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中国建筑股份有限公司
CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

Announcement on Repurchase and Cancellation of Partial Restricted Shares for Equity Incentives

Important Notice:

- Reason for repurchase and cancellation: Since the restricted shares held by partial participants under the *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 cancellation of shares

Number of shares to be repurchased	Number of shares to be cancelled	Cancellation date
9,630,000	9,630,000	August 19, 2024

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 this Repurchase and Cancellation

The 53rd meeting of the third Board of Directors of CSCEC deliberated on and adopted the *Proposal on Repurchase of the Shares Held by the Participants of Phase IV Restricted A-Shares Incentive Scheme of CSCEC* on January 9, 2024. The number of restricted shares to be repurchased is 9,630,000. The Company will repurchase the corresponding number of restricted shares from 75 participants at the specified price, with 61 of the participants to have their shares repurchased at the grant price along with interest payment. The said proposal was adopted at the 2023 General Meeting of Shareholders of the Company on May 24, 2024. For details, please refer to the *Announcement on the Resolutions of the 53rd Meeting of the third Board of Directors of CSCEC*, the *Announcement on the Resolutions of the 27th Meeting of the third Board of Supervisors of CSCEC*, and the *Announcement on Partial Repurchase of Phase IV Restricted A Shares from Participants of CSCEC* released by the Company on January 10, 2024, and the *Announcement on the Resolutions of the 2023 General Meeting of Shareholders of CSCEC* released by the Company on May 25, 2024.

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 on Partial Repurchase and Cancellation of Shares under the Phase IV Restricted A Share Incentive Schemes to Reduce the CSCEC's Registered Capital and Notification to Creditors*, published on May 25, 2024. 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

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 CSCEC* 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.

Since the restricted shares held by some participants under 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 53rd meeting of the third Board of Directors and the 27th meeting of the third Board of Supervisors, and the 2023 General Meeting of Shareholders.

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

According to the *Proposal on Granting the Phase IV Restricted A Share Incentive Scheme of CSCEC* adopted in the 50th meeting of the second Board of Directors on December 23, 2020, the grant 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).

According to Articles 32 of the *Phase IV Restricted A Share Incentive Scheme*, if a participant becomes an independent director, supervisor, or another person who is not allowed to hold the Company's restricted shares, or if the participant mutually agrees with the Company to terminate or rescind the labor contract or employment contract with the Company, all unvested restricted shares or any restricted shares that do not meet the unlocking conditions according to the regulations will not be unlocked. The Company will repurchase these shares at the grant price of RMB 3.06 per share (excluding interest).

The Company will use its own funds to repurchase the restricted shares, with the total repurchase price amounting to RMB 30,694,678.86 (including interest). This excludes any fees to be borne by the Company, such as transfer fees and stamp duties associated with the repurchase.

(III) Personnel and Quantity of Shares Involved in the Repurchase and Cancellation

This repurchase and cancellation of restricted shares involves 75 participants under the Phase IV Restricted A Share Incentive Scheme, with a total of 9,630,000 restricted shares to be repurchased and cancelled. Upon completion of this repurchase and cancellation, the remaining restricted shares under the scheme will total 289,932,000 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 August 19, 2024.

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

Following this repurchase and cancellation, the Company's registered capital, or total equities, will be reduced by RMB 9,630,000 (shares), bringing the remaining registered capital, or total equities, to RMB 41,610,322,444 (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 written off	Quantity	Percentage
	(share)	(%)	(share)	(share)	(%)
Circulating shares subject to trading moratorium	299,562,000	0.72	-9,630,000	289,932,000	0.70
Circulating shares not subject to trading moratorium	41,320,390,444	99.28	0	41,320,390,444	99.30
Total shares	41,619,952,444	100.00	-9,630,000	41,610,322,444	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 provisions of the Company's Equity Incentive Scheme and restricted share grant arrangements. Furthermore, the repurchase will not harm the legitimate rights and interests of the participants or creditors.

The Company 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

Lawyer from King & Wood Mallesons (Beijing) issued the following 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 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 complete procedures for reducing registered capital and share cancellation registration in accordance with the *Company Law* and other laws and regulations, as well as fulfill the corresponding information disclosure obligations required by law.

VI. Annex to Announcement Online

Legal Opinions of King & Wood Mallesons (Beijing) on Matters Concerning the Partial Repurchase and Cancellation of Restricted Shares under the Phase IV Restricted A Share Incentive Schemes of CSCEC.

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited

August 14, 2024