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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2022-044



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 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 |
|------------------------------------|------------------------------------|----------------|
| 6,426,000 | 6,426,000 | August 2, 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 November 26, 2021, the 8th Meeting of the third Board of Directors and the 6th Meeting of the third Board of Supervisors of CSCEC 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 Incentives" respectively. Two Participants were involved in this share repurchase and write-off, where 220,000 Phase III restricted shares were repurchased at the price of RMB 3.468 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*

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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.

2. On December 27, 2021, the 11th Meeting of the third Board of Directors and the 8th Meeting of the third Board of Supervisors of the Company deliberated on and adopted the *Proposal of China State Construction Engineering Corporation Limited Concerning the Partial Shares Repurchase from Participants of the Phase III and IV Restricted A Share Incentive Schemes*, deciding to repurchase and write off restricted shares from 58 Participants (including 3 Participants, from whom the Phase III and IV restricted shares would be repurchased and written off at the same time). Specifically, 4,316,000 Phase III restricted shares were repurchased at the price of RMB 3.468 per share, and 1,890,000 Phase IV restricted shares were repurchased at the price of RMB 3.06 per share (Note that, the Company shall repurchase the restricted shares held by 2 Participants with interest.). The said proposal was adopted at the 2021 General Meeting of Shareholders of the Company on May 13, 2022. For details, please refer to the *Announcement on the Resolutions of the 11th Meeting of the third Board of Directors of China State Construction Engineering Corporation Limited*, the *Announcement on the Resolutions of the 8th Meeting of the third 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 December 28, 2021, and the *Announcement on the Resolutions of the 2021 General Meeting of Shareholders of China State Construction Engineering Corporation Limited* released by the Company on May 14, 2022.

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 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), 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 May 14, 2022). No 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 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 8th and 11th Meeting of the third Board of Directors, the 3rd Extraordinary General Meetings and the General Meeting of Shareholders 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* and the *Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* adopted by the

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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.

2. 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 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 per 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 per share. According to Article 31 of the *Phase IV Restricted A Share Incentive Scheme*, in the event that a Participant terminates his/her labor relationship with the Company due to objective reasons such as job transfer, dismissal, retirement, death or loss of civil capacity, the restricted shares that do not meet the lock-up period and work performance related conditions for share unlock will not be unlocked - the Company shall repurchase them at the grant price of RMB 3.06 per share with interest (which is calculated at the benchmark deposit rate adopted by banks during the same period, and for the period between the Grant Date and the date of departure).

All the funds that the Company uses to repurchase the restricted shares are its own funds, and the total repurchase price is RMB 21,565,724.41, 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

60 Participants (including 3 Participants from whom the shares held under the *Phase III and Phase IV Restricted A Share Incentive Schemes* will be repurchased at the same time) are involved in the Company's repurchase and write-off of restricted shares under the *Phase III and Phase IV Restricted A Share Incentive Schemes*. A total number of 6,426,000 restricted shares are to be repurchased and written-off, including 4,536,000 Phase III Restricted Shares, and 1,890,000 Phase IV Restricted Shares. Upon completion of the share repurchase and delisting, there are 1,099,066,000 remaining restricted incentive 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 August 2, 2022.

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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 6,426,000 (shares), and the remaining registered capital, i.e. total equities, will be RMB 41,934,432,844 (shares). The changes in the Company's equities are detailed as follows:

| 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 | 1,105,492,000 | 2.64 | -6,426,000 | 1,099,066,000 | 2.62 |
| Circulating shares not subject to trading moratorium | 40,835,366,844 | 97.36 | 0 | 40,835,366,844 | 97.38 |
| Total shares | 41,940,858,844 | 100.00 | -6,426,000 | 41,934,432,844 | 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 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 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

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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 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

July 28, 2022