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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2022-022



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 2022

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 2022* deliberated on and adopted at the 15th meeting of the 3rd Board of Directors of the Company, the year 2022 will see the Company providing an additional external guarantee of RMB 14.8 billion for its wholly and majority-owned subsidiaries, and its wholly and majority-owned subsidiaries providing an additional external guarantee of RMB 152 billion for their subsidiaries and an additional mortgage guarantee of RMB 120 billion for individual property owners.
- The Proposal shall be submitted to the 2021 Annual General Meeting of the Company for deliberation.
- No external guarantee of the Company was found overdue.

I. Overview of additional external guarantees to be provided in 2022

In order to further tighten control over external guarantee, the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2022* was deliberated on and adopted at the 15th meeting of the 3rd Board of Directors of the Company pursuant to the *Administrative Regulations for External Guarantees of China State Construction Engineering Corporation Limited (Trial)* issued by China State Construction Engineering Corporation Limited (hereinafter abbreviated as "CSCEC" or the "Company") in December 2020 and relevant guarantee management regulations. The details are as follows:

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

The Company plans to provide an additional external guarantee of RMB 14.8 billion for its wholly and majority-owned subsidiaries, including an additional financing guarantee of RMB 7.4 billion and an additional operation guarantee of RMB 7.4 billion. It also plans to add RMB 9.9 billion guarantee for entities with a debt-to-asset ratio above 70% (inclusive) and RMB 4.9 billion guarantee 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., and other subsidiaries wholly or majority-owned by CSCEC.	50
		China Construction America	17
	The guaranteed entity with a debt-to-asset ratio below 70%	CSCEC Algeria	7
	Total		74
Operation guarantee	The guaranteed entity with a debt-to-asset ratio above 70% (inclusive)	China Construction America and other subsidiaries wholly-owned or held by CSCEC	32
	The guaranteed entity with a debt-to-asset ratio below 70%	CSCEC Algeria	42
	Total		74

(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 152 billion for their subsidiaries, including an additional financing guarantee of RMB 101.7 billion and an additional operation guarantee of RMB 50.3 billion. They also plan to add RMB 137.9 billion guarantee for their wholly and majority-owned subsidiaries and add RMB 14.1 billion guarantee for companies in which they hold equity interest. The details are as follows:

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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
1	China Overseas Holdings Limited	500	100
2	China State Construction Engineering International Co., Ltd.	10	7
3	China Construction First Group Corporation Limited	23	0
4	China Construction Second Engineering Division Corp. Ltd	17	0
5	China Construction Third Engineering Division Corp. Ltd	14	13
6	China Construction Fourth Engineering Division Corp. Ltd	45	0
7	China Construction Fifth Engineering Division Corp. Ltd	20	4
8	China Construction Sixth Engineering Division Corp. Ltd	27	0
9	China Construction Seventh Engineering Division Corp. Ltd	30	15
10	China Construction Eighth Engineering Division Corp. Ltd	41	0
11	CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	7	0
12	China Construction (South Pacific) Development Co Pte Ltd.	6	2
13	China State Construction Development Co., Ltd.	3	0
14	China Construction Fangcheng Investment & Development Group Co., Ltd.	4	0
15	China Construction Communications Engineering Group Co., Ltd.	5	0
16	China State Decoration Group Co., Ltd.	5	0
17	China Construction Science and Industry Corporation Ltd.	4	0
18	China Construction Industrial & Energy Engineering Group Co., Ltd.	4	0
19	China West Construction Group Co., Ltd.	28	0
20	China Construction Science & Technology Group Co., Ltd.	3	0
21	China Construction Capital Holdings Limited	30	0
22	Flexible amount	50	0
	Total	876	141

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.

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2. Additional operation guarantee provided by wholly and majority-owned subsidiaries of the Company 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	315
2	China Construction First Group Corporation Limited	10
3	China Construction Third Engineering Division Corp. Ltd	47
4	China Construction Fourth Engineering Division Corp. Ltd	79
5	China Construction Fifth Engineering Division Corp. Ltd	5
6	China Construction Sixth Engineering Division Corp. Ltd	5
7	China Construction Seventh Engineering Division Corp. Ltd	12
8	China Construction Eighth Engineering Division Corp. Ltd	11
9	China Architecture Design & Research Group	1
10	China Southwest Architectural Design and Research Institute Corp. Ltd	2
11	China State Construction Development Co., Ltd.	2
12	China State Decoration Group Co., Ltd.	10
13	China Construction Industrial & Energy Engineering Group Co., Ltd.	1
14	China Construction Science & Technology Group Co., Ltd.	3
Total		503

(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 120 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 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.

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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.

IV. Opinions of the Board of Directors

The 15th meeting of the 3rd Board of Directors of the Company was held on April 15, 2022, at which, the Board of Directors deliberated on and approved the *Proposal on Guarantee Quota of China State Construction Engineering Corporation Limited in 2022*, and agreed to submit the proposal to the Annual General Meeting for consideration. The Independent Directors reviewed and approved the proposal.

V. The cumulative number of external guarantees and overdue guarantees

As of December 31, 2021, 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 266.333 billion, accounting for 77.4% 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 254.564 billion, accounting for 74.0% 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 95.397 billion. No external guarantee of the Company was found overdue.

VI. Documents for reference

1. Resolutions of the 15th 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 15, 2022

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Basic Information of the Guaranteed Party

(Data at the year end of 2021, 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	N/A	Construction, real estate development and infrastructure investment	9696.64	6417.31	3279.33	426.70	3143.69	None
2	China State Construction Engineering International Co., Ltd.	Wholly-owned	Beijing	Gao Bo	Construction and infrastructure investment	18.78	2.80	15.98	-0.02	0.37	None
3	China Construction Infrastructure Co., Ltd.	Wholly-owned	Beijing	Tian Qiang	Construction, real estate development, building equipment & materials and infrastructure investment	289.01	120.56	168.44	17.02	140.39	None
4	China Construction First Group Corporation Limited	Wholly-owned	Beijing	Wu Aiguo	Construction and infrastructure investment	997.21	766.77	230.43	32.02	1,417.59	None
5	China Construction Second Engineering Division Corp. Ltd	Wholly-owned	Beijing	Shi Yu	Construction and infrastructure investment	1,420.95	1075.25	345.70	29.84	1,891.82	None
6	China Construction Third Engineering Division Corp. Ltd	Wholly-owned	Wuhan, Hubei	Chen Weiguo	Construction and infrastructure investment	2,426.55	1,811.79	614.76	86.49	3193.69	None
7	China Construction Fourth Engineering Division Corp. Ltd	Wholly-owned	Guangzhou, Guangdong	Yi Wenquan	Construction and infrastructure investment	1,121.90	907.00	214.89	6.23	1057.39	None
8	China Construction Fifth Engineering Division Corp. Ltd	Wholly-owned	Changsha, Hunan	Tian Weiguo	Housing construction, infrastructure construction, investment and real estate development	1,624.78	1267.02	357.75	34.35	1,723.80	None
9	China Construction Sixth Engineering Division Corp. Ltd	Wholly-owned	Tianjin	Zhang Aimin	Construction and infrastructure investment	601.54	477.05	124.48	2.49	496.72	None

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10	China Construction Seventh Engineering Division Corp. Ltd	Wholly-owned	Zhengzhou, Henan	Fang Shengli	Construction and infrastructure investment	1157.88	921.22	236.66	18.38	1,190.87	None
11	China Construction Eighth Engineering Division Corp. Ltd	Wholly-owned	Shanghai	Li Yongming	Construction and infrastructure investment	2,636.72	1,971.90	664.81	98.65	3487.44	None
12	CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	Majority-owned	Urumqi, Xinjiang	Xu Aijie	Construction and infrastructure investment	568.13	409.95	158.18	16.63	537.91	None
13	China Architecture Design & Research Group	Wholly-owned	Beijing	Sun Fuchun	Engineering prospecting and design	33.42	21.75	11.67	0.99	21.98	None
14	China Southwest Architectural Design and Research Institute Corp. Ltd	Wholly-owned	Chengdu, Sichuan	Long Weiguo	Engineering prospecting and design	84.98	62.20	22.77	3.10	62.94	None
15	China Construction America	Wholly-owned	The U.S.	Yuan Ning	Construction management, general contracting, real estate development, etc.	135.82	107.38	28.45	0.14	72.34	None
16	China Construction (South Pacific) Development Co Pte Ltd.	Wholly-owned	Singapore	N/A	Construction and related business	50.16	34.94	15.22	0.83	60.35	None
17	China Construction Middle East Co., Ltd.	Wholly-owned	UAE	Yu Tao	Construction	71.89	71.77	0.12	0.05	55.83	None
18	China State Construction Development Co., Ltd.	Wholly-owned	Beijing	Ma Hesheng	Construction and green and environmental protection	23.19	10.22	12.97	-0.02	1.48	None
19	China Construction Fangcheng Investment & Development Group Co., Ltd.	Wholly-owned	Beijing	Chen Ying	Level 1 land development, investment and operations, etc.	550.71	381.68	169.03	13.77	89.85	None
20	China Construction Communications Engineering Group Co., Ltd.	Wholly-owned	Beijing	Cheng Xianyong	Construction, investment and management	168.31	119.51	48.80	0.64	145.29	None
21	China State Decoration Group Co., Ltd.	Wholly-owned	Beijing	Yuan Wenqing	Construction and decoration	163.44	145.38	18.06	-8.84	183.20	None
22	China Construction Science and Industry Corporation Ltd.	Wholly-owned	Shenzhen	Wang Hong	Steel frame and construction contracting project	262.55	188.62	73.93	6.19	327.06	None

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23	China Construction Industrial & Energy Engineering Group Co., Ltd.	Wholly-owned	Nanjing, Jiangsu	Tian Qiang	Construction and installation engineering	177.94	133.40	44.54	3.51	211.04	None
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	300.19	185.61	114.58	9.80	269.26	None
25	China Construction Harbour and Channel Engineering Bureau Group Co., Ltd.	Majority-owned	Shanghai	Wang Liansheng	Construction of ports and waterways, installation and maintenance of port equipment	91.72	70.04	21.68	1.65	95.02	None
26	China Construction Science & Technology Group Co., Ltd.	Wholly-owned	Shenzhen	Zhou Lijie	General construction contracting, technical services, building materials	122.31	88.19	34.12	1.00	122.01	None
27	China Construction Capital Holdings Limited	Wholly-owned	Shenzhen	Sun Zhen	Investment management and project investment	147.83	40.01	107.81	7.17	5.49	None