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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2024-009



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: As the conditions for unlocking the 2nd tranche of shares under the Phase IV Restricted A Share Incentive Scheme in 2023 have not yet been met, the Company has decided upon deliberation to repurchase all the 2nd tranche of shares under the Phase IV Restricted A Share Incentive Scheme in 2023.
- Details on Cancellation of Shares

Number of shares to be repurchased (share)	Number of shares to be cancelled (share)	Cancellation date
299,562,000	299,562,000	February 29, 2024

China State Construction Engineering Corporation Limited (hereinafter referred to as the "Company") plans to repurchase and cancel all the second tranche of restricted shares in 2023 under the Phase IV Restricted A Share Incentive Scheme. The details are as follows:

### I. Decision on and Information Disclosure of Repurchase and Cancellation of Restricted Shares

On December 7, 2023, the third Board of Directors and the third Board of Supervisors of CSCEC deliberated on and passed the *Proposal of China State Construction Engineering Corporation Limited Concerning the Repurchase and Cancellation of the 2nd Tranche of Shares in 2023 under the Phase IV Restricted A Share Incentive Scheme* in their 50th and 25th meetings respectively, deciding to repurchase and cancel all the second tranche of 299,562,000 restricted shares from 2,727 Participants under the Phase IV Restricted A Share Incentive Scheme. For details, please refer to the *Announcement on Resolutions of the 50th Meeting of the 3rd Board of Directors of China State Construction Engineering Corporation Limited*, the *Announcement on Resolutions of the 25th Meeting of the 3rd Board of Supervisors of China State Construction Engineering Corporation Limited*, and the *Announcement on the*

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*Repurchase and Cancellation of the Second Tranche of Shares in 2023 under the Phase IV Restricted A Share Incentive Scheme* released by the Company on December 8, 2023.

On December 27, 2023, the *Proposal of China State Construction Engineering Corporation Limited Concerning the Repurchase and Cancellation of the 2nd Tranche of Shares in 2023 under the Phase IV Restricted A Share Incentive Scheme* was deliberated on and passed at the Second Extraordinary General Meeting in 2023. For details, please refer to the *Announcement on Resolution of the Second Extraordinary General Meeting in 2023 of China State Construction Engineering Corporation Limited* released on December 28, 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 Repurchase and Cancellation of the 2nd Tranche of Shares under the Phase IV Restricted A Share Incentive Scheme to Reduce the Company's Registered Capital and Notification to Creditors* (released on December 28, 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**

According to the *Administrative Measures for Equity Incentives of Listed Companies*, the *Phase IV Restricted A Share Incentive Scheme of CSCEC* (adopted at the 3rd Extraordinary General Meeting in 2020), and relevant regulations, as the conditions for unlocking the 2nd tranche of shares under the Phase IV Restricted A Share Incentive Scheme have not yet been met, the scheduled unlocking of restricted shares for the year will be cancelled. The Company shall repurchase these stocks at the lower of the market price at the time of repurchase or the granting price (excluding interest), with related matters handled in accordance with the *Company Law of the People's Republic of China*.

The Company decided to repurchase and cancel the 2nd tranche of shares under the Phase IV Restricted A Share Incentive Scheme in 2023, after the relevant proposals were deliberated on and approved by the 50th meeting of the third Board of Directors, the 25th meeting of the third Board of Supervisors, and the 2nd Extraordinary General Meeting in 2023.

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

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 granting price of the Phase IV restricted shares is RMB 3.06 per share.

As per Article 37 of the Phase IV Restricted A Share Incentive Scheme, if the Company falls short of its performance targets, the scheduled unlocking of restricted stocks for that year will be cancelled. The Company shall repurchase these stocks at the lower of the market price at the time of repurchase (referring to the closing price of the trading day before the Board of Directors deliberates on the repurchase) or the granting price (excluding interest). Consequently, the repurchase price is established at RMB 3.06 per share.

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All the funds utilized by the Company for the repurchase of restricted shares are its own funds, and the total repurchase price is RMB 916,659,720, 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**

The Company will repurchase and cancel 299,562,000 restricted shares held by 2,727 Participants. Upon completion of the repurchase and cancellation, there will be 299,562,000 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.

It is expected that the aforesaid restricted shares will be cancelled on February 29, 2024.

### **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, i.e. total equities, will be reduced by RMB 299,562,000 (shares), and the remaining registered capital, i.e. total equities, will be RMB 41,619,952,444 (shares). The changes in the Company's equities are detailed as follows:

Share category	Before the change		Change	After the change	
	Quantity	Percentage	Number of shares cancelled	Quantity	Percentage
	(share)	(%)	(share)	(share)	(%)
Circulating shares subject to trading moratorium	599,124,000	1.43	-299,562,000	299,562,000	0.72
Circulating shares not subject to trading moratorium	41,320,390,444	98.57	0	41,320,390,444	99.28
Total shares	41,919,514,444	100.00	-299,562,000	41,619,952,444	100.00

### **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

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undertakes that it has verified and guaranteed the information related to the repurchase and cancellation of restricted shares, including the Participants, the quantity of shares, and the date of cancellation is true, accurate and complete, and the relevant Participants have been fully informed of the repurchase and cancellation without expressing objections thereto. 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**

King & Wood Mallesons (Beijing) believes that: 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, amount, price, and arrangements regarding the repurchase and cancellation comply 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 on Relevant Matters Regarding the Repurchase and Cancellation of the 2nd Tranche of Shares in 2023 Under the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited  
February 26, 2024