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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2025-071



中國建築股份有限公司  
CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

## **Announcement on Renewal of the Comprehensive Service Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation & Routine Related-Party Transaction**

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:**

- This routine related-party transaction is subject to submission to the shareholders' meeting for deliberation.
- The impact of this routine related-party transaction on the Company: This routine related-party transaction will not prejudice the interests of the Company and its minority shareholders, nor will it have any adverse impact on the Company's current and future financial standing and business performance. This related-party transaction will not impact the independence of the Company.
- Other matters to be brought to the attention of investors: none

### **I. Basic Information on Routine Related-Party Transaction**

#### **(I) Overview**

In order to continue to properly manage the related-party transactions of China State Construction Engineering Corporation Limited (hereinafter, "CSCEC" or the "Company") and meet the needs of daily production and operation, the Company intends to renew the *Comprehensive Service Framework Agreement between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited* (hereinafter, the "Comprehensive Service Framework Agreement") with China State Construction Engineering Corporation (hereinafter, the "Group") with respect to related-party transactions arising from sales, procurement, commercial factoring service, finance lease, property rental and other business between the Company and the Group and its subsidiaries (excluding CSCEC and its subsidiaries).

#### **(II) Deliberation Procedure**

After deliberation by the special meeting of the independent directors, all independent directors agreed to submit the *Proposal on the Renewal of the Comprehensive Service Framework Agreement between China State Construction Engineering Corporation*

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*Limited and China State Construction Engineering Corporation* to the Board of Directors for deliberation, and issued the following review opinions:

Our review indicates that the routine related-party transaction between the Company and its controlling shareholder and subsidiaries is based on the Company's business characteristics and normal operating needs, subject to reasonable and fair pricing in line with the market price, harmless to the lawful interests of the Company and all of its shareholders, particularly its minority shareholders, and conducive to the stable operations of the Company. According to the *Articles of Association*, the related directors shall abstain from voting on the said proposal during the deliberation thereon by the Board of Directors.

On November 25, 2025, the 25th meeting of the Company's Fourth Board of Directors deliberated on and adopted the *Proposal on the Renewal of the Comprehensive Service Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation* and agreed to submit this proposal to the shareholders' meeting for deliberation. Related shareholders shall abstain from voting on this proposal at the shareholders' meeting.

When deliberated on this proposal, related directors Zheng Xuexuan, Wen Bing and Shan Guangxiu abstained from voting, and non-related directors unanimously approved the proposal.

### **(III) Forecast and Implementation of the Previous Routine Related-Party Transactions**

As approved by the 3rd Extraordinary General Meeting in 2024, the Company and the Group signed the *Comprehensive Service Framework Agreement* to describe the expected results of their daily related-party transaction during term of the agreement. The expected amounts incurred by related-party transactions in 2025 under the agreement and the implementation thereof are detailed as follows:

Unit: RMB 100,000,000

Type of Related-Party Transaction	Related Party	Expected amount for 2025	Actual amount incurred in 2025 (as of September 30, 2025)
Related sales	CSCEC SCIMEE Sci & Tech Co., Ltd.	2	0.2
	Jiangsu Huada Centrifuge Co., Ltd.		
	Xinjiang CSCEC Huanneng Beiting Environmental Technology Co., Ltd.		
	China State Construction Property Management Co., Ltd.		
	Others		
Related procurement	CSCEC E-commerce Co., Ltd.	30	8.6
	Shanghai China Construction Electronic Commerce Co., Ltd.		
	China Construction Aluminum New Material (Chengdu) Co., Ltd.		
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.		
	Beijing Jianzhong Shituo Engineering Co., Ltd.		

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Type of Related-Party Transaction	Related Party	Expected amount for 2025	Actual amount incurred in 2025 (as of September 30, 2025)
	CSCEC SCIMEE Sci & Tech Co., Ltd.		
	Others		
Business factoring service	The Group and its subsidiaries	Maximum balance: 1 Interest and service fee: 0.06	Maximum balance: 0 Interest and service fee: 0
Financial leasing service	The Group and its subsidiaries	Maximum balance: 1 Interest and service fee: 0.06	Maximum balance: 0 Interest and service fee: 0
Property rental	Beijing Zhongyi Chengjian Property Management Co., Ltd.	1	0.1
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.		
	Beijing Hongde Materials Co., Ltd.		
	Lanzhou Changxin Property Management Co., Ltd.		
	Others		
Other business	China State Construction Engineering Corporation	1	0.4
	China Construction Aluminum New Material (Chengdu) Co., Ltd.		
	Beijing Jianzhong Shituo Mechanization Construction Co., Ltd.		
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.		
	Party School of China State Construction Engineering Corporation		
	China State Construction Engineering Corporation Training Center (China Construction Management School)		
	Others		

The significant variance between the estimated and actual amounts of routine related-party transactions in 2025, particularly in the related procurement business, is primarily due to the related party, China Construction Electronic Commerce Co. Ltd. (hereinafter, "CSCEC E-commerce"), strengthening credit management and reducing credit cycles. Consequently, the subsidiaries adjusted their procurement from CSCEC E-commerce, switched to different suppliers, or utilized their own procurement platforms.

#### **(IV) Expected Amount and Type of this Routine Related-Party Transaction**

In order to maintain ongoing management of the Company's related-party transaction and comply with the regulatory requirements of the Shanghai Stock Exchange and more, the Company intends to sign a *Comprehensive Service Framework Agreement* with the Group and its subsidiaries, covering sales, procurement, commercial factoring, financing leasing, property leasing, and other related business. The estimated amount and categories of routine related-party transaction are as follows:

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Based on the historical execution of routine related-party transactions and in accordance with the principle of minimizing and avoiding related-party transactions with related parties to the greatest extent possible, it is estimated that the total amount of routine related-party transactions in 2026 will not exceed RMB 3.612 billion. During term of the agreement, the sales volume between the Company and the Group and its subsidiaries will not exceed RMB 200 million; the procurement will not exceed RMB 3.0 billion; the maximum balance of commercial factoring (excluding commercial factoring service provided by the Finance Company) will not exceed RMB 100 million, and commercial factoring interest and service fees will not exceed RMB 6 million; the maximum balance of financial leasing service (excluding financial leasing service provided by the Finance Company) will not exceed RMB 100 million, and lease interest and service fees will not exceed RMB 6 million; property rental will not exceed RMB 100 million; other routine related-party transactions will not exceed RMB 100 million. The validity term of the Agreement is from January 1 to December 31, 2026.

Unit: RMB 100,000,000

Type of Related-Party Transaction	Related Party	Expected amount for 2026
Related sales	CSCEC SCIMEE Sci & Tech Co., Ltd.	2
	China State Construction Property Management Co., Ltd.	
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.	
	Jiangsu Huada Centrifuge Co., Ltd.	
	Others	
Related procurement	CSCEC E-commerce Co., Ltd.	30
	Shanghai China Construction Electronic Commerce Co., Ltd.	
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.	
	CSCEC SCIMEE Sci & Tech Co., Ltd.	
	Yunzhu Information Technology (Chengdu) Co., Ltd.	
	China Construction Aluminum New Material (Chengdu) Co., Ltd.	
	Others	
Business factoring service	The Group and its subsidiaries	Maximum balance: 1 Interest and service fee: 0.06
Financial leasing service	The Group and its subsidiaries	Maximum balance: 1 Interest and service fee: 0.06
Property rental	Beijing Zhongyi Chengjian Property Management Co., Ltd.	1
	Gansu CSCEC Municipal Engineering Investigation and Design Institute Co., Ltd.	
	Beijing Hongde Materials Co.,Ltd.	
	Others	

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Type of Related-Party Transaction	Related Party	Expected amount for 2026
Other business	China State Construction Engineering Corporation	1
	Party School of China State Construction Engineering Corporation	
	China State Construction Engineering Corporation Training Center (China Construction Management School)	
	Beijing Jianzhong Shituo Mechanization Construction Co., Ltd.	
	China Construction Aluminum New Material (Chengdu) Co., Ltd.	
	Others	

## II. Related Parties and Relations

### (I) Overview of Related Parties

With a registered capital of RMB 10 billion, China State Construction Engineering Corporation (the Group), which was established on March 24, 2022 with the Unified Social Credit Code of 91110000100001035K, is a major central enterprise under the leadership and management of the State-owned Assets Supervision and Administration Commission of the State Council. Its registered address is No. 15 Sanlihe Road, Haidian District, Beijing. Its legal representative is Zheng Xuexuan. The Group is mainly engaged in the following businesses: (i) management of state-owned assets within the scope authorized by the State Council; (ii) survey, design, construction, installation, and consulting for civil and construction projects at home and abroad; (iii) real estate management; (iv) decoration projects; (v) sculpture and mural business; (vi) the State's overseas economic assistance projects; (vii) contracting of foreign-invested projects in China, operation of overseas non-trade enterprises, utilization of foreign resources, capital and technologies for domestic labour cooperation, and export of equipment and materials required by overseas projects; (viii) production and dealing of building materials and other non-metallic mineral products, construction metal products, tools, construction engineering machinery and drilling machinery; (ix) import and export of goods, technologies and agent services; (x) project investment; (xi) real estate development; (xii) engineering prospecting and design; (xiii) construction project management; (xiv) technical consultation and technical services; and (xv) property management.

As of December 31, 2024, the audited assets of the Group had amounted to RMB 3.2 trillion, total liabilities were RMB 2.4 trillion, net assets reached RMB 773.8 billion, annual business revenue reached RMB 2.2 trillion, and annual net profit was RMB 62.8 billion, with an asset-liability ratio of 75.8%. As of September 30, 2025, the total assets of the Group had amounted to RMB 3.4 trillion, total liabilities were RMB 2.5 trillion, net assets reached RMB 826.4 billion, annual business revenue reached RMB 1.6 trillion, and annual net profit was RMB 49.4 billion, with an asset-liability ratio of 75.8%. So far, the Group does not have any significant contingencies that would materially affect its ability to repay its debts.

### (II) Relations with the Company

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The Group was established by the former Ministry of Urban and Rural Construction and Environmental Protection on June 11, 1982. The former State Administration Bureau issued a business certificate to China State Construction on March 25, 1983. It was restructured into a wholly state-owned company on November 28, 2017, and was renamed China State Construction Engineering Corporation. As of September 30, 2025, the Group, as the Company's controlling shareholder, had held approximately 57.70% of the Company's equity.

### **(III) Analysis of the Execution and Performance of Similar Historical Related-Party Transactions**

The Group has operated smoothly in strict accordance with internal control requirements, with no major risks identified. Its business operations comply with applicable laws and regulations, supported by sound management policies, effective risk control measures, and strong contract performance capabilities. Similar related-party transactions have been duly performed.

### **III. Main Related-Party Transactions and Pricing Policy**

#### **(I) Transactions**

1. Sales business, mainly including: transactions arising from labor subcontracting or specialized subcontracting service by the Company for engineering projects it is contracted for by the Group and its subsidiaries; transactions arising from the sales of fixed assets, materials, etc. to the Group and its subsidiaries; transactions arising from the rental of machinery and equipment to the Group and its subsidiaries;
2. Procurement business, mainly including: transactions arising from the labor subcontracting and specialized subcontracting services provided by the Group and its subsidiaries for engineering projects that they are contracted for by the Company; transactions arising from the procurement of fixed assets, materials, etc. by the Company from the Group and its subsidiaries; transactions arising from the rental of machinery and equipment by the Company from the Group and its subsidiaries;
3. Commercial factoring services, mainly including: transactions arising from factoring service provided by the Company (excluding the Finance Company) to the Group and its subsidiaries, including but not limited to accounts receivable factoring (without or with the right of recourse), securitization of supply chain assets, and securitization of accounts receivable assets;
4. Financial leasing services, mainly including: transactions arising from financial services provided by Company (excluding the Finance Company) to the Group and its subsidiaries, including direct leasing services, leaseback services, etc.;
5. Property rental, mainly including: transactions arising from the Company's leasing or renting of properties to/from the Group and its subsidiaries according to property rental agreements signed therebetween;
6. Other business, mainly including: the interest expenses incurred from borrowing funds from the Group and its subsidiaries under the fund lending agreement signed therebetween; related-party transactions arising from trademark license agreements between the Company and the Group and its

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subsidiaries and other business occurring between the parties due to other daily production and operation needs.

## **(II) Transaction Principles**

1. According to daily production and operation needs, the parties provide each other with various daily production and operation services permitted by the law within the scope of their respective business licenses;
2. The cooperation between the parties is non-exclusive, and both parties have the right to choose other companies for business or related services at their discretions;
3. The parties shall cooperate on and implement the agreement in accordance with the principles of equality and voluntariness, mutual benefit, shared development and win-win.

## **(III) Pricing Principles**

1. Sales, procurement, property rental and other business

If the transaction is subject to governmental pricing, the price could be directly applied; if the government-guided price is implemented, the transaction price could be reasonably determined within the scope of the government-guided price; apart from the implementation of governmental pricing or government-guided prices, the preference price or standards could be favoured in setting the transaction price if there is a comparable and independent third-party market price or pricing standards. If there is no independent third-party market price, the transaction price could refer to the price of non-related-party transaction between related party and the third party unrelated to the related party; if there is neither independent third-party market price, nor the non-related-party transaction price, a reasonable price composition could constitute the price reference which should be composed of reasonable cost plus reasonable profits.

2. Commercial factoring services

For the commercial factoring services provided by the Company (excluding the Finance Company) to the Group and its subsidiaries, the price will be quoted by the Company, and the Group and its subsidiaries will refer to independent third parties for the same type of factoring services. Upon considering relevant factors, it is determined through negotiation with the Group and its subsidiaries.

3. Financial leasing services

The Company (excluding the Finance Company) adopts market-based fair pricing principles in providing financial leasing services to the Group and its subsidiaries, and refers to fees charged by similar institutions in the market for similar financial services, which are determined by both parties through negotiation.

## **(IV) Validity and Term of the Agreement**

The *Comprehensive Service Framework Agreement* shall take effect upon satisfaction of all of the following conditions: (1) it has been signed by the authorized representatives of both parties and affixed with their respective company seals or contract seals; (2) the Group has completed its internal decision-making procedures for the signing of the agreement; (3) the agreement has been approved by the shareholders' meeting.

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The validity term of the *Comprehensive Service Framework Agreement* shall be from January 1 to December 31, 2026.

#### **IV. Purpose of Routine Related-Party Transactions and Its Impact on the Company**

The Company engages in related-party transactions with related party. On one hand, this allows leveraging the related party's centralized procurement advantages to drive cost reduction and efficiency improvement within the Company. On the other hand, it facilitates expanding the Company's business channels, securing stable customer resources, and promoting the Company's sustainable development. Routine related-party transactions, conducted based on voluntary, equitable, fair, and transparent principles, hold positive significance for the Company's growth. They align with the Company's business and development requirements. These routine related-party transactions cause no harm to the interests of the Company and its minority shareholders, nor do it bring adverse impact to the Company's current and future financial standing and business performance. This related-party transaction will not impact the independence of the Company.

After the said routine related-party transaction framework agreement is approved in accordance with the procedures stipulated in the *Articles of Association*, the Company (or subsidiaries controlled thereby) will sign specific contracts with the related parties within the scope of the framework agreement.

#### **V. Documents supplied for reference**

1. Resolution of the 25th Meeting of the Fourth Board of Directors of CSCEC
2. Resolutions of the 11th Meeting of the Fourth Board of Supervisors of CSCEC
3. Review Opinions at the Second Meeting of the Special Meeting of Independent Directors of the Fourth Board of Directors of CSCEC

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited  
November 25, 2025