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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2022-017



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

Announcement on Repurchase and Write-off of Partial Restricted Shares for Equity Incentives

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:

- Reason for repurchase and write-off: Since the restricted shares held by some Participants under the Company's *Phase I, Phase II, Phase III and Phase IV Restricted A Share Incentive Schemes* do not meet the unlocking conditions, the Company decided, upon deliberation and approval, to repurchase and write off partial restricted shares held by the Participants.
- Details on the write-off of shares

Number of shares to be repurchased	Number of shares to be written-off	Write-off date
7,309,000	7,309,000	April 14, 2022

China State Construction Engineering Corporation Limited (hereinafter referred to as the "Company") plans to repurchase and write off partial restricted shares that do not meet the unlocking conditions from the Participants. The details are as follows:

I. Decision on and Information Disclosure of the Repurchase and Write-off of Restricted Shares

1. On July 1, 2015, the 83rd Meeting of the 1st Board of Directors and the 43rd Meeting of the 1st Board of Supervisors of the Company deliberated on and adopted the *Proposal of China State Construction Engineering Corporation Limited Concerning the First Tranche of Unlocking in 2015 in Respect of Phase I Restricted A Share Incentive Scheme*. One Participant was involved in this share repurchase and write-off, where 210,000 restricted shares were repurchased at the price of RMB 1.27857 per share. For details, please refer to the *Announcement on the Resolutions of the 83rd Meeting of the 1st Board of Directors of China State Construction Engineering Corporation Limited* and the *Announcement on the Resolutions of the 43rd Meeting of the 1st Board of Supervisors of China State Construction Engineering Corporation Limited* released by the Company on July 2, 2015.

2. On December 29, 2020, the 51st Meeting of the 2nd Board of Directors and the 34th Meeting of the 2nd Board of Supervisors of the Company deliberated on and adopted the *Proposal of China State Construction Engineering Corporation Limited Concerning*

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the Shares Repurchase from Participants of the Phase II and III Restricted A Share Incentive Schemes, deciding to repurchase and write off restricted shares from 2 Participants (including 1 Participant, from whom the Phase II and III restricted shares would be repurchased and written off at the same time). Specifically, 119,000 Phase II restricted shares were repurchased at the price of RMB 3.47571 per share, and 160,000 Phase III restricted shares were repurchased at the price of RMB 3.468 per share. The said proposal was adopted at the 1st Extraordinary General Meeting in 2021 of the Company on January 15, 2021. For details, please refer to the *Announcement on the Resolutions of the 51st Meeting of the 2nd Board of Directors of China State Construction Engineering Corporation Limited*, the *Announcement on the Resolutions of the 34th Meeting of the 2nd Board of Supervisors of China State Construction Engineering Corporation Limited*, and the *Announcement on Partial Repurchase of Phase II and Phase III Restricted A Shares from Participants of China State Construction Engineering Corporation Limited* released by the Company on December 30, 2020, and the *Announcement on the Resolutions of the 1st Extraordinary General Meeting in 2021 of China State Construction Engineering Corporation Limited* released by the Company on January 16, 2021.

3. On November 26, 2021, the 8th Meeting of the 3rd Board of Directors and the 6th Meeting of the 3rd Board of Supervisors of the Company deliberated on and adopted the *Proposal of China State Construction Engineering Corporation Limited Concerning the Shares Repurchase from Participants of the Phase III and IV Restricted A Share Incentive Schemes*, deciding to repurchase and write off restricted shares from 32 Participants (including 5 Participants, from whom the Phase III and IV restricted shares would be repurchased and written off at the same time). Specifically, 4,900,000 Phase III restricted shares were repurchased at the price of RMB 3.468 per share, and 1,920,000 Phase IV restricted shares were repurchased at the price of RMB 3.06 per share. The said proposal was adopted at the 3rd Extraordinary General Meeting in 2021 of the Company on December 15, 2021. For details, please refer to the *Announcement on the Resolutions of the 8th Meeting of the 3rd Board of Directors of China State Construction Engineering Corporation Limited*, the *Announcement on the Resolutions of the 6th Meeting of the 3rd Board of Supervisors of China State Construction Engineering Corporation Limited*, and the *Announcement on Partial Repurchase of Phase III and Phase IV Restricted A Shares from Participants of China State Construction Engineering Corporation Limited* released by the Company on November 27, 2021, and the *Announcement on the Resolutions of the 3rd Extraordinary General Meeting in 2021 of China State Construction Engineering Corporation Limited* released by the Company on December 16, 2021.

Before repurchasing the above-mentioned restricted shares, the Company released announcement & notification to creditors on the reduction of its registered capital in accordance with relevant regulations. For details, please refer to the *Announcement of China State Construction Engineering Corporation Limited on the Repurchase and Write-off of All Locked Restricted Shares under the Phase I Restricted A Share Incentive Scheme to Reduce the Company's Registered Capital & Notification to Creditors* (released on January 9, 2018), the *Announcement of China State Construction Engineering Corporation Limited on Partial Repurchase and Write-Off of Shares under the Phase II and Phase III Restricted A Share Incentive Schemes to Reduce the Company's Registered Capital and Notification to Creditors* (released on January 16, 2021), and the *Announcement of China State Construction Engineering Corporation Limited on Partial Repurchase and Write-Off of Shares under the Phase III and Phase IV Restricted A Share Incentive Schemes to Reduce the Company's Registered Capital and Notification to Creditors* (released on December 16, 2021). No

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creditor made claim for the Company to pay off the debts or provide corresponding guarantees within the declaration period specified in the aforementioned announcements.

II. Repurchase and Write-Off of Restricted Shares

(I) Reason and Basis for Repurchase and Write-Off of Restricted Shares

Since the restricted shares held by some Participants under the Phase I, Phase II, Phase III and Phase IV Restricted A Share Incentive Schemes were not qualified for unlocking, the Company decided to repurchase and write off the above-mentioned restricted shares, after the relevant proposals being deliberated on and approved by the 83rd Meeting of the 1st Board of Directors, 51st Meeting of the 2nd Board of Directors, 8th Meeting of the 3rd Board of Directors, and the 1st and 3rd Extraordinary General Meetings in 2021. The basis is specified as follows:

1. As stipulated by relevant regulations such as the *Administrative Measures for Equity Incentives of Listed Companies (Trial)* and the *Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* adopted by the 2012 Annual General Meeting of the Company, where the restricted shares held by Participants under the Phase I Restricted A Share Incentive Scheme are not qualified for unlocking, their shares shall be repurchased and written off by the Board of Directors as authorized by the General Meeting.

2. As stipulated by relevant regulations such as the *Administrative Measures for Equity Incentives of Listed Companies* and the *Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* adopted by the 1st Extraordinary General Meeting in 2016, where the restricted shares held by Participants under the Phase II Restricted A Share Incentive Scheme are not qualified for unlocking, the relevant repurchase scheme for their non-unlockable shares shall be deliberated on by the Board of Directors and submitted to the General Meeting for approval according to law.

3. As stipulated by relevant regulations such as the *Administrative Measures for Equity Incentives of Listed Companies* and the *Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* adopted by the 3rd Extraordinary General Meeting in 2018, where the restricted shares held by Participants under the Phase III Restricted A Share Incentive Scheme are not qualified for unlocking, the relevant repurchase scheme for their non-unlockable shares shall be deliberated on by the Board of Directors and submitted to the General Meeting for approval according to law.

4. As stipulated by relevant regulations such as the *Administrative Measures for Equity Incentives of Listed Companies* and the *Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* adopted by the 3rd Extraordinary General Meeting in 2020, where the restricted shares held by Participants under the Phase IV Restricted A Share Incentive Scheme are not qualified for unlocking, the relevant repurchase scheme for their non-unlockable shares shall be deliberated on by the Board of Directors and submitted to the General Meeting for approval according to law.

(II) Note for the Prices and Funds of the Repurchase of Restricted Shares

According to the *Proposal on Adjusting the Quantity and Prices of Shares Granted under the Phase I and Phase II Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited* deliberated on and adopted at the 10th

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Meeting of the 2nd Board of Directors on July 27, 2018, due to the conversion of capital reserves into equities for the profit distribution in 2017, adjustment has been made in the repurchase prices for restricted shares as follows: (1) The grant price for shares under the Phase I Restricted A Share Incentive Scheme was adjusted from RMB 3.58 per share to RMB 2.55714 per share, and the repurchase price from RMB 1.79 per share to RMB 1.27857 per share (the repurchase price was 50% of the grant price); (2) the grant price, i.e. the repurchase price for shares under the Phase II Restricted A Share Incentive Scheme was adjusted from RMB 4.866 per share to RMB 3.47571 per share.

Following the above adjustments, if repurchase occurs to the Phase I and Phase II Restricted A Share Incentive Schemes, the total repurchase price to be paid by the Company to corresponding Participants as calculated according to the adjusted quantity and price shall be equal to the total amount before the adjustments. The total repurchase price shall not change due to the adjustments of share quantity and price.

According to the *Proposal of China State Construction Engineering Corporation Limited Concerning Granting the Phase III Restricted A Share Incentive Scheme* adopted in the 15th meeting of the second Board of Directors on December 26, 2018, the grant price (i.e. repurchase price) of the Phase III restricted shares is RMB 3.468 / share.

According to the *Proposal of China State Construction Engineering Corporation Limited Concerning Granting the Phase IV Restricted A Share Incentive Scheme* adopted in the 50th meeting of the second Board of Directors on December 24, 2020, the grant price (i.e. repurchase price) of the Phase IV restricted shares is RMB 3.06 / share.

All the funds that the Company uses to repurchase the restricted shares are its own funds, and the total repurchase price is RMB 24,105,389.7, excluding fees to be borne by the Company such as the transfer fees and stamp duties incurred by the repurchase.

(III) Personnel and Quantity of Shares Involved in the Repurchase and Write-Off

The restricted shares repurchased and delisted affect a total of 35 Participants under the Company's Phase I, Phase II, Phase III and Phase IV Restricted A Share Incentive Schemes (including 1 Participant, from whom the Phase II and Phase III restricted A-shares were repurchased, and 5 Participants, from whom the Phase III and Phase IV restricted A-shares were repurchased); a total of 7,309,000 restricted shares were repurchased and delisted, including 210,000 Phase I restricted shares, 119,000 Phase II restricted shares, 5,060,000 Phase III restricted shares, and 1,920,000 Phase IV restricted shares.

(IV) Repurchase and Write-Off Arrangements

The Company has opened a dedicated account for the share repurchase with Shanghai Branch of China Securities Depository and Clearing Corp., Ltd.

It is expected that the aforesaid restricted shares will be written off on April 14, 2022.

III. Changes in the Company's Equity Structure after the Repurchase and Write-Off of Restricted Shares

Following the repurchase and write-off, the Company's registered capital, i.e. total equities, will be reduced by RMB 7,309,000 (shares), and the remaining registered capital, i.e. total equities, will be RMB 41,940,858,844 (shares). The changes in the Company's equities are detailed as follows:

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Type of shares	Before the change		Change	After the change	
	Quantity	Percentage	Number of shares written off	Quantity	Percentage
	(share)	(%)	(share)	(share)	(%)
Circulating shares subject to trading moratorium	1,112,801,000	2.65	-7,309,000	1,105,492,000	2.64
Circulating shares not subject to trading moratorium	40,835,366,844	97.35	0	40,835,366,844	97.36
Total shares	41,948,167,844	100.00	-7,309,000	41,940,858,844	100.00

IV. Note and Commitment

The Board of Directors believes that the decision-making procedures and information disclosure for the repurchase and write-off of restricted shares are in compliance with relevant laws, regulations, the *Administrative Measures for Equity Incentives of Listed Companies* and the arrangements of the Company's equity incentive schemes and arrangements for the granting of restricted shares, and no damage will be caused to the legitimate rights and interests of the Participants and creditors.

The Company undertakes that it has verified and guaranteed the information related to the repurchase and write-off of restricted shares, including the Participants, the quantity of shares, and the date of write-off is true, accurate and complete, and the relevant Participants have been fully informed of the repurchase and write-off without expressing objections thereto. If any dispute with the relevant Participants arises from the repurchase and write-off, the Company will bear relevant legal liabilities.

V. Conclusions of Legal Opinions

As of the date of issuance of these legal opinions, the Company had gone through necessary decision-making procedures and fulfilled relevant information disclosure obligations for the current phase for the repurchase and write-off. The reason, quantity, repurchase price and the repurchase and write-off arrangements of the Phase I Restricted Share Incentive Scheme are in compliance with the *Trial Measures for Implementing Equity Incentive Plans, Notice of Equity Incentive System, Measures for the Administration of Equity Incentives (Trial), Memorandum for Equity Incentives and Phase I Restricted Share Incentive Scheme*; the reason, quantity, repurchase price and the repurchase and write-off arrangements of the Phase II Restricted Share Incentive Scheme are in compliance with the *Trial Measures for Implementing Equity Incentive Plans, Notice of Equity Incentive System, Measures for the Administration of Equity Incentives, and Phase II Restricted Share Incentive Scheme*; the reason, quantity, repurchase price and the repurchase and write-off arrangements of the Phase III Restricted Share Incentive Scheme are in compliance with the *Trial Measures for Implementing Equity Incentive Plans, Notice of Equity Incentive System, Measures for the Administration of Equity Incentives, and Phase III Restricted Share Incentive Scheme*; and the reason, quantity, repurchase price and the repurchase and write-off arrangements of the Phase IV Restricted Share Incentive Scheme are in compliance with the *Trial Measures for Implementing Equity Incentive Plans, Notice of Equity*

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Incentive System, Guidelines for the Implementation of Equity Incentives, Measures for the Administration of Equity Incentives, and Phase IV Restricted Share Incentive Scheme. The Company still needs to fulfil its information disclosure obligations in a timely manner for the repurchase and write-off in accordance with the *Company Law* and other laws and regulations, as well as corresponding information disclosure obligations required by the law.

VI. Annexes to Announcement Online

Legal Opinions of King & Wood Mallesons (Beijing) on Matters Concerning the Partial Repurchase and Write-Off of Restricted Shares under the Phase I, Phase II, Phase III and Phase IV Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited are hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited
April 11, 2022