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INNER MONGOLIA ENERGY ENGINEERING CO., LTD.

內蒙古能源建設投資股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01649)

QUARTERLY UPDATE ON RECENT DEVELOPMENT ON SUSPENSION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Inner Mongolia Energy Engineering Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 14 June 2019, 13 September 2019, 13 December 2019 and 13 March 2020.

According to the latest development, the investigation for PricewaterhouseCoopers Management Consulting (Shanghai) Limited (“**PricewaterhouseCoopers**”) forensic review has been fully completed. PricewaterhouseCoopers issued a forensic review report on 13 March 2020. As the auditor of the Company needs to further prepare the 2018 audit report of the Company based on the results of the forensic review report, the Company will postpone the publication of the audited annual results for 2018 accordingly.

BUSINESS OPERATION

The Group's main business operations include:

Construction Contracting:

In the first quarter of 2020, the construction contracting segment recorded a year-on-year decrease in the business volume as the Company was affected by the “COVID-19” pandemic and the winter construction, with the greatest influence seen in February. As projects commence or resume work in succession and the market development efforts are further strengthened, the production and operation will witness an improvement in the second quarter of 2020.

Survey, Design and Consultancy Operation:

As the new installed power generation capacity, the new AC power transformation equipment capacity in the infrastructure sector and the length of transmission lines across the country registered a year-on-year decrease in the first quarter of 2020, the segment of survey, design and consultancy operation of the Company recorded certain decrease in the business volume. Leveraging the position advantage, the Company actively explored development in markets related to the rural network and the distribution network.

Power Operation:

In the first quarter of 2020, the new energy power stations of the Company ran normally.

Goods Trading Operation:

In 2020, the Company gave preference to its trade operation and chains and maintained appropriate efforts in development of trading operation in due course in the first quarter.

FURTHER ANNOUNCEMENT(S) ON MATERIAL INFORMATION AND PROGRESS

The Company has published announcements from time to time in accordance with the Listing Rules and on a voluntary basis to inform its shareholders and the market of the status and latest development of the Group so that the shareholders and the public investors can obtain important information necessary for assessing the status of the Group. The Company will make further announcement(s) on the material development and progress in relation to the fulfillment of the resumption conditions (as defined in the announcements of the Company dated 10 May 2019, 9 September 2019 and 8 April 2020) in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 18 March 2019 and will remain suspended until further notice, pending the publication of the 2018 annual results of the Company, which is subject to subsequent necessary further actions.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
Inner Mongolia Energy Engineering Co., Ltd.
Niu Jirong
Chairman

Inner Mongolia, PRC, 11 June 2020

As at the date of this announcement, the executive directors of the Company are Mr. Niu Jirong and Mr. Chao Ketu; the non-executive director of the Company is Mr. Chen Ming; and the independent non-executive directors of the Company are Mr. Yue Jianhua, Mr. Yao Tongshan and Mr. Mui Chok Wah.