

Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2025-001



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

## Announcement on Repurchase and Cancellation of 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: Due to the Company's failure to meet the performance targets required for the unlocking of the third tranche of restricted shares under the *Phase IV Restricted A Share Incentive Schemes*, the Company decided, upon deliberation and approval, to repurchase all of the restricted shares from the third tranche of the *Phase IV Restricted A Share Incentive Schemes*.
- Details on the cancellation of shares

| Number of shares to be repurchased | Number of shares to be cancelled | Cancellation date |
|------------------------------------|----------------------------------|-------------------|
| 289,932,000                        | 289,932,000                      | January 07, 2025  |

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

### I. Decision on and Information Disclosure of this Repurchase and Cancellation

On October 25, 2024, the fourth Board of Directors and the fourth Board of Supervisors of CSCEC deliberated on and passed the "Proposal on the Repurchase and Cancellation of the Third Tranche of Restricted Shares under the Phase IV Restricted A Share Incentives of CSCEC" in their 5th and 2nd meetings, respectively. It was decided that the Company would repurchase and cancel a total of 289,932,000 restricted shares, which were intended to be unlocked in the third tranche by 2,652 participants under the Phase IV Restricted A Share Incentive Scheme. For details, please refer to the *Announcement on the Resolutions of the Fifth Meeting of the Fourth Board of Directors of China State Construction Engineering Corporation Limited*, the *Announcement on the Resolutions of the Second Meeting of the Fourth Board of Supervisors of China State Construction Engineering Corporation Limited*, and the *Announcement on the Repurchase and Cancellation of the Third Tranche of Shares in 2024 under the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* released by the Company on October

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26, 2024.

On November 15, 2024, the *Proposal on the Third Tranche of Repurchasing and Cancelling Shares in 2024 under the Phase IV Restricted A Share Incentive Scheme of CSCEC* was reviewed and adopted on the second extraordinary general meeting of the Company in 2024. For details, please refer to the *Resolution of the Second Extraordinary General Meeting of 2024 of CSCEC* released by the Company on November 16, 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 Repurchase and Cancellation of Third Tranche of Restricted Shares under the Phase IV Restricted A Share Incentive Schemes to Reduce the CSCEC's Registered Capital and Notification to Creditors*, published on November 16, 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**

In accordance with the *Administrative Measures for Equity Incentives of Listed Companies*, and the *Phase IV Restricted A Share Incentive Scheme of CSCEC* adopted on the Company's third extraordinary general meeting in 2020, due to the Company's failure to meet the performance targets required for unlocking the third tranche of restricted stocks under the Phase IV Restricted A Share Incentive Scheme in 2024, the restricted stocks scheduled for unlocking this year cannot be unlocked. The Company will 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*.

Upon approval by the Company's 5th meeting of the Fourth Board of Directors, the 2nd meeting of the Fourth Board of Supervisors, and the 2024 Second Extraordinary General Meeting, the Company has resolved to repurchase all of the third tranche restricted stocks under Phase IV Restricted A Share Incentive Schemes.

### **(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.

As per Article 37 of the Phase IV Restricted A Share Incentive Scheme of CSCEC, 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 on the trading day preceding the Board of Directors' review of the repurchase) or the granting price (excluding interest). Accordingly, the repurchase price for this repurchase and cancellation is RMB 3.06 per share.

All the funds that the Company uses to repurchase the restricted shares are its own funds, and the total repurchase price is RMB 887,191,920, 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**

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This repurchase and cancellation of restricted shares involve 2,652 participants, with a total of 289,932,000 restricted shares to be repurchased and cancelled. Upon completion, no restricted shares will remain under the scheme.

#### **(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 January 07, 2025.

### **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 289,932,000 (shares), bringing the remaining registered capital, or total equities, to RMB 41,320,390,444 (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     | 289,932,000       | 0.70       | -289,932,000                 | 0                | 0          |
| Circulating shares not subject to trading moratorium | 41,320,390,444    | 99.30      | 0                            | 41,320,390,444   | 100.00     |
| Total shares                                         | 41,610,322,444    | 100.00     | -289,932,000                 | 41,320,390,444   | 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.

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## **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 on Relevant Matters Regarding Third Tranche of Share Repurchase and Cancellation in 2024 under Phase IV Restricted A Share Incentive Scheme of CSCEC.

The above is hereby announced.

The Board of Directors of China State Construction Engineering Corporation Limited  
January 2, 2025