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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2025-072



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

Announcement on Renewal of the Financial Service Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation & Routine Related-Party Transactions

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

To make the best of the role of China State Construction Finance Co., Ltd. (hereinafter, the "Finance Company"), a holding subsidiary of China State Construction Engineering Corporation Limited (hereinafter, "CSCEC" or the "Company"), as a centralized fund platform, increase the Company's fund use efficiency, reduce costs, improve efficiency, and bring greater return to the shareholders, the Finance Company, according to market practices and the arrangements for its previous related-party transactions, intends to renew the *Financial Service Framework Agreement between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd.* (hereinafter, the "Financial Service Framework Agreement") with China State Construction Engineering Corporation (hereinafter, the "Group"), the controlling shareholder of the Company, with respect to related-party transactions arising from financial services such as depositing, comprehensive credit granting, accounting and financing consulting provided by the Finance Company to the Group and its subsidiaries (excluding CSCEC and its subsidiaries).

(II) Deliberation Procedure

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After deliberation by the special meeting of the independent directors, all independent directors agreed to submit the *Proposal on the Renewal of the Financial Service Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation* to the Board of Directors for deliberation, and issued the following review opinions:

Our review indicates that the primary objective of renewing the *Financial Service Framework Agreement* between the Finance Company (a holding subsidiary of the Company) and the Group (the controlling shareholder of the Company) is to leverage the role of the Finance Company as the Company's platform for centralized capital management and operations, and thereby meet the business development needs. To address the financing needs of the Group and its non-listed subsidiaries, the Board of Directors approved the signing of the *Financial Service Framework Agreement* between the Finance Company and the Group. The signing of the *Financial Service Framework Agreement* between the Finance Company (a holding subsidiary of the Company) and the Group (the controlling shareholder of the Company) constituted a related-party transaction, which was subject to reasonable and fair pricing in line with the market price, and 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 approved the *Proposal on the Renewal of the Financial Service Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation* and agreed to submit this proposal to the shareholders' meeting for deliberation. Related shareholders should 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 Finance Company and the Group signed the *Financial Service Framework Agreement*. 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 between January and September 2025	Reason for the substantial variance between the expected and actual amounts
Maximum daily balance of deposit	The Group and its subsidiaries	200	27.8	The actual business volume of the Group and its subsidiaries did

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(including accrued interest)				not reach the expected scale
Total credit line	The Group and its subsidiaries	200	159.8	The actual business volume of the Group and its subsidiaries did not reach the expected scale
Of which: Loan amount	The Group and its subsidiaries	120	70	The actual business volume of the Group and its subsidiaries did not reach the expected scale
Credit balance obtained daily (including accrued interest)	The Group and its subsidiaries	No more than maximum daily balance	20.1	In compliance with the agreement
Other financial services	The Group and its subsidiaries	3	0.01	The actual business volume of the Group and its subsidiaries did not reach the expected scale

(IV) Expected Amount and Type of the Current Routine Related-Party Transaction

The Finance Company intends to renew with the Group the *Financial Service Framework Agreement* with respect to related-party transactions arising from financial services such as depositing, comprehensive credit granting, accounting and financing consulting provided by the Finance Company to the Group and its subsidiaries. The expected amounts incurred by routine related-party transactions are as follows:

During the term of the agreement, the maximum daily deposit balance (including accrued interest) held by the Group and its subsidiaries in the Finance Company shall not exceed RMB 20 billion; the total credit line granted to them shall not exceed RMB 20 billion, with the loan amount no more than RMB 12 billion; the daily loan balance (including accrued interest) shall not exceed the maximum daily deposit balance (including accrued interest); the service fee charged by the Finance Company for other financial services provided to the Group and its subsidiaries shall not exceed RMB 300 million.

Unit: RMB 100,000,000

Type of Related-Party Transaction	Expected amount for 2026	Actual amount incurred between January and September 2025	Reason for the substantial variance between the estimated amount and actual amount incurred in the previous period
Maximum daily balance of deposit (including accrued interest)	200	27.8	Based on the forecast of requirements for corporate development and centralized management of capital and loans

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Total credit line	200	159.8	To be determined after a comprehensive evaluation by the Finance Company, based on the actual business needs of both parties
Of which: Loan amount	120	70	To be determined after a comprehensive evaluation by the Finance Company, based on the actual business needs of both parties
Loan balance obtained daily (including accrued interest)	No more than maximum daily balance	20.1	No more than maximum daily balance according to the forecast thereof
Other financial services	3	0.01	Other financial service transactions may occur based on the actual business needs of both parties

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 2.6 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,

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the Group does not have any significant contingencies that would materially affect its ability to repay its debts.

(II) Relations with the Company

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.

(IV) Introduction to Other Entities Involved in this Related-Party Transaction

The Finance Company is a subsidiary controlled by CSCEC, with CSCEC holding 80% of its equities and the Group holding 20%. The Finance Company has a registered capital of RMB 15 billion, with its registered address being 20th Floor, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing, and its legal representative being Liu Yutong. The Finance Company is primarily engaged in the provision of financial services as a group finance company.

As of December 31, 2024, the audited assets of the Finance Company had amounted to RMB 87.31 billion, total liabilities were RMB 67.53 billion, net assets reached RMB 19.77 billion, annual business revenue reached RMB 2.07 billion, and annual net profit was RMB 980 million, with an asset-liability ratio of 77.4%. As of September 30, 2025, the total assets of the Finance Company had amounted to RMB 74.51 billion, with total liabilities of RMB 54.75 billion and net assets of RMB 19.76 billion. From January to September 2025, it generated a business revenue of RMB 1.47 billion and a net profit of RMB 590 million, resulting in an asset-liability ratio of 73.5%.

III. Main Related-Party Transactions and Pricing Policy

(I) Transactions

1. Deposit service refers to the deposit account opened by the Group and its subsidiaries in the Finance Company, based on the principle of free access to deposit and withdrawal. Deposit funds are put into the account opened in the Finance Company. The form of deposits can be current deposit, fixed time deposit, call deposits, agreement savings, etc.

2. Comprehensive credit granting service refers to the provision of loan, bill discounting services, and other financial services to the Group and its subsidiaries by the Finance Company in accordance with its operation and development requirements in compliance with relevant national laws and regulations.

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3. Other financial services refer to financial services provided by the Finance Company to the Group and its subsidiaries within its business scope, including but not limited to entrusted loans, bond underwriting, non-financing guarantees, financial consulting, credit authentication and consulting agent services, as well as the handling of bill acceptance, fund settlement, and receipt and payment.

(II) Transaction Principles

1. Subject to mutual agreement, the Finance Company will provide relevant financial services to the Group and its subsidiaries in accordance with the *Financial Service Framework Agreement*.

2. The cooperation between the parties is non-exclusive, and the Group and its subsidiaries are entitled to independently select financial services provided by other financial institutions at its discretion. The Finance Company is also entitled to provide financial services to entities other than the Group and its subsidiaries;

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. Deposit service

The deposit interest rates offered by the Finance Company to the Group and its subsidiaries shall be set in accordance with the PBOC rules on deposit interest rates and by referencing the rates provided by major domestic commercial banks for similar deposits during the same period.

2. Comprehensive credit granting service

Regarding the comprehensive credit granting service offered by the Finance Company to the Group and its subsidiaries, the interest rates and service fees shall be set in accordance with the relevant PBOC regulations and market practices and by referencing the rates and fees provided by major domestic commercial banks for similar deposits during the same period.

3. Other financial services

The Finance Company shall charge the Group and its subsidiaries for the provision of other financial services. Where the People's Bank of China or National Financial Regulatory Administration have such service charging standards, they shall comply with relevant regulations and align with the service fees provided by major domestic commercial banks or institutions for similar deposits during the same period.

(IV) Validity and Term of the Agreement

The Financial Service Framework Agreement shall come into effect after being signed upon by the parties and deliberated on and adopted by the shareholders' meeting. The validity term of the agreement shall be from January 1 to December 31, 2026. On the prerequisite of complying with relevant laws and regulations and the listing rules of the location where the Company is listed, this agreement can be renewed upon mutual consent.

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

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1. Through providing financial services to the Group and its subsidiaries, the Finance Company may absorb funds from the Group, thereby bringing into play its role as a centralized fund platform, promoting the development of the Company and itself, and meeting the development and operating needs of the Company.

2. According to the Financial Services Framework Agreement, the rates and fees for deposit and comprehensive credit granting services offered by the Finance Company to the Group shall be determined in accordance with relevant regulations and by referencing the rates offered by major domestic commercial banks for similar services during the same period. Concentrating idle capital of the Group to the Finance Company may improve the capital turnover capability and loan scale thereof, and bring greater return for the shareholders.

3. This related-party transaction will cause no harm to the interests of the Company and its shareholders, particularly minority shareholders, nor will it bring adverse impact to the Company's current and future financial standing and business performance.

4. This related-party transaction will not impact the independence of the Company.

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