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Stock code: 601668

Abbreviation: CSCEC

No.: Interim 2020-114



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

## Announcement on Partial Repurchase of Phase II and III 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 260.13 million restricted shares to 1,575 Participants under the Phase II Restricted A Share Incentive Scheme on December 29, 2016. 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. In accordance with the *Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* (hereinafter, the "Phase II Share Scheme") and the *Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited* (hereinafter, the "Phase III Share Scheme"), a total of 156 participants triggered the share repurchase conditions. According to the relevant resolution adopted by the 51st meeting of the Company's 2nd Board of Directors and the 34th meeting of the 2nd 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

3. 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 II Share Scheme* and 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 II Share Scheme* and Article 31 of the *Phase III Share Scheme*, in the event that a Participant falls into the circumstances of job transfer, dismissal, retirement, demise, or loss of civil capacity, the unlockable portion

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of restricted shares may be unlocked within six months after the date of separation of the Participant, provided that the restricted shares granted thereto have covered the Lock-up Period and met performance assessment criteria in the current year. Restricted shares that do not meet the aforementioned conditions may not be unlocked.

According to Article 32 of the *Phase II Share Scheme*, in any of the following circumstances, none of the still locked 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 resigns during the validity period of the labor contract, is subject to dismissal by the Company, or reaches a separation agreement with the Company;
3. The Participant's labor contract is not renewed upon expiry;
4. The Participant no longer qualified for the Scheme, for he/she is incompetent for his/her position, fails to pass the performance assessment, or is found to be negligent or in violation of any laws or regulations;
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);

According to Article 32 of the *Phase III 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 Articles 37 of the *Phase II Share Scheme* and Articles 37 of the *Phase III Share Scheme*, in the event that the Company or a Participant falls under circumstances other than those specified above, the Board of Directors shall handle the restricted shares held thereby in line with the principles specified above.

According to the foregoing provisions, the Company shall repurchase the restricted shares held by 156 Participants (including 37 Participants from whom the restricted shares held thereby under the Phase II and III Share Schemes shall be repurchased

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simultaneously) at the price at which the shares were granted (without accruing 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 II Restricted A Share Incentive Scheme*, the granting price is RMB 4.866 per share. According to the *Announcement on Resolutions of the 10th Meeting of the 2nd Board of Directors of China State Construction Engineering Corporation Limited*, following a conversion of capital reserves into equities (hereinafter, the "ex-right event"), the granting price was adjusted from RMB 4.866 per share to RMB 3.47571 per share, and the total number of restricted shares was also adjusted accordingly; thereafter, in the event of a share repurchase under the *Phase II Share Scheme*, the total repurchase price shall not be modified due to the adjustment in the number or price of shares. In accordance with the *Phase II Restricted Share Incentive Scheme*, the repurchase price is determined based on the adjusted granting price, i.e. RMB 3.47571 per share, without accruing interest.

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. In accordance with the *Phase III Restricted Share Incentive Scheme*, the repurchase price is RMB 3.468 per share, without accruing interest.

## **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 shares to be repurchased this time under Phase II and Phase III Share Schemes is 11,511,000, accounting for 0.0274% of the Company's total equities. Wherein, 4,067,000 restricted shares (or 2.905 million shares before the ex-right event) granted in Phase II will be purchased, accounting for 1.12% of the total number (364,182,000) of restricted shares granted in Phase II (260,130,000 before the ex-right event), and 0.0097% of the Company's total equities; 7,444,000 restricted shares granted in Phase III will be repurchased, accounting for 1.24% of the total number (599.91 million) of restricted shares granted in Phase III, and 0.0177% of the Company's total equities.

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

The total repurchase price will be RMB 39,951,522, 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

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

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

1. Resolutions of the 51st Meeting of the 2nd Board of Directors of China State Construction Engineering Corporation Limited
2. Resolutions of the 34th Meeting of the 2nd 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 29, 2020