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

## China State Construction Engineering Corporation Limited Dividend Distribution Plan for the Next Three Years (2021-2023)

To raise awareness of rewarding shareholders, and generate sustained, stable, and reasonable investment returns for shareholders, the China State Construction Engineering Corporation Limited (the "Company") has formulated the Dividend Distribution Plan (the "Plan") for the following three years (2021-2023) in full view of its actual operation and future development. The Plan is formulated under *the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Notice of CSRC on Issues Concerning Further Implementation of Listed Companies' Cash Dividend Distribution, No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies* and other relevant laws and regulations, normative documents, and the Company's *Articles of Association*.

### I. Guiding principles

In addition to complying with relevant laws and regulations, regulatory requirements and related provisions of the *Articles of Association*, the Company shall also take its actual operation, long-term interests, and the interests of all shareholders into full consideration to implement a sustained and stable profit distribution scheme, so as to safeguard the legitimate rights and interests of shareholders while providing investors with reasonable returns and satisfying the Company's needs for funds and sustainable development.

The Company has formulated the Plan from a long-term and sustainable development perspective in accordance with its current development, development goals, shareholders' expectations and requirements, external financing environment, and its development prospects and strategic plan in the following three years.

### II. Dividends distribution arrangement

#### (I) Ways of profit distribution

The Company may distribute profits to common shareholders in cash, stock, the combination of the two, or in other ways that comply with laws and regulations. The Company should give priority to the cash dividends when possible. The Company may also adopt stock dividends and other ways to distribute profits in view of its annual earnings and cash flow status as well as its amount of share capital and equity structure, provided that it has fulfilled the required cash dividend obligation.

#### (II) Requirements and ratio of cash dividend

Except for extraordinary circumstances specified by the Board of Directors, the Company shall distribute profits in cash to its common shareholders on the condition that there are distributable profits after it makes up for losses, accrues statutory reserve funds, pays its agreed dividends to preferred shareholders, and an auditor issues a standard unqualified audit report on its annual financial report. The Company's profits distributed in cash for each of the next three years shall be no less than 16% of the distributable profits in the current year, and the accumulated cash dividends in the last

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three years shall be no less than 30% of the average annual distributable profits realized during the same period.

### **III. Decision-making and supervision mechanisms**

1. The Plan is formulated by the Board of Directors in accordance with relevant laws and regulations, regulatory requirements, the Company's *Articles of Association*, and the Company's reality. It is also widely solicited the opinions of shareholders, independent directors, and the board of supervisors. After deliberation and approval by the Board of Directors, it shall be submitted to the shareholders' meeting for deliberation and approval before implementation.

2. The Board of Directors of the Company shall give full play to its role in decision-making and strategic management, promote and supervise the implementation of the Plan, and disclose the formulation and implementation of the profit distribution scheme in detail in the annual report. If the Company fails to formulate its annual profit distribution scheme in accordance with the Plan, it shall specify the reasons, together with the exact use of retained undistributed profits and its earning details in the annual report, and the independent directors shall give opinions on these matters.

3. The Company shall implement the Plan. If the Company is unable to determine the profit distribution scheme for the current year in accordance with the established cash dividend policy or the minimum cash dividend payout ratio due to force majeure or material changes in external business environment which causes a material adverse impact on the Company's operations, and the Board of Directors deems it necessary to adjust the profit distribution policy, the Board shall formulate an adjustment plan and submit it to the shareholders' meeting for approval.

4. The Company encourages the minority investors and institutional investors to engage in the decision-making for profit distribution. The specific cash dividend plan shall be open to the opinions and appeals of minority shareholders whose concerns shall be responded in a timely manner before the plan is submitted to the shareholders' meeting for approval.

### **IV. Supplementary provisions**

1. Matters not covered in the Plan shall be implemented in accordance with relevant laws, regulations, regulatory requirements, and the *Articles of Association*.

2. The Plan is only applicable to the Company's common shareholders. The dividend distribution of preferred stakeholders shall be implemented in line with the *Articles of Association* and the issuance plan.

3. The Plan shall be interpreted by the Board of Directors of the Company.