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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2023-019



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 2023

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 2023* reviewed and adopted at the 33rd meeting of the 3rd Board of Directors of the Company, the year 2023 will see the Company providing an additional external guarantee of RMB 21.2 billion for its wholly and majority-owned subsidiaries, and its wholly and majority-owned subsidiaries providing an additional external guarantee of RMB 186 billion for their subsidiaries and an additional mortgage guarantee of RMB 150 billion for individual property owners.
- The Proposal shall be submitted to the 2022 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 2023

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 2023* at the 33rd meeting of the 3rd Board of Directors on April 17, 2023. 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 21.2 billion for its wholly and majority-owned subsidiaries. This includes an additional financing guarantee of RMB 6.9 billion and an additional operational guarantee of RMB 14.3 billion. Furthermore, it plans to allocate RMB 17 billion in guarantees for entities with a debt-to-asset ratio equal to or above 70%, and an additional RMB 4.2 billion in guarantees for those with a debt-to-asset ratio below 70%. The details are as follows:

Unit: RMB 100,000,000

Type of guarantee	Type of the guaranteed entity	Guaranteed entity	Additional external guarantee
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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.	62
	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	7
	<b>Total</b>		<b>69</b>
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	108
	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	35
	<b>Total</b>		<b>143</b>

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

The wholly and majority-owned subsidiaries plan to provide an additional external guarantee of RMB 186 billion for their subsidiaries, including 136 billion and an additional operation guarantee of RMB 50 billion. They also plan to allocate RMB 175 billion guarantee for their wholly and majority-owned subsidiaries and RMB 11 billion guarantee for companies in which they hold equity interest. The details are as follows:

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

Unit: RMB 100,000,000

No.	Guarantor	An additional financing guarantee for wholly and majority-owned subsidiaries	An additional financing guarantee for companies in which they hold equity interest <sup>Note</sup>
1	China Overseas Holdings Limited	749	73

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2	China State Construction Engineering International Co., Ltd.	20	0
3	China Construction First Group Corporation Limited	16	0
4	China Construction Second Engineering Division Corp. Ltd	15	0
5	China Construction Third Engineering Division Corp. Ltd	20	22
6	China Construction Fourth Engineering Division Corp. Ltd	68	0
7	China Construction Fifth Engineering Division Corp. Ltd	23	3
8	China Construction Sixth Engineering Division Corp. Ltd	24	0
9	China Construction Seventh Engineering Division Corp. Ltd	17	0
10	China Construction Eighth Engineering Division Corp. Ltd	70	0
11	China Architecture Design & Research Group	0.1	0
12	China Northeast Architectural Design & Research Institute Co., Ltd.	0.4	0
13	China Southwest Architectural Design and Research Institute Corp. Ltd	1.5	0
14	China Construction (South Pacific) Development Co Pte Ltd.	3	12
15	China State Construction Development Co., Ltd.	4	0
16	China Construction Fangcheng Investment & Development Group Co., Ltd.	5	0
17	China Construction Communications Engineering Group Co., Ltd.	10	0
18	China State Decoration Group Co., Ltd.	14	0
19	China Construction Science and Industry Corporation Ltd.	20	0
20	China Construction Industrial & Energy Engineering Group Co., Ltd.	8	0
21	China West Construction Group Co., Ltd.	11	0
22	China Construction Science & Technology Group Co., Ltd.	1	0
23	China Construction Capital Holdings Limited	50	0
24	Flexible amount	100	0
<b>Total</b>		<b>1,250</b>	<b>110</b>

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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

Unit: RMB 100,000,000

No.	Guarantor	Additional operation guarantee provided for wholly and majority-owned subsidiaries
1	China Overseas Holdings Limited	331
2	China State Construction Engineering International Co., Ltd.	8
3	China Construction First Group Corporation Limited	4
4	China Construction Third Engineering Division Corp. Ltd	51
5	China Construction Fourth Engineering Division Corp. Ltd	34
6	China Construction Fifth Engineering Division Corp. Ltd	5
7	China Construction Sixth Engineering Division Corp. Ltd	7
8	China Construction Seventh Engineering Division Corp. Ltd	8
9	China Construction Eighth Engineering Division Corp. Ltd	23
10	China Architecture Design & Research Group	1
11	China State Construction Development Co., Ltd.	2
12	China State Decoration Group Co., Ltd.	18
13	China Construction Industrial & Energy Engineering Group Co., Ltd.	4
14	China Construction Science & Technology Group Co., Ltd.	4
<b>Total</b>		<b>500</b>

### (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 150 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

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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 General Meeting of the Company, and shall take effect and remain in force from the date of issuance of the resolution of the General Meeting, until the date of issuance of the resolution of the next Annual General Meeting.

In principle, the Company and its subsidiaries are not allowed to provide guarantees for any entities other than the above. The provision of such guarantee in special cases shall be subject to approval by the Board of Directors and the 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 33rd meeting of the 3rd Board of Directors on April 17, 2023, deliberated on and approved the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2023*, and agreed to submit the proposal to the General Meeting for consideration. The Independent Directors reviewed and approved the proposal.

## **VI. The cumulative number of external guarantees and overdue guarantees**

As of December 31, 2022, 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 324.512 billion, accounting for 84.4% 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 309.34 billion, accounting for 80.5% of the Company's latest audited net assets

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attributable to the parent company. The balance of mortgage guarantees provided by the Company for commercial housing purchasers was RMB 124 billion. No external guarantee of the Company was found overdue.

#### **七、 Documents for reference**

1. Resolutions of the 33rd Meeting of the 3rd Board of Directors of China State Construction Engineering Corporation Limited
  2. Opinions of Independent Directors of China State Construction Engineering Corporation Limited
- The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited

April 17, 2023

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### Basic Information of the Guaranteed Party

(Data at 2022 year-end, Unit: RMB 100 million)											
No.	Name of the guaranteed party	Relationship with the guarantor	Place of registration	Legal representative	Business scope	Total assets	Total liabilities	Net assets	Net profit	Revenue	Significant contingencies that affect the solvency of the guaranteed party
1	China Overseas Holdings Limited	Wholly-owned	Hong Kong	Yan Jianguo	Construction, real estate development and infrastructure investment	10,385.50	6,952.51	3,433.00	264.11	2,777.11	Nil
2	China State Construction Engineering International Co., Ltd.	Wholly-owned	Beijing	Gao Bo	Construction and infrastructure investment	59.75	25.30	34.45	2.10	47.30	Nil
3	China Construction Infrastructure Co., Ltd.	Wholly-owned	Beijing	Tian Qiang	Construction, real estate development, building equipment & materials and infrastructure investment	342.94	158.74	184.20	14.88	192.19	Nil
4	China Construction First Group Corporation Limited	Wholly-owned	Beijing	Wu Aiguo	Construction and infrastructure investment	1,040.59	787.52	253.07	39.42	1,490.58	Nil
5	China Construction Second Engineering Division Corp. Ltd	Wholly-owned	Beijing	Shi Yu	Construction and infrastructure investment	1,646.92	1,315.52	331.40	39.31	1,973.54	Nil
6	China Construction Third Engineering Division Corp. Ltd	Wholly-owned	Wuhan, Hubei	Chen Weiguo	Construction and infrastructure investment	2,776.54	2,079.95	696.59	114.15	3,861.25	Nil
7	China Construction Fourth Engineering Division Corp. Ltd	Wholly-owned	Guangzhou, Guangdong	Yi Wenquan	Construction and infrastructure investment	1,492.50	1,279.67	212.83	7.55	1,127.58	Nil

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8	China Construction Fifth Engineering Division Corp. Ltd	Wholly-owned	Changsha, Hunan	Tian Weiguo	Housing construction, infrastructure construction, investment and real estate development	1,735.40	1,355.17	380.23	37.34	1,855.42	Nil
9	China Construction Sixth Engineering Division Corp. Ltd	Wholly-owned	Tianjin	Wang Jin	Construction and infrastructure investment	620.92	511.45	109.47	3.99	550.06	Nil
10	China Construction Seventh Engineering Division Corp. Ltd	Wholly-owned	Zhengzhou, Henan	Fang Shengli	Construction and infrastructure investment	1,665.18	1,458.73	206.45	4.05	1,346.39	Nil
11	China Construction Eighth Engineering Division Corp. Ltd	Wholly-owned	Shanghai	Li Yongming	Construction and infrastructure investment	2,859.64	2,097.58	762.06	122.54	4,188.17	Nil
12	CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	Majority-owned	Urumqi, Xinjiang	Xu Aijie	Construction and infrastructure investment	612.79	462.39	150.40	17.00	538.64	Nil
13	China Architecture Design & Research Group	Wholly-owned	Beijing	Li Qi	Engineering prospecting and design	35.57	23.68	11.89	0.81	19.34	Nil
14	China Southwest Architectural Design and Research Institute Corp. Ltd	Wholly-owned	Chengdu, Sichuan	Chen Yong	Engineering prospecting and design	85.88	59.80	26.08	4.22	64.05	Nil
15	China Construction America	Wholly-owned	The U.S.	Yuan Ning	Construction management, general contracting, real estate development, etc.	124.33	97.31	27.02	1.97	57.90	Nil
16	China Construction (South Pacific) Development Co Pte Ltd.	Wholly-owned	Singapore	Qian Liangzhong	Construction and related business	57.88	39.55	18.33	0.37	65.82	Nil



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17	China Construction Middle East Co., Ltd.	Wholly-owned	UAE	Yu Tao	Construction	70.27	67.80	2.47	-3.74	34.07	Nil
18	China State Construction Development Co., Ltd.	Wholly-owned	Beijing	Shan Guangxiu	Construction and green and environmental protection	93.23	79.32	13.91	0.99	11.81	Nil
19	China Construction Fangcheng Investment & Development Group Co., Ltd.	Wholly-owned	Beijing	Chen Ying	Level 1 land development, investment and operations, etc.	510.62	332.04	178.58	13.45	99.04	Nil
20	China Construction Communications Engineering Group Co., Ltd.	Wholly-owned	Beijing	Cheng Xianyong	Construction, investment and management	205.68	160.35	45.33	0.21	145.08	Nil
21	China State Decoration Group Co., Ltd.	Wholly-owned	Beijing	Yuan Wenqing	Construction and decoration	188.35	169.57	18.78	0.87	201.56	Nil
22	China Construction Science and Industry Corporation Ltd.	Wholly-owned	Shenzhen, Guangdong	Wang Hong	Steel frame and construction contracting project	292.31	219.99	72.32	8.48	416.02	Nil
23	China Construction Industrial & Energy Engineering Group Co., Ltd.	Wholly-owned	Nanjing, Jiangsu	Zhou Kezhang	Construction and installation engineering	186.12	136.12	50.00	6.50	242.37	Nil
24	China West Construction Group Co., Ltd.	Majority-owned	Urumqi, Xinjiang	Wu Zhiqi	Production and sale of high-performance ready-mixed concrete and raw materials, as well as research, development and promotion of new technologies and processes	333.04	228.72	104.32	7.15	248.56	Nil
25	China Construction Science & Technology Group Co., Ltd.	Wholly-owned	Shenzhen, Guangdong	Sun Shidong	General construction contracting,	129.49	94.33	35.16	1.55	137.06	Nil

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					technical services, building materials						
26	China Construction Capital Holdings Limited	Wholly- owned	Shenzhen, Guangdong	Xie Song	Investment management and project investment	167.46	59.75	107.71	5.38	5.38	Nil

Note: The guaranteed entities include, but are not limited to, the main wholly and majority-owned subsidiaries listed in this table.