



中國建築
CHINA STATE CONSTRUCTION

Expanding a Happy Living Environment

(Stock Code: 601668.SH)

2023

ANNUAL REPORT

Section 4 of the civil engineering and related construction project of the Nanchang-Jingdezhen-Huangshan High-Speed Railway (Jiangxi Section)

AT A GLANCE



About CSCEC

The world's **largest**
investment and construction
conglomerate

13th
in Fortune Global 500

4th
in Fortune China 500

1st
in Engineering News-Record's (ENR)
TOP 250 Global Contractors

Won **Grade A**
for **18** times in the annual SOE performance evaluation of SASAC of the State
Council and continued to maintain the industry's **top** credit rating worldwide

Included in CSI 50, SSE 50, FTSE China A50, MSCI China A 50 Connect Index Awarded Class A Evaluation of
Information Disclosure by the Shanghai Stock Exchange for consecutive years



Major operating indicators



Newly signed contract value amounted
to RMB **4,324.1** billion
with a year-on-year increase of
10.8%



Revenue amounted to
RMB **2,265.5** billion
with a year-on-year increase of
10.2%



Net profit attributable to shareholders of the
Company amounted to
RMB **54.26** billion
with a year-on-year increase of **6.5%**



Weighted average return on net assets
was **13.36%**
maintaining its industry-leading position



Net assets per share attributable to ordinary
shareholders were RMB **9.98**/share
11.8% increase from
the end of the previous year



Net cash flows from operating activities amounted
to RMB **11.03** billion
Net inflows increased by
RMB **7.201** billion year-on-year



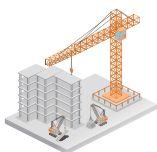
Cash dividends continued to improve

Proposed distribution of cash dividends of RMB **2.7145** per 10 shares (tax inclusive)
Cash dividend ratio stood at **20.82%**

Total annual cash dividends amounted to RMB **11.298** billion (tax inclusive)
Total cumulative cash dividends reached RMB **92.83** billion



Housing construction engineering



Newly signed contract value amounted to

RMB **2,689.4** billion

with a year-on-year increase of **8.8**%

Revenue amounted to

RMB **1,383.7** billion

with a year-on-year increase of **9.4**%



Infrastructure construction and investment



Newly signed contract value amounted to

RMB **1,168.5** billion

with a year-on-year increase of **15.1**%

Revenue amounted to

RMB **556.6** billion

with a year-on-year increase of **12.8**%



Real estate development and investment



Contract sales amounted to

RMB **451.4** billion

with a year-on-year increase of **12.4**%

Contract sales area amounted to

18.58 million square meters

with a year-on-year increase of **7.9**%



Revenue amounted to

RMB **308.8** billion

with a year-on-year increase of **9.5**%

New land reserves amounted to **13.10** million square meters

Land reserve amounted to **85.32** million square meters at the end of the Reporting Period



Survey and design



Newly signed contract value amounted to

RMB **14.8** billion

with a year-on-year increase of **8.8**%

Revenue amounted to

RMB **11.7** billion

with a year-on-year increase of **9.1**%



Overseas business



Newly signed contract value amounted to

RMB **186.0** billion

with a year-on-year increase of **12.3**%

Revenue amounted to

RMB **115.8** billion

with a year-on-year increase of **7.2**%

SECTION II

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. Corporate Information

Chinese name	中国建筑股份有限公司
Chinese abbreviation	中国建筑
English name	China State Construction Engineering Corporation Limited
English abbreviation	CSCEC
Legal representative	Zheng Xuexuan

II. Contact Details

	Secretary to the Board of Directors
Name	Xue Keqing
Address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Telephone	010-86498888
Fax	010-86498170
Email	ir@cscec.com

III. Overview of Basic Information

Registered address	No. 15, Sanlihe Road, Haidian District, Beijing
Postal code of the registered address	100037
Office address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Postal code of the office address	100029
Website	www.cscec.com
Email	ir@cscec.com

IV. Information Disclosure and Place for Inspection of Annual Report

	China Securities Journal http://www.cs.com.cn
Media names and website on which the Annual Report of the Company is disclosed	Shanghai Securities News http://www.cnstock.com
	Securities Times http://www.stcn.com
	Securities Daily http://www.zqrb.cn
Website of the stock exchange on which the Annual Report of the Company is disclosed	www.sse.com.cn
Place for inspection of this Annual Report	CSCEC Board Office CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing

V. Overview of Stocks

Overview of Stocks				
Class of shares	Stock exchange of listing	Stock short name	Stock code	Stock short name before change
A share	Shanghai Stock Exchange	CSCEC	601668	N/A

VI. Other Relevant Information

Accounting firm engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
	Office address	Units 01-12, Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, the PRC
	Name of signatory accountants	Zhou Ying, Shen Yan

VII. Key Accounting Data and Financial Indicators for the Last Three Years

(I) Key accounting data

Unit: '000 yuan Currency: RMB

Key accounting data	2023	2022	Change YoY (%)	2021 (After adjustment)
Revenue	2,265,529,244	2,055,052,070	10.2	1,892,706,307
Profit before income taxes	92,995,473	88,835,435	4.7	101,038,185
Net profit attributable to shareholders of the Company	54,264,173	50,950,301	6.5	51,548,576
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	48,538,669	45,233,864	7.3	49,521,361
Net cash flows from operating activities	11,030,123	3,828,927	188.1	13,989,638
	At the end of 2023	At the end of 2022	Change YoY (%)	At the end of 2021 (After adjustment)
Net assets attributable to shareholders of the Company	427,609,892	384,322,141	11.3	345,627,781
Total assets	2,903,322,519	2,652,903,306	9.4	2,395,321,862
Total share capital at the end of the Reporting Period	41,919,514	41,934,433	-0.04	41,948,168

(II) Key financial indicators

Key financial indicators	2023	2022	Change YoY (%)	2021 (After adjustment)
Basic earnings per share (RMB/share)	1.31	1.23	6.5	1.25
Diluted earnings per share (RMB/share)	1.31	1.23	6.5	1.25
Basic earnings per share (RMB/share) after deducting non-recurring profit or loss	1.17	1.07	9.3	1.17
Weighted average return on net assets (%)	13.36	13.94	Decrease by 0.58 percentage point	15.90
Weighted average return on net assets after deducting non-recurring profit or loss (%)	11.94	12.42	Decrease by 0.48 percentage point	15.34
Net assets per share attributable to ordinary shareholders (RMB/share)	9.98	8.93	11.8	8.00
Dividend per 10 shares (RMB)	2.7145	2.527	7.4	2.50

Explanation on the Company's key accounting data and financial indicators for the three years preceding the end of the Reporting Period

☒ Applicable ☐ N/A

- ① When calculating earnings per share, the restricted shares that have not yet met the unlocking conditions and that have become invalid are deducted from the weighted average number of ordinary shares issued by the Company.
- ② According to relevant accounting standards, when calculating earnings per share, the dividends or interests on other equity instruments such as preference shares and perpetual bonds and restricted shares are excluded from the net profit attributable to shareholders of the Company.
- ③ The net assets per share attributable to ordinary shareholders are net assets attributable to shareholders of the Company deducting other equity instruments, and then divided by the total number of issued shares as at the end of the Reporting Period.
- ④ Dividends distributed are tax inclusive.

For details, please refer to Note XIII. "Share-based payment", Note V. 68 "Earnings per share" to the financial statements under SECTION X "FINANCIAL REPORT", and 2. "Return on net assets and earnings per share" under Supplementary Information provided by the management, and other relevant information.

VIII. Differences in Accounting Data under Domestic and Foreign Accounting Standards

(I) Differences in net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the IFRS Standards and Chinese accounting standards

☐ Applicable ☒ N/A

(II) Differences in net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the foreign and Chinese accounting standards

☐ Applicable ☒ N/A

(III) Explanation on differences between domestic and foreign accounting standards:

☐ Applicable ☒ N/A

IX. Quarterly Key Financial Data in 2023

Unit: '000 yuan Currency: RMB

	Q1 (Jan. - Mar.)	Q2 (Apr. - Jun.)	Q3 (Jul. - Sep.)	Q4 (Oct. - Dec.)
Revenue	524,828,043	588,485,013	557,928,750	594,287,438
Net profit attributable to shareholders of the Company	14,744,751	14,227,589	14,680,543	10,611,290
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	14,575,223	11,859,193	14,624,927	7,479,326
Net cash flows from operating activities	-65,424,138	54,864,085	-5,791,410	27,381,586

Explanation on differences between the quarterly data and data contained in regular reports disclosed

☐ Applicable ☒ N/A

X. Statement of Non-Recurring Profit or Loss

☒ Applicable ☐ N/A

Unit: '000 yuan Currency: RMB

Non-recurring profit or loss items	2023	Note (If applicable)	2022	2021 (After adjustment)
Profit or loss from disposal of non-current assets, including the write-off portion of the provision for asset impairment previously recognized	226,075	/	432,388	332,740
Government grants recognized into the current profit or loss, excluding those closely related to the Company's ordinary operating activities, in compliance with national policies and regulations, received in accordance with established criteria, and having a continuous impact on the Company's profit or loss	631,101	Non-operating income/other income	1,049,139	504,011
Income from step-realized business combination	20,247	Investment income	1,251,160	172,276
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial corporations and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's ordinary operating activities	85,597	/	-84,935	-170,587
Interest income from loans to non-financial corporations recognized in the current period	204,761	/	469,261	111,009
Reversal of impairment provision for receivables individually tested for impairment	5,349,746	/	3,326,302	1,414,761
Investment income from disposal of long-term equity investments	23,148	/	141,065	7,743
Investment income from disposal of subsidiaries	33,426	/	-32,150	4,407
Profit or loss from non-operating activities or incidental matters	761,906	/	1,173,635	318,529
Other non-operating income and expenses, excluding the above items	-286,227	/	746,481	161,932
Impact of income tax	-1,441,995	/	-1,253,512	-563,870
Impact of minority interests (after tax)	117,719	/	-1,502,397	-265,736
Total	5,725,504	/	5,716,437	2,027,215

If the Company classified any items not listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss Items as non-recurring profit or loss items and the amount is significant, and defines non-recurring profit or loss items listed in the said explanatory announcement as recurring profit or loss items, explanations should be provided.

☐ Applicable ☒ N/A

XI. Items Measured at Fair Value

☒ Applicable ☐ N/A

Unit: '000 yuan Currency: RMB

Items	Opening balance	Closing balance	Current changes	Effect on current profits
Exchangeable bonds	4,967,342	/	-4,967,342	-4,621
Financial assets held for trading	20,153	14,854	-5,299	-2,576
Investments in other equity instruments	4,610,471	6,107,503	1,497,032	68,539
Other non-current financial assets	1,565,153	1,525,114	-40,039	86,371
Account receivables financing	4,658,182	4,353,284	-304,898	/
Other debt investments	272,924	136,574	-136,350	12,980
Other current assets	1,730,559	829,951	-900,608	17,025
Total	17,824,784	12,967,280	-4,857,504	177,718

XII. Miscellaneous

☐ Applicable ☒ N/A

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

I. The Company's Principal Business and Business Model during the Reporting Period

As one of the most integrated and largest investment and development conglomerates boasting the longest history of specialized development, market-oriented operation in China with the most extensive business operations worldwide, CSCEC is a market leader in housing construction engineering, infrastructure construction and investment, real estate development and investment, survey and design, etc. CSCEC ranked 13th in the 2023 Fortune Global 500 and 4th on the Fortune China 500 list, and continued to rank 1st in the Top 250 Global Contractors list published by Engineering News-Record (ENR). In 2023, CSCEC received a Grade A rating for the 18th time in the annual performance evaluation by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. The three leading global rating agencies, i.e., S&P Global Ratings, Moody's Investors Service and Fitch Ratings, assigned CSCEC ratings of A/A2/A, respectively, each with a "Stable" outlook, the highest credit rating among the global industry peers.

CSCEC stands as one of the most competitive investors in China, specializing in real estate development, financing and investment in construction projects, integrated urban construction, and related areas. Featuring a "four in one" business model integrating planning and design, investment and development, infrastructure construction and housing construction engineering, it provides turnkey solutions covering all aspects, processes, and elements of urban development projects, with the priority given to the synergization of internal resource integration and business development.

Having operated in more than 100 countries and regions, CSCEC, as the largest engineering contractor in the world, specializes in a broad range of businesses covering all aspects of urban development and all the phases of construction projects. The Company is well equipped with the capabilities of comprehensive design, construction and land development, and has a complete industry chain of construction products ranging from product and technology R&D, survey and design, real estate development, construction contracting, equipment manufacturing and asset operation to property management. It is the developer of most super-high-rise buildings (300 meters and above) as well as many technically and structurally sophisticated buildings in China.

13th

in Fortune Global 500

4th

in Fortune China 500

1st

in ENR Top 250 Global Contractors

A

18-time receiver of Grade A rating for annual SOE performance evaluation by the SASAC of the State Council

Three leading global rating agencies rated CSCEC as

A

by S&P Global Ratings

A2

by Moody's Investors Service

A

by Fitch Ratings



Housing Construction Engineering

Having acquired an absolute advantage in this field, CSCEC adhered to the marketing strategy of “premium market, customers, and projects” and the business strategy of “high-quality and cost-effective solutions”. By continuously tapping its potential and pursuing high-quality projects, the Company is committed to providing global customers with one-stop integrated services for high, large, precise, advanced, complicated and special construction projects. The Company has built a large number of landmark buildings in niche segments such as super high-rises, large venues, industrial plants, office buildings, hotels, hospitals, and schools, leading China and even the world in housing construction.



Infrastructure Construction and Investment

Placing equal emphasis on infrastructure construction and project investment, CSCEC has achieved rapid development in infrastructure construction in China and the world covering urban rail transit, high-speed rail, extra-large bridges, expressways, municipal roads, urban utility tunnels, ports and waterways, electric power, mining, metallurgy, petrochemicals, airports, and nuclear power plants, and has completed many classic projects leveraging its strengths in technology, management and talents. Furthermore, building on its strong capital resources, CSCEC has become a first-class infrastructure investor and developer in China. It has successively invested in and constructed a large number of national and local key projects in China. Currently, the Company has established a long-term strategic partnership for infrastructure investment and construction with several provinces (autonomous regions) and municipalities and dozens of key cities in China. The Company’s infrastructure construction operations span dozens of countries and regions in North America, Central America, Hong Kong and Macao SARs, Southeast Asia, North Africa, Central and West Africa, South Africa, the Middle East, and Central Asia.



Real Estate Development and Investment

CSCEC owns two real estate brands, China Overseas and CSC Land. China Overseas encompasses all real estate business of our subsidiary COHL and has always ranked among the most valuable property brands in China. With strong real estate business in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Yangtze River Delta, the Beijing-Tianjin-Hebei Region and other national strategic development areas, China Overseas maintains a well-established and balanced nationwide strategic business network. China Overseas endeavors to establish itself as an outstanding international real estate development and operation group, and is committed to accelerating the formation of a business structure that focuses on housing development, supplemented by high-quality commercial property development and operation, healthcare and other emerging businesses. CSC Land is the brand used by the real estate business of the Company's bureaus, divisions and design institutes, focusing on real estate development, urban renewal, asset operation and integrated services in first-and second-tier cities. CSCEC is committed to achieving vertical integration of a wide variety of operations ranging from investment, development, design and construction to operation and services. By enhancing internal resources integration and coordinated business development and leveraging extraordinary construction technology, advanced real estate development philosophy and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate business area, and formed a unique competitive advantage in the industry chain.



Survey and Design

CSCEC is the largest architectural design comprehensive conglomerate in China. Its survey and design business arm mainly consists of seven top-rated major survey and design service providers, specializing in architectural design, urban planning, engineering survey, public utility design, and many other fields. The Company has established itself as a market leader in China in such fields as airports, hotels, sports facilities, exhibition venues, ancient architecture and super-high-rise buildings, and has made outstanding contributions to the sector in terms of design originality, technology innovation, and industry standards development.



Overseas Operations

CSCEC is a pioneer in the domestic market that conducted international engineering contracting business. Taking use of its edge in the entire industry chain, the Company engages in foreign engineering contracting business, which covers housing construction, manufacturing, energy, transportation, water conservancy, industry, petrochemical, hazardous substance treatment, telecommunications and sewage/waste treatment projects, and successfully explored and completed overseas real estate projects. In addition, the Company actively explored other project operating models, such as financing/investment-driven general contracting, DB (Design-Build), EPC (Engineering-Procurement-Construct), and BOT. CSCEC also experimented with capital operations such as cross-border mergers and acquisitions to enhance the quality and efficiency of overseas business. Upholding the "internationalization" business philosophy, the Company has seized the development opportunities of the Belt and Road Initiative (BRI), and supported BRI countries in improving the standard of infrastructure facilities, enhancing the well-being of local people, and promoting its brand influence.