-asset ratio below 70%	CSCEC Algeria, CSCEC Morocco, BETOM Design Institute, and other subsidiaries wholly or majority-owned by CSCEC	9
	Total		
Operation guarantee	The guaranteed entity with a debt-to-asset ratio above 70% (inclusive)	China Construction America, China Construction Oceania, CSCEC Mediterranean, and other subsidiaries wholly-owned or held by CSCEC	150
	The guaranteed entity with a debt-to-asset ratio below 70%	CSCEC Algeria, CSCEC Morocco, BETOM Design Institute, and other subsidiaries wholly or majority-owned by CSCEC	50
	Total		

(II) Additional external guarantee provided by wholly and majority-owned subsidiaries of the Company to their subsidiaries and participating companies

The wholly and majority-owned subsidiaries plan to provide an additional external guarantee of RMB 152.3 billion for their subsidiaries and participating companies, including an additional financing guarantee of 92.3 billion and an additional operation guarantee of RMB 60 billion. They also plan to allocate RMB 137.3 billion guarantee for their wholly and majority-owned subsidiaries and RMB 15 billion guarantee for their participating companies. The details are as follows:

1. An additional financing guarantee provided by wholly and majority-owned subsidiaries for their subsidiaries and participating companies

Unit: RMB 100,000,000

No.	Guarantor	An additional financing guarantee for wholly and majority-owned subsidiaries	An additional financing guarantee for participating companies
1	China Overseas Holdings Limited	512	92

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2	China State Construction Engineering International Co., Ltd.	15	0
3	China Construction First Group Corporation Limited	15	0
4	China Construction Second Engineering Division Corp. Ltd	50	0
5	China Construction Third Engineering Division Corp. Ltd	0	28
6	China Construction Fourth Engineering Division Corp. Ltd	23	0
7	China Construction Fifth Engineering Division Corp. Ltd	10	5
8	China Construction Sixth Engineering Division Corp. Ltd	2	0
9	China Construction Seventh Engineering Division Corp. Ltd	27	0
10	China Construction Eighth Engineering Division Corp. Ltd	20	19
11	China Architecture Design & Research Group	1	0
12	China Northeast Architectural Design & Research Institute Co., Ltd.	1	0
13	China Construction (South Pacific) Development Co Pte Ltd.	0	6
14	China State Construction Development Co., Ltd.	3	0
15	China Construction Fangcheng Investment & Development Group Co., Ltd.	5	0
16	China State Decoration Group Co., Ltd.	8	0
17	China Construction Science and Industry Corporation Ltd.	3	0
18	China Construction Industrial & Energy Engineering Group Co., Ltd.	5	0
19	China West Construction Group Co., Ltd.	12	0
20	China Construction Science & Technology Group Co., Ltd.	1	0
21	China Construction Capital Holdings Limited	10	0
22	Flexible amount	50	0
Total		773	150

Note: In principle, the wholly and majority-owned subsidiaries of the Company shall provide financing guarantees to companies in which they hold equity interest in proportion to their ownership percentage.

2. Additional operation guarantee provided by wholly and majority-owned subsidiaries of CSCEC for their wholly and majority-owned subsidiaries

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Unit: RMB 100,000,000

No.	Guarantor	Additional operation guarantee provided for wholly and majority-owned subsidiaries
1	China Overseas Holdings Limited	422
2	China State Construction Engineering International Co., Ltd.	25
3	China Construction First Group Corporation Limited	8
4	China Construction Second Engineering Division Corp. Ltd	10
5	China Construction Third Engineering Division Corp. Ltd	29
6	China Construction Fourth Engineering Division Corp. Ltd	20
7	China Construction Fifth Engineering Division Corp. Ltd	10
8	China Construction Sixth Engineering Division Corp. Ltd	1
9	China Construction Seventh Engineering Division Corp. Ltd	13
10	China Construction Eighth Engineering Division Corp. Ltd	26
11	China Architecture Design & Research Group	1
12	China State Construction Development Co., Ltd.	4
13	China State Decoration Group Co., Ltd.	14
14	China Construction Industrial & Energy Engineering Group Co., Ltd.	5
15	China West Construction Group Co., Ltd.	1
16	China Construction Science & Technology Group Co., Ltd.	1
17	Flexible amount	10
	Total	600

(III) Additional mortgage guarantee provided by wholly and majority-owned subsidiaries of the Company for individual property owners

The wholly and majority-owned subsidiaries of the Company plan to provide an additional mortgage guarantee of RMB 140 billion for commercial housing purchasers. The guarantee is provided by the Company's wholly and majority-owned subsidiaries for commercial housing purchasers under a mortgage with a bank, secured by the commercial housing being purchased. As part of the normal business operation of the Company, provision of this kind of guarantee brings little risk to the Company.

(IV) Additional information

The additional external guarantee provided by the Company to its wholly and majority-owned subsidiaries with a debt-to-asset ratio above 70% (inclusive) may be used interchangeably, and the additional external guarantee provided by the Company to its wholly and majority-owned subsidiaries with a debt-to-asset ratio below 70% may also be used interchangeably. The additional external guarantee provided by wholly and majority-owned subsidiaries of the Company for their wholly and majority-owned subsidiaries may be used interchangeably.

The above external guarantee shall be subject to approval by the Annual General Meeting of the Company, and shall take effect and remain in force from the date of issuance of the resolution of the Annual General Meeting, until the date of issuance of

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the resolution of the next Annual General Meeting. The previously approved guarantee limits that are still valid but remain unused will be directly deducted from the guarantee limits allocated for the current period.

In principle, the Company and its subsidiaries are prohibited from providing guarantees for any entities other than those mentioned above. However, in exceptional circumstances, the provision of such guarantee shall be subject to approval by both the Board of Directors and the Annual General Meeting.

II. Basic Information of the Guaranteed Party

The guaranteed parties as mentioned above include the wholly and majority-owned subsidiaries of the Company (see the appendix for details) and their subsidiaries, as well as qualified commercial housing purchasers.

III. Signing of the Guarantee Agreement

Each guarantee to be provided within the annual amount approved by the Annual General Meeting of the Company shall be strictly reviewed and approved according to the set internal procedures. For each approved guarantee, a guarantee agreement and other relevant legal documents shall be signed by or on behalf of the Chairman of the guarantor company.

IV. Necessity and Rationality of Guarantees

The Company and its wholly and majority-owned subsidiaries have offered additional guarantee quota primarily to support their daily operations and facilitate business development, thereby ensuring smooth production and operations. Before offering any guarantees, the Company and its wholly and majority-owned subsidiaries should strictly adhere to internal approval procedures to effectively control guarantee-related risks.

V. Opinions of the Board of Directors

The Company held the 56th meeting of the 3rd Board of Directors on April 18, 2024, deliberated on and approved the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2024*, and agreed to submit the proposal to the Annual General Meeting for consideration.

VI. Cumulative number of external guarantees and overdue guarantees

As of December 31, 2023, the balance of external guarantees (excluding mortgage guarantees provided for individual property owners) provided by the Company and its wholly and majority-owned subsidiaries amounted to RMB 289.8 billion, accounting for 67.78% of the latest audited net assets attributable to the parent company.

In particular, the balance of external guarantees (excluding mortgage guarantees provided for individual property owners) provided by the Company and its wholly and majority-owned subsidiaries to their wholly and majority-owned subsidiaries amounted to RMB 275.5 billion, accounting for 64.42% of the Company's latest audited net assets attributable to the parent company. The balance of mortgage guarantees provided by the Company for commercial housing purchasers was RMB 118.9 billion. No external guarantee of the Company was found overdue.

VII. List of Documents for Future Review

1. Resolution of the 56th Meeting of the 3rd Board of Directors of CSCEC

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The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited

April 18, 2024