

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2022-082



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

## Announcement on Partial Repurchase of Phase III and IV Restricted A Shares from Incentive Participants

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.

China State Construction Engineering Corporation Limited (hereinafter, the "Company") granted 599.91 million restricted shares to 2,081 Participants under the Phase III Restricted A Share Incentive Scheme on December 26, 2018. The Company granted 912.036 million restricted shares to 2,765 Participants under the Phase IV Restricted A Share Incentive Scheme on December 23, 2020. In accordance with the *Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* (hereinafter, the "Phase III Share Scheme") and the *Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* (hereinafter, the "Phase IV Share Scheme"), a total of 148 participants (including 33 participants whose restricted shares held under the Phase III and IV Share Schemes shall be repurchased simultaneously) triggered the share repurchase conditions. According to the relevant resolution adopted by the 29th meeting of the Company's 3rd Board of Directors and the 18th meeting of the 3rd Board of Supervisors, the Company plans to repurchase restricted shares from the aforementioned Participants. The implementation plan for the repurchase is as follows:

### I. Reason for Share Repurchase

Incentive Participants shall receive a "pass" or higher rating in the personal performance assessment for the fiscal year before the unlocking of restricted shares, in accordance with Article 17 of the *Phase III Share Scheme*, wherein:

1. The restricted shares may be unlocked at a rate of 100% for Participants with a "good" or higher rating in the performance assessment;
2. The restricted shares may be unlocked at a rate of 80% for Participants with a "pass" rating in the performance assessment;
3. Restricted shares may not be unlocked for Participants receiving a "fail" rating in the performance assessment.

According to Article 31 of the *Phase III Share Scheme*, if a Participant's employment with the Company is terminated due to objective reasons such as job transfer, dismissal, retirement, death, or loss of civil capacity, the restricted shares granted to the Participant that meet both the lock-up period and work performance conditions for share unlocking may be unlocked within six months from the date of departure. However, any restricted shares that do not meet the aforementioned conditions for share unlocking will not be

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

released, and the Company will repurchase them at the grant price (without accruing interest). Relevant procedures will be handled in accordance with the Company Law.

Incentive Participants shall receive a "pass" or higher rating in the personal performance assessment for the fiscal year before the unlocking of restricted shares, in accordance with Article 17 of the *Phase IV Share Scheme*, wherein:

1. The restricted shares may be unlocked at a rate of 100% for Participants with a "good" or higher rating in the performance assessment;
2. The restricted shares may be unlocked at a rate of 80% for Participants with a "pass" rating in the performance assessment;
3. Restricted shares may not be unlocked for Participants receiving a "fail" rating on work performance.

According to Article 31 of the *Phase IV Share 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 portion of restricted shares granted to the Participant that meet both the lock-up period and work performance related conditions for share unlock may be unlocked within six months after the date of departure, and the restricted shares that do not meet the aforementioned conditions for share unlock will not be unlocked - the Company shall repurchase them 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) paid, and related matters should be handled in accordance with the "Company Law".

According to Article 32 of the *Phase III Share Scheme* and Article 32 of the *Phase IV Share Scheme*, in any of the following circumstances, none of the still locked part restricted shares held by the Participant shall be unlocked, and the Company shall repurchase the shares at the price at which they were granted (without accruing interest) in accordance with the *Company Law*:

1. The Participant becomes an independent director, supervisor, or is prohibited from holding restricted shares in the Company for other reasons;
2. The Participant is laid off by the Company, or his/her labor or employment contract expires;
3. The labor or employment contract between the Participant and the Company is terminated through an agreement with the Company;
4. If the Participant receives a "pass" rating in the performance assessment, the restricted shares granted thereto shall be unlocked at a rate of 80% as prescribed in the Scheme, and the remaining 20% may not be unlocked;
5. Other circumstances prescribed by the CSRC and SASAC.

According to Article 32 of the *Phase III Share Scheme*, if any of the following circumstances apply to the Participant during the term of the Scheme, the Company may not grant any new restricted shares based on the Scheme, in which case any restricted shares remaining to be unlocked may not be unlocked, and the Company shall repurchase them (without paying interest) at the prevailing market price at the time of repurchase or the Grant Price, whichever is lower, with related matters handled in accordance with the "Company Law":

1. The Participant is designated by a stock exchange, the CSRC or a local branch thereof as an unsuitable candidate;

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

2. The Participant has received administrative penalties or a ban on market entry imposed by the CSRC or a local branch thereof due to gross legal or regulatory violations;
3. The Participant is prohibited from acting as the Company's director or senior manager, as prescribed in the "Company Law";
4. The Participant is incompetent for his/her position, or fails the work performance appraisal;
5. The Participant is found in violation of the laws or professional ethics, divulges the Company's confidential information, or found guilty of dereliction of duty, resulting in damages to the Company's interests or reputation, and is laid off by the Company (the Board of Directors has the right to take back all or part of the earnings obtained by the Participant from unlocked shares, depending on the severity of the offense committed);
6. The Participant transfers restricted shares granted to him/her, or uses the shares for provision of guarantees or debt repayment, which shall start on the day when such action actually occurs or when the relevant written documents are entered into (whichever is earlier);
7. The Participant terminates or rescinds unilaterally his/her labor or employment contract signed with the Company, including but not limited to resignation without proper justification, without reaching a consensus with the Company through consultation;
8. Other circumstances prescribed by the CSRC and SASAC.

According to Article 33 of the *Phase IV Share Scheme*, restricted shares remaining to be unlocked, and those do not meet the conditions for share unlock specified in the Scheme, may not be unlocked, and the Company shall repurchase them (without paying interest) at the prevailing market price at the time of repurchase or the Grant Price, whichever is lower, with related matters handled in accordance with the "Company Law", if the Participant:

1. The Participant is designated by a stock exchange, the CSRC or a local branch thereof as an unsuitable candidate;
2. has received administrative penalties or a ban on market entry imposed by the CSRC or a local branch thereof due to gross legal or regulatory violations;
3. The Participant is prohibited from acting as the Company's director or senior manager, as prescribed in the "Company Law";
4. The Participant is incompetent for his/her position, or fails the work performance appraisal;
5. The Participant transfers restricted shares granted to him/her, or uses the shares for provision of guarantees or debt repayment, which shall start on the day when such action actually occurs or when the relevant written documents are entered into (whichever is earlier);
6. The Participant terminates or rescinds unilaterally his/her labor or employment contract signed with the Company, including but not limited to resignation without proper justification, without reaching a consensus with the Company through consultation;
7. has his/her labor relationship terminated due to other personal reasons;
8. Other circumstances prescribed by the CSRC and SASAC.

According to the *Phase III Share Scheme* and the *Phase IV Share Scheme*, the "prevailing market price at the time of repurchase" refers to the closing price on the

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

trading day immediate before the Company's Board of Directors deliberates on the repurchase of the restricted shares.

According to the foregoing provisions, the Company shall repurchase the restricted shares held by 148 participants (including 33 participants whose restricted shares held under the Phase III and IV Share Schemes shall be repurchased simultaneously) at the designated price. Note that, the Company shall repurchase the restricted shares held by 13 Participants with interest.

## **II. Repurchase Price and Pricing Basis**

According to the *Announcement of China State Construction Engineering Corporation Limited on the Granting of Shares under the Phase III Restricted A Share Incentive Scheme*, the granting price is RMB 3.468 per share.

According to the *Announcement of China State Construction Engineering Corporation Limited on the Granting of Shares under the Phase IV Restricted A Share Incentive Scheme*, the granting price is RMB 3.06 per share.

According to the *Phase IV Restricted A Share Incentive Scheme*, if a Participant's employment with the Company is terminated due to objective reasons such as job transfer, dismissal, retirement, death, or loss of civil capacity, the restricted shares granted to the Participant that meet both the lock-up period and work performance conditions for share unlocking may be unlocked within six months from the date of departure. However, any restricted shares that do not meet the aforementioned conditions for share unlocking will not be released, and the Company will repurchase them at a price of RMB 3.06 per share with interest (the interest will be calculated based on the benchmark deposit rate adopted by banks during the same period, and for the duration between the Grant Date and the date of departure). Relevant procedures will be handled in accordance with the Company Law.

## **III. Type and Number of Shares to be Repurchased, and Proportions of These Shares to Total Underlying Shares under the Equity Incentive Scheme and to Total Equities**

The number of Phase III restricted shares to be repurchased this time is 5,874,000, accounting for 0.98% of the total number (599,910,000) of restricted shares granted in Phase III, and 0.0140% of the Company's total equities.

The number of Phase IV restricted shares to be repurchased this time is 9,044,400, accounting for 0.99% of the total number (912,036,000) of restricted shares granted in Phase IV, and 0.0216% of the Company's total equities.

## **IV. Total Repurchase Price and Funding Source**

The total repurchase price will be RMB 48,313,367.49 (including interest), which will be sourced from the Company's own funds.

## **V. Changes in the Company's Equity Structure after the Repurchase and Impact on the Company's Performance**

The shares repurchased will be written off in accordance with the *Company Law* and the *Administrative Measures for Equity Incentives of Listed Companies*. The Company's registered capital and total number of shares will be reduced accordingly. However, given the small ratio of the written off shares to its total equities, the write-off will not result in substantial changes in the Company's equity structure, nor will it cause material impact on its financial standing and business performance or the diligence of its management

This is a free translation into English of an announcement issued in China and is provided solely for the convenience of English-speaking readers. This announcement should be read in conjunction with, and is construed in accordance with, relevant Chinese laws and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's announcements on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

---

teams. The Company's management teams will remain committed to fulfilling their duties and creating value for the shareholders.

#### **VI. Documents for reference**

1. Resolutions of the 29th Meeting of the 3rd Board of Directors of China State Construction Engineering Corporation Limited
2. Resolutions of the 18th Meeting of the 3rd Board of Supervisors of China State Construction Engineering Corporation Limited

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited  
December 28, 2022