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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)

ANNOUNCEMENT
UPDATE IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION IN RELATION TO THE ABSORPTION
AND MERGER OF CGGC

References are made to the announcements of China Energy Engineering Corporation Limited* (中國能源建設股份有限公司) (the “**Company**”) dated 15 October 2020, 27 October 2020 (the “**27 October Announcement**”) and 8 February 2021, in relation to, amongst others, the intended absorption and merger of China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) (“**CGGC**”) by the Company through share swap by the issuance of A shares to shareholders of CGGC other than China Gezhouba Group Company Limited* (中國葛洲壩集團有限公司). Unless otherwise defined, the capitalised terms used this announcement shall have the same meaning as those defined in the 27 October Announcement.

UPDATE AND OTHER INFORMATION IN RELATION TO THE ABSORPTION AND MERGER OF CGGC

On 19 March 2021, a meeting of the board of directors (the “**Board**”) of the Company was convened and held, in which the Board considered and approved, amongst others, the plan for the Merger, the Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) (《中國能源建設股份有限公司換股吸收合併中國葛洲壩集團股份有限公司暨關聯交易報告書(草案)》) and its summary, the Merger Agreement and other resolutions on connected transactions relating to the Merger. Other than relevant information on the plan for the Merger and the Merger Agreement set out in the 27 October Announcement, the Company hereby provided other information on the plan for the Merger and connected transactions contemplated under the Merger Agreement.

* *For identification purpose only*

Based on the audited financial information of CGGC prepared in accordance with PRC accounting standards, the net assets and total assets of equity holders of CGGC attributable to the shareholders of the listed company as at 31 December 2018, 31 December 2019 and 31 December 2020 and the total profit (profit before tax) and net profit (profit after tax) attributable to equity holders of CGGC for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively as set out in the annual report of CGGC are as follows:

	<i>(RMB)</i>		
	As at 31 December 2018	As at 31 December 2019	As at 31 December 2020
Net asset attributable to the shareholders of the listed company	42,803,990,684.04	52,534,121,768.78	62,210,435,150.35
Total assets	218,209,265,921.73	234,463,372,633.74	259,404,704,107.49
	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2020
Total profit (profit before tax)	7,744,439,361.68	8,787,890,249.84	7,692,214,732.67
Net profit (profit after tax)	5,959,893,569.02	6,563,609,489.02	5,293,446,316.05

LISTING RULES IMPLICATIONS

Reference is made to the 27 October Announcement, according to the plan for the Merger and Merger Agreement, the Company proposed to absorb and merge with CGGC by way of issuance of 11,645,760,553 A shares in exchange for a total of 2,632,286,188 CGGC shares in the issued share capital of CGGC, that is, each CGGC share held by the CGGC Conversion Shareholders can be converted for 4.4242 A shares issued by the Company. As of the date of this announcement, there are no major changes in the terms and conditions of the plan for the Merger and Merger Agreement. For details of the terms and conditions of the plan for the Merger and the Merger Agreement and information relating to the Company and CGGC, please refer to the 27 October Announcement.

To the best of the Company's knowledge having made reasonable enquiries, as each of the following connected persons of the Company is a shareholder of CGGC, the issuance of A Shares by the Company to such connected persons of the Company pursuant to the Merger Agreement will constitute connected transactions of the Company under Chapter 14A of the Listing Rules:

Connected person	Number of CGGC shares held	Connected Relationship with the Company
He Jiansheng	60,000	Supervisor of the Company

Connected person	Number of CGGC shares held	Connected Relationship with the Company
Wang Yanfen	1,000	Associate (as defined in the Listing Rules, the same below) of Wang Zengyong, the Supervisor of the Company
Xiao Quan	9,000	Supervisor of CGGC, a subsidiary of the Company
Chen Xiaohua	100,000	Individual who has served as the director of CGGC, a subsidiary of the Company, in the past 12 months
Song Ling	100,000	Director of CGGC, a subsidiary of the Company
Lu Zhongnian	48,000	Individual who has served as the director of China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a subsidiary of the Company, in the past 12 months
Li Ruilin	10,000	Individual who has served as the director of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩水泥有限公司), a subsidiary of the Company, in the past 12 months
Zhou Hui	33,600	Supervisor of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩水泥有限公司), a subsidiary of the Company
Lu Qionghua	200	Associate of the director of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩水泥有限公司), a subsidiary of the Company
Shi Shenjun	2,000	Associate of director, supervisor or general manager of Gezhouba Hubei Xiangjing Expressway Co., Ltd.* (葛洲壩湖北襄荊高速公路有限公司), a subsidiary of the Company
Zeng Hongge	17,400	Individual who has served as the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company, in the past 12 months
Yang Guangrong	10,200	Associate of the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company
Jiang Junmei	2,000	Associate of the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company

Connected person	Number of CGGC shares held	Connected Relationship with the Company
Zhang Shaorui	11,100	Associate of Zeng Hongge, the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company
Tang Fei	300	Director of China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a subsidiary of the Company

In addition, if Energy China Group (including its subsidiaries, except for the Company or its subsidiaries) ultimately acts as the Cash Alternative Provider for the Merger, and the Dissenting Shareholders of CGGC exercises the Cash Alternative, Energy China Group shall be assigned all CGGC shares for which the Dissenting Shareholders of CGGC exercise the Cash Alternative, and pay the cash consideration accordingly. As of the date of this announcement, Energy China Group, together with EPPE Company, its associate, directly and indirectly hold approximately 62.57% of the total issued share capital of the Company, and is the controlling shareholder of the Company and is a connected person of the Company in accordance with Rule 14A.07 of the Listing Rules. Therefore, the Company will issue A Shares to Energy China Group, our connected person, in accordance with the Conversion Ratio upon the implementation of the Share Swap, in exchange for the CGGC shares held by it. In this case, the transactions contemplated under the Merger Agreement constitute connected transactions of the Company.

Accordingly, in addition to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules applicable to the transactions contemplated under the Merger Agreement (which constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules), the connected transactions are subject to the announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the Company will comply with such requirements as disclosed in the 27 October Announcement and this announcement.

CONFIRMATION OF DIRECTORS

As Mr. Song Hailiang and Mr. Sun Hongshui, the executive directors of the Company, serve in Energy China Group, and have material interests in the Merger, they have abstained from voting on the approval of the resolutions relating to the Merger at the Board meetings in accordance with the requirements of the Listing Rules. Save as disclosed above, none of the directors has material interests in the Merger.

The directors (including the independent non-executive directors) consider that the Merger Agreement, the plan for the Merger and the transactions contemplated thereunder are on normal commercial terms in the ordinary and usual business course of the Company and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CIRCULAR

The Company will convene the extraordinary general meeting and class meetings for Shareholders to review and approve the Merger as appropriate. The Company expects to distribute and send a circular containing (among others) the followings to Shareholders on 25 March 2021: (i) further information of the very substantial acquisition and connected transaction in relation to the Merger; and (ii) the notices of the extraordinary general meeting and class meetings to approve the Merger.

WARNING

The implementation of the Merger remains subject to the satisfaction of the conditions precedent as set out in the Merger Agreement, and the Merger may or may not proceed or become unconditional or effective accordingly. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of Company.

By order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Song Hailiang
Chairman

Beijing, the PRC
19 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Song Hailiang, Mr. Sun Hongshui and Mr. Ma Mingwei; the non-executive directors are Mr. Li Shulei, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Zhao Lixin, Mr. Cheng Niangao and Dr. Ngai Wai Fung.

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