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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: 1649)

MONTHLY UPDATE ANNOUNCEMENT

PURSUANT TO RULE 3.7 OF

THE TAKEOVERS CODE

IN RELATION TO THE POSSIBLE PRIVATISATION OF INNER MONGOLIA ENERGY ENGINEERING CO., LTD.

This announcement is made by Inner Mongolia Energy Engineering Co., Ltd. (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcements of the Company dated 11 September 2020, 9 October 2020, 9 November 2020 and 9 December 2020 in relation to the possible privatisation of the Company (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON THE POSSIBLE PRIVATISATION

The Company wishes to update its shareholders and potential investors that, as at the date of this announcement, the Company has not received a definitive Possible Privatisation proposal from the Potential Offeror. The Company is given to understand that the Potential Offeror has been (i) continuing to explore the proposal on the Possible Privatisation; and (ii) the negotiations with the potential lender regarding the possible financing arrangements and the preparation of fund resources proof as required under the Takeovers Code have reached an advanced stage. As at the date of this announcement, three out of four key stages for obtaining the required fund resources proof have been completed, including (i) obtaining approval from the potential lender for initiation application submitted by the Potential Offeror; (ii) performing due diligence on the Potential Offeror by the potential lender; and (iii) obtaining approval from the investment decision committee of the potential lender. The remaining final stage would be obtaining approval from the headquarter of the potential lender. No agreement or other commitment has been made by the Potential Offeror as to whether to proceed with the Possible Privatisation, and there is no certainty that the Possible Privatisation will proceed.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the talks or the consideration of the Possible Privatisation will be made until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Privatisation.

Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

CONTINUED SUSPENSION OF TRADING IN THE H SHARES

Trading in the H Shares 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 fulfillment of the resumption conditions.

WARNING: There is no assurance that the Possible Privatisation will proceed or materialise, or will eventually be consummated, and any future discussion between the Potential Offeror and the Company in relation to the Possible Privatisation may or may not result in the privatisation and delisting of the Company. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

On behalf of the board of
Inner Mongolia Energy Engineering Co., Ltd.
內蒙古能源建設投資股份有限公司
Niu Jirong
Chairman

Inner Mongolia, the PRC, 8 January 2021

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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.