中国能建
ENERGY CHINA

中國能源建設股份有限公司
CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

FULL-YEAR FINANCIAL HIGHLIGHTS

For the year ended 31 December 2017:

The revenue of the Company was RMB234,370.1 million, representing an increase of 5.49% as compared with last year.

Net profit attributable to equity shareholders of the Company was RMB5,261.1 million, representing an increase of 22.89% as compared with last year.

Basic earnings per share was RMB0.18 per share, representing an increase of RMB0.04 per share as compared with last year.

The Board recommends the payment of a final dividend of RMB0.0306 per share (tax inclusive) for the year ended 31 December 2017, with a total amount of dividends of approximately RMB919.61 million (the Company paid a final dividend of RMB0.0296 per share (tax inclusive) for the year 2016).

The board (the "**Board**") of directors (the "**Directors**") of China Energy Engineering Corporation Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017, together with the comparative figures of last year.

* *for identification purpose only*

FINANCIAL INFORMATION

Financial information extracted from the audited consolidated financial statements for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017
(Expressed in Renminbi)

	Note	2017 RMB'000	2016 RMB'000
Revenue	5	**234,370,110**	222,171,025
Cost of sales		**(206,741,440)**	(196,858,214)
Gross profit		**27,628,670**	25,312,811
Other income		**3,095,879**	1,574,174
Other net gains and losses	6	**(245,458)**	69,733
Selling expenses		**(2,085,930)**	(2,058,148)
Administrative expenses		**(11,091,892)**	(10,256,072)
Research and development expenses		**(3,495,380)**	(2,835,672)
Finance income	7	**715,191**	581,211
Finance costs	7	**(3,077,702)**	(2,671,207)
Share of profits/(losses) of joint ventures		**301,386**	(7,703)
Share of profits/(losses) of associates		**210,498**	(62,054)
Profit before tax		**11,955,262**	9,647,073
Income tax	8	**(2,891,021)**	(2,208,492)
Profit for the year		**9,064,241**	7,438,581
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
– Remeasurement of defined benefit obligations		**894,178**	436,199
– Income tax relating to remeasurement of defined benefit obligations		**(14,625)**	(20,802)
		879,553	415,397

	Note	2017 RMB'000	2016 RMB'000
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		**(193,944)**	(70,759)
– Net fair value loss on available-for-sale financial assets		**(330,806)**	(456,584)
– Reclassification adjustment to profit or loss on disposal of available-for-sale financial assets		**(543,683)**	(659)
– Income tax relating to items that may be reclassified subsequently to profit or loss		**129,441**	270,623
		(938,992)	(257,379)
Other comprehensive income for the year, net of income tax		**(59,439)**	158,018
Total comprehensive income for the year		**9,004,802**	7,596,599
Profit for the year attributable to:			
Equity shareholders of the Company		**5,261,145**	4,281,292
Holders of perpetual capital instruments		**292,447**	301,104
Non-controlling interests		**3,510,649**	2,856,185
		9,064,241	7,438,581
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**5,538,481**	4,489,263
Holders of perpetual capital instruments		**292,447**	301,104
Non-controlling interests		**3,173,874**	2,806,232
		9,004,802	7,596,599
Earnings per share			
– Basic and diluted *(RMB)*	9	**0.18**	0.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017
(Expressed in Renminbi)

	Note	**2017** *RMB'000*	2016 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**30,781,364**	29,532,087
Prepaid lease payments		**8,130,103**	8,213,342
Investment properties		**611,065**	644,009
Intangible assets		**23,606,431**	15,993,386
Investments in joint ventures		**3,387,187**	3,566,814
Investments in associates		**4,179,464**	3,339,963
Goodwill		**1,375,110**	1,287,918
Available-for-sale financial assets		**8,592,521**	6,642,004
Deferred tax assets		**1,702,844**	1,413,215
Trade receivables	*11*	**16,573,131**	5,576,038
Prepayments, deposits and other receivables		**2,049,215**	1,881,948
Other loans		**–**	1,837,763
Finance lease receivables		**569,230**	–
		101,557,665	79,928,487
CURRENT ASSETS			
Inventories		**11,565,777**	9,494,128
Properties under development for sale		**40,718,775**	24,860,970
Completed properties for sale		**2,510,362**	1,447,443
Amounts due from customers for construction contracts		**34,473,565**	23,804,689
Trade and bills receivables	*11*	**55,479,403**	53,633,187
Prepayments, deposits and other receivables		**41,009,007**	45,956,578
Prepaid lease payments		**229,150**	213,687
Other loans		**4,267,544**	1,434,536
Financial assets at fair value through profit or loss		**52,167**	70,182
Finance lease receivables		**159,295**	–
Pledged deposits		**3,453,706**	2,698,576
Bank and cash balances		**48,410,641**	49,115,058
		242,329,392	212,729,034
CURRENT LIABILITIES			
Trade and bills payables	*12*	**90,139,818**	74,361,988
Amounts due to customers for construction contracts		**7,278,552**	5,734,119
Other payables and accruals		**55,576,402**	47,275,838
Income tax payable		**1,441,301**	1,323,432
Bank and other borrowings		**37,969,971**	23,099,999
Defined benefit obligations		**596,887**	810,612
Corporate bonds		**11,231,753**	10,692,168
Finance lease payables		**902**	299,979
Provisions		**101,503**	144,091
		204,337,089	163,742,226
NET CURRENT ASSETS		**37,992,303**	48,986,808
TOTAL ASSETS LESS CURRENT LIABILITIES		**139,549,968**	128,915,295

	2017 *RMB'000*	2016 *RMB'000*
NON-CURRENT LIABILITIES		
Other payables and accruals	**1,099,926**	63,609
Bank and other borrowings	**32,549,797**	28,038,320
Finance lease payables	**–**	490
Corporate bonds	**15,139,976**	16,229,316
Defined benefit obligations	**9,210,517**	9,075,014
Deferred tax liabilities	**908,608**	964,669
Deferred revenue	**785,434**	554,878
	59,694,258	54,926,296
NET ASSETS	**79,855,710**	73,988,999
Capital and reserves		
Issued share capital	**30,020,396**	30,020,396
Reserves	**18,933,039**	14,372,896
Equity attributable to equity shareholders of the Company	**48,953,435**	44,393,292
Perpetual capital instruments	**8,220,000**	10,100,000
Non-controlling interests	**22,682,275**	19,495,707
TOTAL EQUITY	**79,855,710**	73,988,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2017

1 GENERAL INFORMATION

The Company was established in the People's Republic of China ("**PRC**") on 19 December 2014 as a joint stock company with limited liability as part of the reorganisation of China Energy Engineering Group Co., Ltd. ("**ENERGY CHINA GROUP**") in preparation for the listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the Company's registered office is Building No.106 Lize Zhongyuan, Chaoyang District, Beijing, the PRC. In the opinion of the Directors, ENERGY CHINA GROUP is the immediate and ultimate holding company of the Company.

The Company is listed on the Main Board of the Stock Exchange on 10 December 2015.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the functional currency of the Company and its PRC subsidiaries.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable International Financial Reporting Standards, International Accounting Standards ("**IAS**") and interpretations promulgated by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2017 comprise the Group and its interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale or as trading securities are stated at their fair value.

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 SIGNIFICANT JUDGEMENTS IN APPLYING ACCOUNTING POLICY

De facto control over subsidiary

China Gezhouba Group Company Limited (中國葛洲壩集團有限公司) ("**CGGC Group**"), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. There is a subsidiary of CGGC Group, China Gezhouba Group Stock Company Limited ("**CGGC**"), in which the Company indirectly has less than 50% ownership interest and voting rights. The Group's management exercises its critical judgement when determining whether the Group has de facto control over an entity by evaluating its influence over the entity which includes, but is not limited to:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

5 REVENUE AND SEGMENT INFORMATION

Segment revenue and results

For the year ended 31 December 2017

	Survey, design and consulting services *RMB'000*	Construction and contracting *RMB'000*	Equipment manufacturing *RMB'000*	Civil explosives and cement production *RMB'000*	Investment and other businesses *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue							
External segment revenue	13,031,410	159,984,898	8,760,835	9,711,522	42,881,445	–	234,370,110
Inter-segment revenue	251,193	8,766,801	1,486,582	–	931,869	(11,436,445)	–
Segment revenue	13,282,603	168,751,699	10,247,417	9,711,522	43,813,314	(11,436,445)	234,370,110
Segment results	2,769,556	6,432,133	23,245	1,547,863	2,857,569	(166,364)	13,464,002
Unallocated items							
Cost of sales							(1,076)
Other income							963,556
Other net gains and losses							(245,458)
Selling expenses							(7,599)
Administrative expenses							(361,093)
Research and development expenses							(6,443)
Finance income							715,191
Finance costs							(3,077,702)
Share of profits of joint ventures							301,386
Share of profits of associates							210,498
Profit before tax							11,955,262

For the year ended 31 December 2016

	Survey, design and consulting services *RMB'000*	Construction and contracting *RMB'000*	Equipment manufacturing *RMB'000*	Civil explosives and cement production *RMB'000*	Investment and other businesses *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue							
External segment revenue	12,031,568	155,114,125	9,843,086	8,328,458	36,853,788	–	222,171,025
Inter-segment revenue	941,056	5,944,043	627,992	–	644,454	(8,157,545)	–
Segment revenue	12,972,624	161,058,168	10,471,078	8,328,458	37,498,242	(8,157,545)	222,171,025
Segment results	2,234,281	4,655,183	127,752	1,265,532	3,213,938	(217,390)	11,279,296
Unallocated items							
Cost of sales							(1,188)
Other income							823,845
Other net gains and losses							69,733
Selling expenses							(8,717)
Administrative expenses							(349,635)
Research and development expenses							(6,508)
Finance income							581,211
Finance costs							(2,671,207)
Share of losses of joint ventures							(7,703)
Share of losses of associates							(62,054)
Profit before tax							9,647,073

Geographical information

The Group's operations and non-current assets are mainly located in Mainland China. The geographical information about its revenue and non-current assets prepared by location of customers is as follows:

	2017	2016
	RMB'000	*RMB'000*
Segment revenue		
Mainland China	**194,560,129**	189,345,923
Overseas:		
Pakistan	**8,856,767**	6,776,712
Vietnam	**4,424,902**	3,251,735
Indonesia	**3,670,129**	2,194,411
Angola	**3,405,500**	1,879,149
Others	**19,452,683**	18,723,095
Total	**234,370,110**	222,171,025

	2017	2016
	RMB'000	*RMB'000*
Non-current assets		
Mainland China	**69,146,540**	62,356,062
Overseas:		
Pakistan	**2,514,684**	221,018
Vietnam	**1,261,572**	895,516
Kazakhstan	**158,120**	–
Liberia	**141,014**	152,459
Kuwait	**118,016**	–
Angola	**76,615**	35,137
Qatar	**70,521**	78,142
Others	**452,857**	541,133
Total	**73,939,939**	64,279,467

Non-current assets exclude financial instruments and deferred tax assets.

Revenue from major customers

There is no major individual customers contributing over 10% of the total revenue of the Group for the year ended 31 December 2017 (2016: nil).

Segment assets and liabilities

Information reported to the chief operating decision maker for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

6 OTHER NET GAINS AND LOSSES

	2017	2016
	RMB'000	*RMB'000*
Net foreign exchange (loss)/gain	**(476,797)**	304,220
Gain/(loss) on disposals of:		
– Associates	**–**	44,248
– Financial assets at fair value through profit or loss	**211**	14,338
– Available-for-sale financial assets	**210,986**	2,778
– Property, plant and equipment	**60,897**	32,971
– Prepaid lease payments	**4,053**	351,739
– Subsidiaries	**3,238**	230,045
– Intangible assets	**(65)**	(306)
Impairment loss recognised in respect of:		
– Trade receivables	**(492,234)**	(443,151)
– Other receivables	**(9,291)**	(333,835)
– Available-for-sale financial assets	**(26,172)**	–
– Property, plant and equipment	**(10,930)**	(314,088)
– Prepaid lease payments	**(551)**	(5,491)
– Investment properties	**–**	(867)
Fair value changes of financial assets at fair value through profit or loss	**(14,521)**	(15,217)
Excess of fair value of the previously-held interests in a joint venture	**–**	111,161
Cumulative gain on disposal of available-for-sale financial assets *(note)*	**543,683**	659
Others	**(37,965)**	90,529
Total	**(245,458)**	69,733

Note

During the year ended 31 December 2017, the Group disposed of certain available- for-sale securities, and the cumulative gain recognised in other comprehensive income in relation to these securities disposed of was RMB544 million, which was then reclassified from other comprehensive income to profit or loss.

7 FINANCE INCOME AND FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest income on:		
Bank and cash balances and pledged deposits	**472,000**	310,420
Other loans	**191,759**	203,990
Defined benefit plan assets	**51,432**	66,801
Total finance income	**715,191**	581,211
Interest expenses on:		
Bank and other borrowings	**2,856,061**	3,202,360
Corporate bonds	**967,231**	529,930
Finance leases	**32,514**	22,586
Discounted bills	**101,979**	41,614
Short-term financing notes	**–**	96,319
Defined benefit obligations	**367,560**	286,262
	4,325,345	4,179,071
Less: Interest capitalised in		
– Construction in progress	**(151,839)**	(93,467)
– Properties under development for sale	**(1,095,804)**	(1,414,397)
Total finance costs	**3,077,702**	2,671,207

Borrowing costs were capitalised to the qualifying assets based on the effective interest rates of bank and other borrowings, corporate bonds and short-term financing notes. The borrowing costs have been capitalised at rates of 3.80% to 8.00% for the year ended 31 December 2017 (2016: 3.80% to 8.40%).

8 INCOME TAX

	2017	2016
	RMB'000	*RMB'000*
Current enterprise income tax	**2,769,307**	2,150,015
Deferred tax	**(230,874)**	(150,131)
Land appreciation tax ("**LAT**")	**352,588**	208,608
	2,891,021	2,208,492

Most of the subsidiaries of the Company are located in Mainland China. The provision for income tax is calculated based on a statutory rate of 25% under the relevant Corporate Income Tax Law of the PRC and the respective regulations, except for certain preferential treatments available to the Company's subsidiaries, which were exempted or taxed at a preferential rate of 15% during the reporting period primarily due to their status as entities engaging in technology development or development projects in the western part of Mainland China.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of RMB5,261 million (2016: RMB4,281 million) and the weighted average of 29,875,307,000 ordinary shares in issue during the year ended 31 December 2017 (2016: 30,013,486,000 shares).

The weighted average number of ordinary shares is calculated as follows:

	2017	2016
	'000	*'000*
Issued ordinary shares at 1 January	**30,020,396**	29,600,000
Effect of exercise of over-allotment	**–**	413,486
Effect of shares under restricted share incentive scheme purchase	**(145,089)**	–
Weighted average number of ordinary shares at 31 December	**29,875,307**	30,013,486

Given vesting condition of restricted shares are subject to achievement of financial performance of the Company and individual performance assessment of participants over the unlocking period, there was no dilutive effect arising from restricted share incentive scheme for the year ended 31 December 2017.

10 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

During the current year, a final dividend of RMB0.0296 per share in respect of the year ended 31 December 2016 was approved at the annual general meeting of the Company held on 8 June 2017. The aggregate amount of the final dividends of the year ended 31 December 2016 approved and paid in the current year amounted to RMB889 million, paid to the holders of 30,020,396,000 shares.

A final dividend of RMB0.0306 per share in respect of the year ended 31 December 2017, comprising 30,020,396,000 shares existing as at 31 December 2017, has been proposed by the Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2017	2016
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.0296 per share (2016: RMB0.00416 per share)	**888,604**	124,885

11 TRADE AND BILLS RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**54,427,426**	44,659,392
Retention receivables	**10,358,119**	7,935,233
Less: allowance of doubtful debts	**(3,282,441)**	(2,803,199)
	61,503,104	49,791,426
Bills receivable	**5,221,724**	4,799,663
Build-transfer ("**BT**")/Build-operating-transfer ("**BOT**") project receivables	**5,327,706**	4,618,136
Total trade and bills receivables	**72,052,534**	59,209,225
Analysed for financial reporting purpose:		
Non-current	**16,573,131**	5,576,038
Current	**55,479,403**	53,633,187
	72,052,534	59,209,225

Trade and bills receivables of the Group primarily represent receivables from grid and power generation companies. The credit terms granted to its trade customers mainly ranged from 30 days to 180 days, except for the retention receivables and certain receivables from BT and BOT projects.

Retention receivables are withheld by customers up to a maximum amount calculated based on a prescribed percentage of the construction contract amount. Retention terms of 12 to 24 months after the completion of construction contracts may be granted to customers and debtors for retentions receivable, depending on the market practice of construction industries in countries where construction contracts are carried out and credit assessment carried out by management on an individual customer or debtor basis. The trade receivables arising from BT and BOT projects are unsecured and are repayable by instalments over a 4 to 30 years period during or after the completion of the construction of the underlying projects.

As at 31 December 2017, the Group pledged its trade receivables from grid companies amounting to approximately RMB410 million (31 December 2016: RMB460 million) to secure loan facilities granted to the Group.

During the year, one subsidiary of the Group entered into an asset based security arrangement (the "**ABS Arrangement**") with Huatai Securities Co., Ltd (the "**Huatai Securities**"). According to the ABS Arrangement, the Group transferred receivables amounting to RMB522 million to a special purpose vehicle (the "**SPV**") set up by the Huatai Securities. The SPV issued securities to independent investors then. Upon the completion of transfer, the Group has transferred substantially all the risks and rewards of ownership of such receivables. Thus, the balance of receivables has been derecognised in these consolidated financial statements.

(a) Ageing analysis

The following is an analysis of trade and bills receivables by age, net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
0 to 6 months	**48,959,537**	39,773,585
6 months to 1 year	**8,033,600**	7,655,659
1 year to 2 years	**8,169,220**	5,947,042
2 years to 3 years	**3,573,992**	2,984,576
3 years to 4 years	**1,727,523**	1,357,346
4 years to 5 years	**839,368**	670,758
Over 5 years	**749,294**	820,259
	72,052,534	59,209,225

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly. The movements in the allowance of doubtful debts including both specific and collective loss components are set out as follows:

	2017	2016
	RMB'000	*RMB'000*
At the beginning of the year	**2,803,199**	2,375,139
Impairment losses recognised	**492,234**	443,151
Written off	**(20,091)**	(15,339)
Elimination on disposal of subsidiaries	**–**	(164)
Exchange adjustment	**–**	412
Others	**7,099**	–
At the end of the year	**3,282,441**	2,803,199

(c) Trade and bills receivables that are not impaired

An ageing analysis of the trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**68,221,092**	55,537,077
Less than 6 months past due	**149,597**	422,513
6 months to 1 year past due	**57,818**	125,893
1 to 2 years past due	**189,775**	208,367
2 to 3 years past due	**97,658**	82,373
3 to 4 years past due	**32,154**	1,321
4 to 5 years past due	**1,254**	4,430
Over 5 years past due	**20,745**	24,052
Subtotal	**549,001**	868,949
	68,770,093	56,406,026

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Related parties of trade and bills receivables

The amounts due from ultimate holding company, fellow subsidiaries, joint ventures and associates included in the trade and bills receivables are analysed as follows:

	2017	2016
	RMB'000	*RMB'000*
Ultimate holding company	**119**	778
Fellow subsidiaries	**12,088**	15,792
Joint ventures	**128,395**	86,000
Associates	**5,051,323**	1,113,990
Total	**5,191,925**	1,216,560

The above amounts are unsecured and interest-free. The Group has not granted any credit periods to related-parties. All balances are past due but not impaired and aged within one year. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(e) Foreign currency of trade and bills receivables

Trade receivables denominated in currencies other than the functional currencies of respective entities are set out below:

	2017	2016
	RMB'000	*RMB'000*
United States Dollar ("**USD**")	**640,531**	1,411,584
Others	**182,930**	278,482
	823,461	1,690,066

12 TRADE AND BILLS PAYABLES

	2017	2016
	RMB'000	*RMB'000*
Trade payables	**83,770,646**	69,459,841
Bills payable	**6,369,172**	4,902,147
	90,139,818	74,361,988

The credit period on purchases of goods or services ranges from 30 days to 180 days.

As at 31 December 2017, retention payables of RMB5,713 million (31 December 2016: RMB3,012 million) was included in trade and bills payables. Retention payables are interest-free and payable at the end of the retention periods of the respective construction contracts. The Group's normal operating cycle with respect to the construction contracts is usually more than one year.

The following is an ageing analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
Within 1 year	**76,069,115**	61,060,118
1 to 2 years	**6,181,565**	7,143,900
2 to 3 years	**4,117,945**	3,496,652
More than 3 years	**3,771,193**	2,661,318
	90,139,818	74,361,988

The amounts due to fellow subsidiaries and associates included in trade and bills payables are analysed as follows:

	2017	2016
	RMB'000	*RMB'000*
Fellow subsidiaries	**100,092**	78,458
Associates	**12,521**	17,249
	112,613	95,707

The above amounts due to related parties are unsecured, non-interest bearing and repayable on similar credit terms offered by other suppliers of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

1 OVERVIEW

In 2017, the Company achieved the revenue of RMB234,370.1 million, representing a year-on-year increase of 5.49%. Among which, revenue from international business was RMB39,810.0 million, representing a year-on-year increase of 21.28%; revenue from domestic business was RMB194,560.1 million, representing a year-on-year increase of 2.75%; revenue from power business was RMB153,204.6 million, representing a year-on-year increase of 2.02%; revenue from non-power business was RMB81,165.5 million, representing a year-on-year increase of 12.73%. The total profit before tax was RMB11,955.3 million, representing a year-on-year increase of 23.93%; net profit attributable to the equity shareholders of the Company was RMB5,261.1 million, representing a year-on-year growth of 22.89%.

2 CONSOLIDATED OPERATING RESULTS

Items	For the year ended 31 December **2017** ***(RMB in million)***	 2016 *(RMB in million)*	 Percentage of change *(%)*
Revenue	**234,370.1**	222,171.0	5.49
Cost of sales	**(206,741.4)**	(196,858.2)	5.02
Other income	**3,095.9**	1,574.2	96.66
Other net gains and losses	**(245.5)**	69.7	(452.22)
Selling expenses	**(2,085.9)**	(2,058.1)	1.35
Administrative expenses	**(11,091.9)**	(10,256.1)	8.15
Research and development expenses	**(3,495.4)**	(2,835.7)	23.26
Finance income	**715.2**	581.2	23.06
Finance costs	**(3,077.7)**	(2,671.2)	15.22
Share of profits/(losses) of joint ventures	**301.4**	(7.7)	–
Share of profits/(losses) of associates	**210.5**	(62.1)	–
Profit before tax	**11,955.3**	9,647.0	23.93
Income tax	**(2,891.1)**	(2,208.4)	30.91
Profit for the year	**9,064.2**	7,438.6	21.85

In 2017, the actual selling expenses of the Company amounted to RMB2,085.9 million, representing a year-on-year increase of 1.35%; the percentage of selling expenses to the revenue decreased from 0.93% in 2016 to 0.89% in 2017.

In 2017, the actual administrative expenses of the Company amounted to RMB11,091.9 million, representing a year-on-year increase of 8.15%, mainly due to the increase in personnel costs, depreciation and amortisation, and consulting expense for the current year. The percentage of administrative expenses to the revenue increased from 4.62% in 2016 to 4.73% in 2017.

In 2017, the actual finance costs of the Company amounted to RMB3,077.7 million, representing a year-on-year increase of 15.22%, mainly due to the increase in total debts of the Group, the percentage of finance costs to the revenue increased from 1.20% in 2016 to 1.31% in 2017.

3 OPERATING RESULTS BY SEGMENT

Industry segments	Industry segments of principal businesses (For the year ended 31 December) 2017			2016			Change in percentage (%)/ percentage points		
	Revenue	**Cost of sales**	**Gross profit margin**	Revenue	Cost of sales	Gross profit margin	Revenue	Cost of sales	Gross profit margin
	(RMB in million)		***(%)***	*(RMB in million)*		*(%)*			*(%)*
Survey, design and consulting services	**13,282.6**	**7,604.2**	**42.75**	12,972.6	7,614.6	41.30	2.39	(0.14)	1.45
Construction and contracting	**168,751.7**	**155,297.8**	**7.97**	161,058.2	150,017.7	6.85	4.78	3.52	1.12
Equipment manufacturing	**10,247.4**	**8,841.8**	**13.72**	10,471.1	8,719.8	16.73	(2.14)	1.40	(3.01)
Civil explosives and cement production	**9,711.5**	**6,934.0**	**28.60**	8,328.5	6,122.6	26.49	16.61	13.25	2.11
Investment and other businesses	**43,813.3**	**39,279.0**	**10.35**	37,498.1	32,300.4	13.86	16.84	21.61	(3.51)
Inter-segment elimination [(1)]	**(11,436.4)**	**(11,216.5)**	**–**	(8,157.5)	(7,918.1)	–	–	–	–
Unallocated items [(2)]	**–**	**1.1**	**–**	–	1.2	–	–	–	–
Total	**234,370.1**	**206,741.4**	**11.79**	222,171.0	196,858.2	11.39	5.49	5.02	0.40

Note:

(1) Inter-segment elimination mainly represents the provision of goods or services between business segments.

(2) Unallocated items mainly represent the provisions for impairment of inventories, which could not be attributed to any business segment.

The total revenue of the Company increased by 5.49% from RMB222,171.0 million in 2016 to RMB234,370.1 million in 2017. The increase was mainly attributable to the increase in foreign business of construction and contracting segment and the rapid growth of cement production segment and the environmental business of investment segment.

The cost of sales of the Company increased by 5.02% from RMB196,858.2 million in 2016 to RMB206,741.4 million in 2017, slightly lower than the increase in revenue for the same period.

The gross profit of the Company was RMB25,312.8 million and RMB27,628.7 million in 2016 and 2017, respectively, and the gross profit margin slightly increased from 11.39% to 11.79% in the same period.

3.1 Survey, design and consulting services business

This business generates revenue primarily from providing survey and design services for fossil-fuel, hydropower, nuclear, wind power, solar power projects and power grid projects in China and overseas. The Company also generates revenue from providing a wide range of consulting services in respect of power industry policies, as well as power project testing, assessment and supervision services.

Revenue before inter-segment elimination of survey, design and consulting services business of the Company increased by 2.39% from RMB12,972.6 million in 2016 to RMB13,282.6 million in 2017. Of which, revenue from international business was RMB1,038.5 million, revenue from domestic business was RMB12,244.1 million, and revenue from power business was RMB12,789.5 million and revenue from non-power business was RMB493.1 million,

Cost of sales before inter-segment elimination of survey, design and consulting services business of the Company remained relatively stable at RMB7,614.6 million and RMB7,604.2 million in 2016 and 2017, respectively.

Gross profit before inter-segment elimination of survey, design and consulting services business segment of the Company remained relatively stable at RMB5,358.0 million and RMB5,678.4 million in 2016 and 2017, respectively, and gross profit margin before inter-segment elimination slightly increased from 41.30% to 42.75% in the same period.

3.2 Construction and contracting business

This business generates revenue primarily from providing construction services in China and overseas.

Revenue before inter-segment elimination of construction and contracts business of the Company increased by 4.78% from RMB161,058.2 million in 2016 to RMB168,751.7 million in 2017. Of which, revenue from international business was RMB40,234.9 million, revenue from domestic business was RMB128,516.8 million, revenue from power business was RMB136,367.1 million, and revenue from non-power business was RMB32,384.6 million. This increase was mainly attributable to (i) an increase in business volume of overseas power business, particularly the increase in revenue from overseas hydropower projects, new energy projects and transmission and transformation projects; and (ii) an increase in revenue from non-power business brought by the increase in Public-Private-Partnership ("**PPP**") projects.

Cost of sales before inter-segment elimination of construction and contracting business segment of the Company increased by 3.52% from RMB150,017.7 million in 2016 to RMB155,297.8 million in 2017, slightly lower than that of the corresponding period last year.

Gross profit before inter-segment elimination of construction and contracting business segment of the Company were RMB11,040.5 million and RMB13,453.9 million in 2016 and 2017, respectively, and gross profit margin before inter-segment elimination were 6.85% and 7.97% in the same period. The increase of gross profit margin was mainly due to the higher proportion of revenue from overseas projects with higher profit margin.

3.3 Equipment manufacturing business

This business generates revenue primarily from the design, manufacture and sale of equipment for use in the power industry, including ancillary equipment for power plants, power grid equipment, steel structure and energy conservation and environmental protection equipment.

Revenue before inter-segment elimination of equipment manufacturing business of the Company decreased by 2.14% from RMB10,471.1 million in 2016 to RMB10,247.4 million in 2017. This decrease was mainly due to the decease of orders affected by the market competition and limitation on the scale of traditional fossil-fuel construction projects.

Cost of sales before inter-segment elimination of equipment manufacturing business of the Company increased by 1.40% from RMB8,719.8 million in 2016 to RMB8,841.8 million in 2017, mainly due to the rising prices of raw materials.

Gross profit before inter-segment elimination of equipment manufacturing business of the Company were RMB1,751.3 million and RMB1,405.6 million in 2016 and 2017, respectively, and gross profit margin before inter-segment elimination were 16.73% and 13.72% in the same period. This decrease was mainly due to the increase in costs.

3.4 Civil explosives and cement production business

This business generates revenue primarily from the manufacture and sale of civil explosives and cement products and the provision of blasting services.

Revenue before inter-segment elimination of civil explosives and cement production business of the Company increased by 16.61% from RMB8,328.5 million in 2016 to RMB9,711.5 million in 2017. This increase was mainly due to the increase in volume and prices of cement arising from demand for infrastructure construction and supply-side reform.

Cost of sales before inter-segment elimination of civil explosives and cement production business of the Company increased by 13.25% from RMB6,122.6 million in 2016 to RMB6,934.0 million in 2017, lower than the increase in revenue during the same period.

Gross profit before inter-segment elimination of civil explosives and cement production business of the Company were RMB2,205.9 million and RMB2,777.5 million in 2016 and 2017, respectively, and gross profit margin before inter-segment elimination slightly increased from 26.49% to 28.60% in the same period.

3.5 Investment and other businesses

This business generates revenue primarily from investment in, operation or sale of real estate development, environmental protection and power projects, and other equity investments.

Revenue before inter-segment elimination of investment and other businesses of the Company increased by 16.84% from RMB37,498.1 million in 2016 to RMB43,813.3 million in 2017. The increase was primarily attributable to significant increase in revenue of environmental protection business.

Cost of sales before inter-segment elimination of investment and other businesses of the Company increased by 21.61% from RMB32,300.4 million in 2016 to RMB39,279.0 million in 2017, generally in line with the increase in revenue during the same period.

Gross profit before inter-segment elimination of investment and other businesses of the Company was RMB5,197.7 million and RMB4,534.3 million in 2016 and 2017, respectively. Segment gross profit margin before inter-segment elimination slightly decreased from 13.86% in 2016 to 10.35% in 2017, mainly due to the higher proportion of environmental protection business.

4 CASH FLOW

	For the year ended 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Net cash generated from operating activities	**5,632.5**	4,668.0
Net cash used in investing activities	**(13,252.7)**	(10,891.6)
Net cash generated from financing activities	**9,497.4**	5,531.5
Net increase/(decrease) in cash and cash equivalents	**1,877.2**	(692.1)
Cash and cash equivalents at the beginning of the year	**46,774.1**	47,237.0
Effects of exchange rates changes	**(951.5)**	229.2
Cash and cash equivalents at the end of the year	**47,699.8**	46,774.1

4.1 Cash flow generated from operating activities

The net cash generated from operating activities increased by RMB964.5 million or 20.66% from RMB4,668.0 million in 2016 to RMB5,632.5 million in 2017, primarily due to (i) the increase in cash inflow from the net profit of operating activities amounting to RMB16,860.5 million during the period; (ii) net cash inflow of RMB3,107.6 million due to the combined effects of the increase in amount receivables and the extension of settlement cycle to suppliers accordingly following the increase of business volume; (iii) net cash inflow of RMB6,916.5 million due to the combined effects of the lower land prepayment, deposit and other receivables compared to that at the beginning of the year; and (iv) net cash inflow of RMB8,117.4 million arising from receipt of advance payment for pre-construction works of PPP project. The increase was partially offset by the increase in properties under development for sale of RMB14,762.0 million resulting from business expansion and the increase in amounts due from customers for construction contracts of RMB10,668.9 million and income tax paid of RMB2,958.8 million.

4.2 Cash flow used in investing activities

The net cash used in investing activities increased from RMB10,891.6 million in 2016 to RMB13,252.7 million in 2017, representing an increase of RMB2,361.1 million or 21.68%. The increase was primarily due to (i) payment for the purchase of property, plant and equipment and intangible assets amounting to RMB11,106.6 million; (ii) payment of acquisition of available-for-sale financial asset amounting to RMB4,746.1 million. The cash outflow was partially offset by the cash generated from disposal of available-for-sale financial asset of RMB2,645.6 million and the decrease in three-month term deposit of RMB1,630.2 million.

4.3 Cash flow generated from financing activities

The net cash generated from financing activities increased by RMB3,965.9 million or 71.70% from RMB5,531.5 million in 2016 to RMB9,497.4 million in 2017, mainly due to (i) the funds raised from issuance of 2017 debt financing plan of RMB3,670.0 million during this year; and (ii) new bank borrowings and other borrowings of RMB18,424.8 million. The cash inflow was partially offset by repayment of bank borrowings and other borrowings of RMB10,489.2 million.

4.4 Capital expenditures

In the past, the Company incurred capital expenditures primarily for expenditures on property, plant and equipment, as well as intangible assets (such as concession rights of toll roads). The following table sets forth the components of capital expenditures of the Company for the periods indicated:

	For the year ended 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Property, plant and equipment	**4,007.6**	4,848.4
Prepaid lease payment	**231.7**	523.8
Intangible assets	**6,192.5**	2,081.4
Investment properties	**3.1**	0.3
Total	**10,434.9**	7,453.9

5 INDEBTEDNESS

As at 31 December 2017, the Company's total liabilities and total assets amounted to RMB264,031.4 million and RMB343,887.1 million, respectively, with a gearing ratio of 76.78%, representing an increase of 2.06 percentage points from 74.72% for last year. The Company's total indebtedness amounted to RMB96,892.4 million. The following table sets forth the details of bank borrowings, other borrowings, corporate bonds, finance lease payables and short-term financing notes as at the dates indicated:

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Long-term		
Bank borrowings		
Unsecured	**14,853.8**	18,090.8
Secured	**16,268.7**	8,526.2
Other borrowings		
Secured	**1,427.2**	1,421.3
Corporate bonds(1)	**15,140.0**	16,229.3
Finance lease payables(2)	**–**	0.5
Sub-total	**47,689.7**	44,268.1
Short-term		
Bank borrowings		
Unsecured	**25,527.5**	15,928.8
Secured	**2,971.4**	1,833.2
Other borrowings		
Unsecured	**9,372.1**	5,293.9
Secured	**99.0**	44.1
Corporate bonds(1)	**11,231.8**	10,692.2
Finance lease payables(2)	**0.9**	300.0
Sub-total	**49,202.7**	34,092.2
Total	**96,892.4**	78,360.3

(1) The corporate bonds of the Company are unsecured medium-term notes, corporate bonds and asset-backed security products.

(2) The Company lease certain machinery for construction operations.

As at 31 December 2017, bank and other borrowings denominated in currencies other than the functional currencies of respective entities are set out as below:

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
USD	**5,037.1**	2,355.2
Japanese Yen	**119.1**	127.8
Total	**5,156.2**	2,483.0

The following table sets forth the guaranteed portion of bank borrowings and other borrowings:

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Guaranteed by:		
Third parties	**119.1**	127.8

The following table sets forth the maturity profile of indebtedness of the Company as at the dates indicated:

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Repayable within 1 year	**49,202.7**	34,092.2
Repayable after 1 year but within 2 years	**10,233.6**	11,279.3
Repayable after 2 years but within 3 years	**6,049.3**	4,445.7
Repayable after 3 years but within 4 years	**11,567.4**	2,410.2
Repayable after 4 years but within 5 years	**3,372.6**	14,119.1
Repayable after 5 years	**16,466.8**	12,013.8
Total	**96,892.4**	78,360.3

The following table sets forth the effective interest rate ranges of bank borrowings, other borrowings, corporate bonds and finance lease payables of the Company as of the dates indicated:

	As at 31 December	
	2017	2016
Bank borrowings	**1.05-8.70**	1.05-9.60
Other borrowings	**4.66-8.00**	4.20-8.00
Corporate bonds	**3.14-5.37**	3.14-5.37
Finance lease payables	**6.77-7.56**	5.15-8.00

The following table sets forth the fixed and floating rate of bank and other borrowings of the Company as of the dates indicated:

	As at 31 December			
	2017		2016	
	(RMB in million)	**%**	*(RMB in million)*	%
Fixed rate bank and other borrowings	**30,879.1**	**1.05-8.00**	23,677.8	1.05-9.60
Floating rate bank and other borrowings	**39,640.6**	**1.20-8.70**	27,460.5	1.20-8.84
Total	**70,519.7**		51,138.3	

Bank borrowings of the Company were incurred primarily for the purposes of working capital and investment in fixed assets. Other borrowings mainly represented deposits of ENERGY CHINA GROUP and its subsidiaries (excluding the Company) with China Energy Engineering Group Finance Co., Ltd.

Indebtedness of the Company increased by RMB18,532.1 million from 31 December 2016 to 31 December 2017, mainly due to the capital expenditures and working capital requirements.

The Company did not have any material defaults in payment of bank borrowings or breaches of other debt financing obligations or breaches of any restrictive terms. In addition, as at 31 December 2017, the Company had RMB13.5 billion of authorized but unissued debt securities, namely the unsecured without guarantees corporate bonds and perpetual bonds.

As at 31 December 2017, the Company had RMB434.4 billion of unutilized and unrestricted bank facilities. As at 31 December 2017, the Company was not subject to any material restrictive terms in the borrowings.

6 PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

6.1 Pledge of assets

As of 31 December 2017, the Company's assets with the following carrying amounts have been pledged to secure general banking facilities (including bank borrowings, bills payable and letter of credit):

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Property, plant and equipment	**2,946.8**	975.1
Prepaid lease payments	**340.6**	347.0
Intangible assets	**7,484.8**	7,721.3
Trade receivables	**410.4**	459.8
Properties under development	**21,388.6**	9,418.9
Completed properties for sale	**32.3**	19.7
Bank deposits	**3,453.7**	2,698.6
Investment property	**–**	66.7
Total	**36,057.2**	21,707.1

6.2 Contingent liabilities

The Company was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Company on those legal proceedings and claims when the management can reasonably estimate the outcome of the legal proceedings and claims taking into account the legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or the management believes that the probability of loss is remote.

In accordance with relevant policies issued by State-owned Assets Supervision and Administration Commission of the State Council and Ministry of Finance of PRC, state-owned enterprises shall carve out and transfer their assets related to water supply, power supply, heat/gas supply and property management of employees' communities to the parties, which are designated by local governments ("**Transfer**",三供一業). Certain memorandums of understanding ("**MOUs**") and framework contacts have been entered into by subsidiaries of the Group in line with relevant policies. The Directors are of the opinion that these MOUs and framework contacts are not legally binding and subject to further changes, before the overall arrangement for the Transfer are approved by board or shareholders' meeting of the Company, when appropriate.

The following contingent liabilities arise from guarantees given to banks and non-financial institutions in respect of certain loan facilities, as well as mortgage loan guarantees provided to banks in favor of the customers of the Company.

	As at 31 December	
	2017	2016
	(RMB in million)	*(RMB in million)*
Guarantees given to banks and non-financial institutions in respect of loan facilities granted to[(1)]:		
Associates	**3,405.1**	3,701.5
Investee recognized as available-for-sale financial asset	**33.6**	75.0
Joint ventures	**938.8**	1,068.2
	4,377.5	4,844.7
Mortgage loan guarantees provided by the Company to banks in favor of its customers[(2)]	**833.1**	1,244.4
Total	**5,210.6**	6,089.1

(1) At initial recognition, the fair value of these guarantee contracts is insignificant. There has been no material change in contingent liabilities of the Company since 31 December 2017 to the date of this announcement.

(2) The Company had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Company's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Company is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Company is then entitled to take over the legal title of the related properties. The guarantee periods commence from the dates of grant of the relevant mortgage loans and end upon the buyer obtained the individual property ownership certificate. The fair values of these financial guarantee contracts of the Company are insignificant at initial recognition, and the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realizable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Accordingly, no provision has been made in these financial statements for these guarantees.

7 SUBSEQUENT EVENTS

On 9 March 2018, bondholders of perpetual corporate bonds (the "**Bonds**"), which was issued by CGGC in 2016 with face value of RMB10,000 million, voted in favour of the amendment of the terms, and the resolution has been duly passed. Pursuant to the amended terms, the Bonds, which is presented as financial liability in the consolidated financial statements of the Group for the year ended 31 December 2017, fall into the definition of equity instrument under IFRSs.

8 RISK

8.1 Business Risk

8.1.1 Competition risk

Affected by the macroeconomic control policies and the slowdown in economic growth, the domestic power market recorded a slower growth and the competition was continuing fierce. At the same time, entering into the new business market was affected by the qualification and experience. The competition in the non-power market is still fierce and complicated. The Company will continue to improve the control of its internal market coordination, strengthen the integration of resources, further promote the innovation of business models and improve the management and control at the level of headquarters and high-end operating capability. The Company will actively make investments and mergers and acquisitions for obtaining new qualifications and accumulating project experience, and initiatively participate in public relations activities externally, so as to enhance brand influence and create favorable conditions for market development. The Company will also deepen the communication with key customers to understand their needs and dynamics.

8.1.2 International operation risk

The international political situation is still complicated. The international infrastructure market places higher requirements on the investment capability and the traditional competitive advantages are gradually weakened. It is still subject to the risks of laws and regulations, political security, taxation and exchange rates in the countries where its operation located. International operation and management faces great challenges, for instance, the increase in operating costs will make it difficult to achieve operating efficiency of projects, and the threatening against life and properties of staffs will intensify the difficulty in project implementation. The Company will consistently improve its international operation and management system, optimize its business layout in the international market, establish a long-term mechanism for prevention and control of international business risks and give full play to the business advantages of the whole industry chain. Also, the Company will solidify measures of market development, international business management and project performance management, ensuring that international risks are controllable and under controlled, and achieving sustainable development of international business.

8.1.3 Legal dispute risk

The cases of legal disputes recorded growth and certain cases are relatively complicated. In the event of inappropriate response, they will directly affect the collection and usage of the project funds and have negative impact on the reputation, market development and the production and operation of the Company to a certain extent. The Company will strengthen the management of legal dispute cases, conduct consultations and coordination on major and difficult cases and enhance the effectiveness of dealing with major cases. The Company will also further carry out legal research on issues such as PPP business, investment and financing business, the "One Belt and One Road" initiative, to effectively control potential legal risks. Further, the Company will consolidate legal audit works, prioritise legal risk prevention, so as to effectively serve the Company's production and management.

8.1.4 Health, safety and environmental risk

Engineering construction involves high level of risks. Affected by the nature of the industry and the environment of construction sites, certain risks of health, safety and environment always exist. In the event of inadequate implementation of managerial responsibilities, irregular selection of contacting (subcontracting) teams and resources allocation not in place, they will result in health, safety and environmental issues, which would in turn impair the Company's profile and incur economic loss. The Company will firmly establish the "Red Line Consciousness" of production safety, finalise the responsibility of health, safety and environmental protection of principals, strictly carry out "safety plus" management of contacting (subcontracting), increase investment in construction resources, intensify investigation and management of hidden risks and risk management, as well as deepen education and training and basic works, with an aim to prevent accidents.

8.1.5 Construction project management risk

Provided that there exists inadequate and meticulous planning for individual projects at the early stage, management of implementation not in place, irregular management of subcontracting of projects, insufficient resources allocation, inadequate analysis regarding risk identification of project of new business model and inappropriate response measures, which may result in greater performance risk and progress delay of projects, qualities not meeting the requirements, increase in operating costs and other issues. The Company will perfect the early project planning and control over performance of contractual obligation, and achieve reasonable resources allocation. Meanwhile, it will enhance the check on projects and special inspection, expand quality social resources reserves, and standardise subcontracting management, aiming to uplift project performance and profitability.

8.1.6 Cash flow risk

Subject to various factors such as receivables, inventory and cost management, sub-enterprises are exposed to shortage of cash flow and a minority of enterprises record loss. The Company will strengthen the management enhancement, centralize fund management, and steadily promote the integration of industry and finance. With strict cost control, the Company will enhance the management on receivables and centralize procurement management so as to uplift the operating capacity of the enterprises.

8.2 Exchange Rate Fluctuation Risk

Most businesses of the Company are operated in China and most of the transactions are settled by RMB, thus the functional currency applied in the financial statements of the Company is RMB. The Company plans to continue to expand the overseas business, and it is expected that the income and expenses denominated in foreign currencies will be increased significantly. The exchange rate fluctuation may have influence on the service pricing and the cost of procurement of materials and equipment of the Company by foreign exchange and therefore influence the financial position and operating performance of the Company. The Company will carry out risk controls by means of contracts and financial instruments, make reasonable commerce arrangements and select suitable foreign currency and exchange rate for settlement or payment so as to prevent exchange rate fluctuation risk.

9 NUMBER OF EMPLOYEES, SHARE OPTION SCHEME AND TRAINING PROGRAM

At the end of 2017, the Company has 130,295 employees in total and possesses a large number of quality talents of various sorts, including 34,826 managers, 41,019 professional technicians, and 34,355 technical operating personnel. The Company has 10,502 talents with various national registered qualifications. Also, the Company has a team of top talents of China, including 29 experts who enjoy the PRC governmental special subsidies, 8 national exploration and design masters, 2 national nuclear industry engineering exploration and design masters, 4 experts of the "Millions of Talents of the New Century" project, 3 national young and middle-aged experts with outstanding contribution, and 21 national technical experts.

The Company did not implement any share option scheme during the reporting period.

The Company attaches high importance to the education and training of the employees. The Company increased the input of the education and training expenditure and enhanced the employee's quality and professional skills continuously. The Company planned to train 471,600 employees in 2017 and actually trained 496,400 employees, including on-the-job training for 352,500 employees, continuing education training for 36,500 employees, and other trainings for 107,400 employees.

For the latest three years, by virtue of system and mechanism innovation and continuously cultivating and introducing various classes of talents, the personnel structure was optimised on an ongoing basis while the total number of staff employed reduced but remaining stable. The number of staff with a bachelor's degree or above increased by 10.5%. The number of staff with intermediate title or above increased by 11.68%.

10 PLAN FOR SIGNIFICANT INVESTMENT OR PURCHASE OF CAPITAL ASSET OF THE COMPANY IN THE FUTURE

In 2018, the Company will scroll revision work for its investment business plan (2018-2020), to further clarify the direction of investment and development and specific business plans for the next three years, to constantly solidify its competitive segments in the industry and to exert the role of business investments. Also, with the primary objective of investment-driven business and subject to the laws and regulations, the Company will further innovate business models and vigorously develop domestic and foreign project contracting markets by means of BOT, BOOT and PPP, driving the principal engineering business, and by leveraging the advantages of the Group, to promote the development of commissioning, operation, maintenance of systems and equipment business and the transformation and upgrade of enterprises. (1) Domestically, firstly, the Company will focus on investment in construction of clean energy such as solar power, wind power, geothermal power and natural gas, and seek for and carry out power sale business, to make a reasonable regional layout, the coordination of composition of various energies, better benefits from projects and a sustainable development segment of power energy sector. Secondly, the Company will implement investment and mergers and acquisitions in relation to water supply and environmental protection fields, enhance professional research and innovation capability of environmental protection and water supply, so as to improve its core competitiveness, set up an environment-friendly brand water supply, and realise centralized and scaled development of emerging industries. (2) Abroad, firstly, the Company will continue to keep up with the national strategy, make investments in overseas hydrothermal, clean energy and power grids and other industries along the "One Belt and One Road" and in countries with good investment conditions. Secondly, the Company will invest in civil explosives, cement and water supply projects in the form of new establishment and mergers and acquisitions based on international engineering business. (3) The Company will actively promote the mergers and acquisitions and reorganisation of design and construction entities in the hydropower, municipal administration, road and railway transportation industries, to further optimise the functions of principal business, extending the industrial chain and fostering the business transformation and development of the Company.

11 GEARING RATIO

As at 31 December 2017, the gearing ratio of the Company is 121.33%, representing an increase of 15.42 percentage points as compared to 105.91% recorded as at 31 December 2016, mainly due to the increase in total debts. Gearing ratio represents total interest-bearing debts divided by total equity at the end of the year.

12 OUTLOOK

In 2018, Chinese economy will present its characteristics of declaration in growth and enhancement in quality in a more obvious way, and the supply-side structural reform will remain the main task during the "Thirteenth Five-Year Plan" or longer period of the PRC. According to the Work Report of the Chinese government, the growth rate of gross domestic product (GDP) of China in 2018 will be expected to be approximately 6.5%, slightly below than that of last year.

12.1 Outlook of Power Industry

During the first two years of the "Thirteenth Five-Year Plan", China's economic development entered into the new normal, presenting a rising trend at a stable pace. The smooth operation of the industry and further advancement of the supply-side reform, have led to a steady progress in national power consumption. In 2016 and 2017, the national power consumption increased by 5.0% and 6.6%, respectively, on a year-on-year basis. According to preliminary estimates, the total national power consumption in 2020 will be 7.2 trillion kWh, the cap of data published in the "Thirteenth Five-Year Plan" in respect of electricity. It is expected that the size of new large transmission access and coal-fired power space will be adjusted in the middle of the "Thirteenth Five-Year Plan" in respect of electricity, which will directly affect the thermal power construction market in the following years.

Driven by the demand for electricity, the power construction market will be better than originally expected, and the power supply structure will be further optimized to adapt to the general trend of green, low-carbon and transitional development. According to the national power planning and macro-control policies, it is expected that in 2018, China's new coal-fired power installed capacity will increase by approximately 28,000 MW in 2018, conventional hydropower construction by approximately 9,000 MW, and the new construction project of pumped-storage power station will maintain a size of approximately 6,000 MW. No new nuclear power project commences. The annual production capacity of wind power maintains at 25,000 MW, and the annual production capacity of photovoltaic power generation maintains at 20,000 MW. The solar thermal power construction market will step into a new stage of development with newly-commenced gas power capacity to be maintained at 4,000 MW and the investment in power grid construction of approximately RMB600 billion.

12.2 Domestic non-power market

According to the prediction of the Chinese Academy of Social Sciences, the total national investment in fixed assets will reach RMB69.2 trillion in 2018, representing a notional growth of 6.3% and an effective growth of 2.4%, of which investments in infrastructure and fixed assets will increase by approximately 14.1% year-on-year, continuing to be the main force of stabilized investment and steady growth.

(1) Hydropower project: The Central Government will place hydropower project at the forefront among the top nine infrastructure networks. In 2018, China's major investment objective in hydropower is to continue to accelerate the improvement of the hydropower infrastructure network, and the construction of weakened post-disaster hydropower construction, and to reinforce the marketization ownership and the ecological protection of water resources. In 2018, a number of major hydropower projects will be commenced. Efforts will be intensified at the early stage of projects such as the allocation of water resources in the Pearl River Delta, the second phase of the seashore watercourse project of the Huaihe River, with a focus on pushing ahead the governance of 115 major tributaries such as the Han River.

(2) Transport engineering: In 2018, highway investment growth will remain at the peak, and it is expected to increase by 15% year-on-year, reaching RMB2.3 trillion. 16,000 km of newly reconstructed national and provincial main highway, 5,000 km of newly-added expressway, 600 km of newly-added high class inland waterway and 5,000 newly-added administrative villages with road access will be completed. As to railway projects, it will be planned to complete investment of RMB732 billion, with the commissioning of new lines of 4,000 km; and as to civil freight project, investment in the key airport project will reach approximately RMB166 billion.

(3) Urban infrastructure: In 2018, China will comprehensively improve the quality of urban planning, construction and management, to promote the reform of the preparation and implementation system of urban master planning, and to push forward green development of cities. The State will also boost the sponge city construction in an all-round way, further intensify efforts to carry out remediation activities for the black odor water, push ahead the three-year actions regarding flood-preventing drainage and shoring up weak areas, as well as carry forward the construction of urban underground comprehensive underground pipe gallery tailored to local conditions and energetically enhance the construction of urban sewage and solid waste treatment facilities.

(4) House building: It is expected that the investment in real estate fixed assets will exceed RMB11.5 trillion in 2018, representing a notional growth of 5.1%. Additionally, the Ministry of Housing and Urban-Rural Development has introduced to solidly promote a new round of shanty town renovation works, expecting to complete renovation of various shanty towns of 5.8 million units in 2018.

12.3 International Market

Looking forward to 2018, the world economy is expected to continue to improve, with major economies growing faster and the global market of infrastructure construction maintaining its growth. Following the establishment of the new pattern of China's all-round opening-up and the successive implementation of cooperation mechanisms such as the "One Belt and One Road" initiative and the 461 China-Africa Cooperation Framework, the regional economic integration and cooperation in power projects will be further promoted, developing the foundation platforms of energy interconnection and interworking. The investment demand for international power and other infrastructures will continue to grow steadily, which provides favorable opportunities for the development of the Company.

(1) The implementation of "One Belt and One Road" will enter into the golden period of development. Adhering to the principle of co-consultation, co-construction and sharing, the "One Belt and One Road" initiative will further gain the response of the international community. Meanwhile, the State is vigorously promoting financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and Silk Road Fund to support the full implementation of "One Belt and One Road" initiative, and to deepen international production capacity cooperation, thereby achieving complementary advantages. Additionally, by accelerating the construction of overland economic corridors and maritime cooperation hubs and gradually expanding into the comprehensive development of logistics parks, industrial parks and special economic zones, the infrastructure construction market will have a good prospect.

(2) The power construction market in countries targeted by the "One Belt and One Road" has vast room for development. According to the statistics of International Energy Agency (IEA), in the regions targeted by the "One Belt and One Road", the total installed capacity was 1 billion KW and power consumption was approximately 5 trillion KWh, while average installed capacity per capita (0.3 KW) and average power consumption per capita (1,600 KWh/year) were below half of the world's average level. It is expected that the room for power source construction in the 64 countries targeted by the "One Belt and One Road" in 2020 will be approximately 420 million KW with a total investment in power construction of approximately USD1.2 trillion, or an annual average of approximately USD300 billion. All these demonstrate vast room for development of power construction market.

Within a certain period in the future, the countries targeted by "One Belt and One Road" initiative will remain as the major market for the development of the international business of the Company. The Company will further explore the market of respective countries targeted by the "One Belt and One Road", seize the opportunities in various projects and continue to expand the market share, making the committed contribution for the national "One Belt and One Road" initiative. In addition, the Company will actively expand the potential markets, emerging markets and high-end markets in regions such as Central and Eastern Europe, Latin America, Middle-east, aiming to the gradual coverage of principal contracting engineering markets globally.

13 USE OF PROCEEDS FROM THE LISTING

The Company raised total net proceeds of RMB10,890.22 million from the initial public offering on 10 December 2015 and exercise of over-allotment option on 8 January 2016. As considered and approval at the fourteenth meeting of the first session of the Board of Directors of the Company, RMB4,595.17 million of the raised funds in 2017 would be utilized according to the prospectus, and actually RMB1,428.79 million has been utilized according to the breakdown of the approved planning as of 31 December 2017, among which:

(i) RMB185 million being used as actual payment for the domestic and overseas power infrastructure engineering and construction projects.

(ii) RMB750 million being used as actual payment for purchasing equipment for core business.

(iii) RMB328.76 million being used for actual payment for purchasing necessary fixed assets for expansion and upgrading.

(iv) RMB28.71 million being used for actual payment for the key project for improving the scientific and research and management level of the Company.

(v) RMB62 million being used for actual payment for repaying of bank loans.

(vi) RMB74.32 million being used for actual payment of general working capital.

On 8 November 2017, the Resolution on Adjustment to the Categories of the Use of Proceeds of the Company was considered and approved at the nineteenth meeting of the first session of the Board of Directors and was announced by the Company. The Company made adjustment to the categories of remaining proceeds by adjusting the remaining proceeds and interest used for power and infrastructure construction and contracting projects abroad into for power and infrastructure construction and contracting projects in mainland China, and transferred the proceeds placed abroad with the specific Hong Kong account into mainland China. The adjusted amounts included US$298.21 million and HK$298.11 million.

RMB: million

Nature of amounts	**Amount**
Foreign and domestic power and infrastructure engineering construction	185.00
Equipment purchasing for core business	750.00
Investment in fixed assets to be required for expansion and upgrading of production capacities	328.76
Key project for improving the scientific and research and management level	28.71
Repayment of bank loans	62.00
Operating capital funded for general corporate purpose	74.32
Total	1,428.79

DIVIDEND

The Board recommended the payment of a final dividend of RMB0.0306 per share (tax inclusive) for the year ended 31 December 2017, with a total amount of approximately RMB919.61 million, subject to the approval of shareholders at the annual general meeting held on 28 June 2018 (the "**AGM**"). If approved, the dividend is expected to be paid on 27 August 2018 to shareholders whose names appear on the register of members of the Company on 11 July 2018.

FINAL DIVIDEND INCOME TAX WITHHOLDING

Enterprise income tax withholding of non-resident enterprise shareholders

In accordance with "the Enterprise Income Tax Law of the People's Republic of China" (the "**Enterprise Income Tax Law**") and its implementation regulations and "The Notice on the Issues Concerning Enterprise Income Tax Withholding of Dividends Paid to Overseas Non-resident Enterprise Shareholders of H shares by Resident Enterprise in the PRC" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation of the PRC, the Company shall be obligated to withhold 10% enterprise income tax before it distributes the final dividends to non-resident enterprise shareholders as listed on the Company's register of members of H shares (the "**Register of Members of H shares**") on Wednesday, 11 July 2018 (the "**Record Date**"). Any H shares registered in the name of non-individual shareholders is deemed as held by the non-resident enterprise shareholders. As such, the enterprise income tax shall be deducted from the dividend thereof. The non-resident enterprise shareholders shall apply to relevant tax authorities for refund according to applicable tax arrangements (if any).

After the legal opinion is provided by the resident enterprise shareholders within the stipulated time frame and upon the Company's confirmation of such opinion, the Company will not withhold any enterprise income tax when it distributes the final dividends to resident enterprise shareholders of H shares as listed on the Register of Members of H shares on the Record Date. If any resident enterprise (the same meanings as defined in the Enterprise Income Tax Law) listed on the register of members of H shares which is duly incorporated in the PRC or under the laws of a foreign country (region) but with a PRC-based de facto management body, does not desire the Company to withhold the aforesaid 10% enterprise income tax, a legal opinion, issued by a qualified lawyer in mainland China (inscribed with the seal of the applicable law firm), that verifies its resident enterprise status shall be lodged at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 5 July 2018.

Individual income tax withholding of overseas resident individual shareholders

"The Notice on the Issues Concerning Tax on the Earnings from Transfer of Stocks (Stock Rights) and on the Income Tax from Dividends Received by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners" (Guo Shui Fa [1993] No. 045) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045號)) (the "**93 Notice**") issued by the State Administration of Taxation of the PRC, where individual foreigners holding H shares are exempted from paying individual income tax for dividends (bonuses) obtained from companies incorporated in the PRC that issue H shares, was repealed under "The Announcement on the List of Fully and Partially Invalidated and Repealed Tax Regulatory Documents" (《關於公佈全文失效廢止、部分條款失效廢止的稅收規範性文件目錄的公告》) issued by the State Administration of Taxation of the PRC on 4 January 2011. On 28 June 2011, the State Administration of Taxation issued "The Notice on the Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045" (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the "**2011 Notice**"). The 2011 Notice has clarified the issues concerning the collection of individual income tax arising from H share dividends received by individual foreigners following the repeal of the 93 Notice.

Due to the change in the tax regulations of the PRC as mentioned above, a company, as the withholding agents, should withhold the individual income tax for the overseas resident individual shareholders on the dividends income (bonus) of the shares issued in Hong Kong by domestic non-foreign-invested enterprises under the item of "interests, dividend and bonus income" in accordance with the laws. After the Company's repeated consultation with competent tax authorities, they confirmed that the Company should withhold the individual income tax for the dividends or bonus income received by the overseas resident individual shareholders of the Company. However, the overseas resident individual shareholders holding the shares of the Company may be entitled to the relevant favourable tax treatments pursuant to the provisions in the tax treaties between the country(ies) in which they are domiciled and the PRC, and the tax arrangements between the mainland China and Hong Kong (Macau). As such, the Company will withhold individual income tax for H share individual shareholders in accordance with the following rules:

- for the H share individual shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of final dividend;

- for the H share individual shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of final dividend, while such shareholders may apply to competent tax authority for refund in accordance with the actual tax rate under such tax treaties;

- for the H share individual shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty in the distribution of final dividend;

- for the H share individual shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders in the distribution of final dividend.

If a H share individual shareholder considers that his/her individual income tax withheld by the Company does not comply with the tax rate stipulated by the tax treaties between country(ies) or region(s) in which he/she is domiciled and the PRC, he/she should file a timely authorisation letter together with the reporting materials relating to him/her being a resident of the related country or region, to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited by no later than 4:30 p.m. on Thursday, 5 July 2018. The materials will be submitted to the competent tax authority by the Company, for subsequent taxation handling.

Non-resident enterprise shareholders or overseas resident individual shareholders of the Company may seek advice from their tax advisor in relation to the tax impact of the mainland China, Hong Kong and other countries (regions) involved in owning and disposing of H shares of the Company if they have any question on the above arrangements.

CLOSURE OF REGISTER OF MEMBERS

The holders of H shares and domestic shares whose names appear on the register of members of the Company on Thursday, 28 June 2018 are qualified to attend and vote at the forthcoming AGM. The register of members of the Company will be closed from Tuesday, 29 May 2018 to Thursday, 28 June 2018 (both days inclusive), during which no transfer of shares can be registered. All transfer documents together with the relevant share certificates and transfer forms must be lodged with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or the registered office of the Company at Building 106, Lize Zhongyuan, Chaoyang District, Beijing, the PRC (for holders of domestic shares) no later than 4:30 p.m. on Monday, 28 May 2018.

The holders of H shares and domestic shares whose names appear on the register of members of the Company on Wednesday, 11 July 2018 are qualified to receive the final dividend to be approved by the shareholders of the Company. The register of members of the Company will also be closed from Friday, 6 July 2018 to Wednesday, 11 July 2018 (both days inclusive), during which no transfer of shares can be registered. All transfer documents together with the relevant share certificates and transfer forms must be lodged with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or the registered office of the Company at Building 106, Lize Zhongyuan, Chaoyang District, Beijing, the PRC (for holders of domestic shares) no later than 4:30 p.m. on Thursday, 5 July 2018.

THE CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance, so as to safeguard the rights and interests of shareholders and improve enterprise value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the corporate governance code of the Company. During the year ended 31 December 2017, the Company has always complied with all code provisions contained in the CG Code. The Company will continue to review and improve its corporate governance practices, so as to ensure the compliance with the corporate governance codes.

THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by relevant directors and supervisors of the Company. According to the specific enquiries made to all directors and supervisors, all directors and supervisors have confirmed that they have always complied with the standards set out in the Model Code during the year ended 31 December 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**"). Its primary duties include, among other things, the review and supervision of the Company's financial monitoring, internal control and risk management systems. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Mr. Ma Chuanjing, Mr. Ding Yuanchen and Mr. Cheung Yuk Ming. Mr. Ding Yuanchen is the chairman of the Audit Committee. Mr. Cheung Yuk Ming has professional qualifications and experience in accounting and financial matters.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results of the Group for the year ended 31 December 2017. The Audit Committee considered that the consolidated results of the Group for the year ended 31 December 2017 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been duly made in this announcement in accordance with Appendix 16 of the Listing Rules.

PUBLICATION OF AUDITED CONSOLIDATED ANNUAL RESULTS AND THE 2017 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.ceec.net.cn) respectively.

The Company will dispatch all the information required by the Listing Rules together with the 2017 annual report of the Company to the shareholders in due course, which will also be published on the websites of the Company and the Stock Exchange.

By Order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Wang Jianping
Chairman

Beijing, the PRC
29 March 2018

As at the date of this announcement, the executive directors of the Company are Mr. Wang Jianping, Mr. Ding Yanzhang and Mr. Zhang Xianchong; the non-executive directors are Mr. Ma Chuanjing, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Ding Yuanchen, Mr. Wang Bin, Mr. Zheng Qiyu and Mr. Cheung Yuk Ming.