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

Announcement on Repurchase and Cancellation 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 cancellation: 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 cancel partial restricted shares held by the Participants.
- Details on the share cancellation

Number of shares to be repurchased	Number of shares to be canceled	Cancellation date
14,918,400	14,918,400	August 1, 2023

China State Construction Engineering Corporation Limited (hereinafter referred to as the "Company") plans to repurchase and cancel 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 Cancellation of Restricted Shares

On December 28, 2022, the 29th Meeting of the third Board of Directors and the 18th 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 cancel restricted shares from 148 Participants (including 33 Participants, from whom both Phase III and IV restricted shares would be repurchased and canceled concurrently). Specifically, 5,874,000 Phase III restricted shares will be repurchased at the price of RMB 3.468 per share, and 9,044,400 Phase IV restricted shares will be repurchased at the price of RMB 3.06 per share. (Note that, the Company shall repurchase the restricted shares held by 13 Participants at the grant price along with accrued interest.) The said proposal was adopted at the 2022 General Meeting of Shareholders of the Company on May 19, 2023. For details, please refer to the *Announcement on the Resolutions of the 29th Meeting of the third Board of Directors of China State Construction Engineering*

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Corporation Limited, the Announcement on the Resolutions of the 18th 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 29, 2022, and the *Announcement on the Resolutions of the 2022 General Meeting of Shareholders of China State Construction Engineering Corporation Limited* released by the Company on May 20, 2023.

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 Cancellation 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 20, 2023. 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 Cancellation of Restricted Shares

(I) Reason and Basis for Repurchase and Cancellation 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 cancel the above-mentioned restricted shares, after the relevant proposals being deliberated on and approved by the 29th Meeting of the third Board of Directors, the 18th Meeting of the third Board of Supervisors, and the 2022 General Meeting of Shareholders. 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 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.

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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 23, 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).

The Company will use its own funds to repurchase the restricted shares, and the total repurchase amount is RMB 48,313,367.49 (including interest), 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 Cancellation

A total of 148 Participants (including 33 Participants, from whom both Phase III and IV restricted shares would be repurchased and canceled concurrently) are involved in the Company's repurchase and cancellation of restricted shares under the *Phase III and Phase IV Restricted A Share Incentive Schemes*. In this process, a grand total of 14,918,400 restricted shares will be repurchased and canceled, comprising 5,874,000 Phase III Restricted Shares, and 9,044,400 Phase IV Restricted Shares. Upon completion of the share repurchase and delisting, there are 599,124,000 remaining restricted incentive shares.

(IV) Repurchase and Cancellation Arrangements

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

The aforesaid restricted shares are expected to be canceled on August 1, 2023.

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

Following the repurchase and cancellation, the Company's registered capital (or total equity), will be reduced by RMB 14,918,400 (shares), and the remaining registered capital (or total equity), will be RMB 41,919,514,444 (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 canceled	Quantity	Percentage
	(share)	(%)	(share)	(share)	(%)
Circulating shares subject to trading moratorium	614,042,400	1.46	-14,918,400	599,124,000	1.43
Circulating shares not subject to trading moratorium	41,320,390,444	98.54	0	41,320,390,444	98.57
Total shares	41,934,432,844	100.00	-14,918,400	41,919,514,444	100.00

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IV. Note and Commitment

The Board of Directors believes that the decision-making procedures and information disclosure for the repurchase and cancellation 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 assures that it has verified and confirmed the authenticity, accuracy and completeness of all information regarding the repurchase and cancellation of restricted shares, including the Participants, the quantity of shares, and the cancellation date. Furthermore, all relevant participants have been duly notified of the repurchase and cancellation and have not raised any objections to it. If any dispute with the relevant Participants arises from the repurchase and cancellation, 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 cancellation. The reason, quantity, repurchase price and the repurchase and cancellation 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 cancellation 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 cancellation 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 Cancellation 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 27, 2023