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 2020

FULL-YEAR FINANCIAL HIGHLIGHTS

For the year ended 31 December 2020:

The revenue of the Company was RMB270,327.7 million, representing an increase of 9.32% as compared with last year.

Net profit attributable to equity holders of the Company was RMB4,680.3 million, representing a decrease of 7.84% as compared with last year.

Basic earnings per share was RMB0.15 per share, representing a decrease of RMB0.02 per share, or a decrease of 11.76% as compared with last year.

The Board recommends the payment of a final dividend of RMB0.0225 per share (tax inclusive) for the year ended 31 December 2020, with a total amount of dividends of approximately RMB675.0 million (the Company paid a final dividend of RMB0.0306 per share (tax inclusive) for the year 2019).

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 2020, 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 2020 prepared in accordance with International Financial Reporting Standards:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020
(Expressed in Renminbi)

	Note	**2020** **RMB'000**	*2019* *RMB'000*
Revenue	*6*	**270,327,662**	247,290,988
Cost of sales		**(234,226,653)**	(214,953,740)
Gross profit		**36,101,009**	32,337,248
Other income		**1,613,077**	2,110,055
Net impairment losses on financial assets and contract assets	*7(a)*	**(1,610,505)**	(1,118,360)
Other net gains and losses	*7(b)*	**132,816**	2,420,944
Selling expenses		**(1,940,653)**	(2,383,853)
Administrative expenses		**(11,904,982)**	(12,126,157)
Research and development expenses		**(6,784,810)**	(5,511,588)
Finance income	*8*	**388,545**	1,055,089
Finance costs	*8*	**(3,480,229)**	(4,355,663)
Share of profits of joint ventures		**208,116**	168,960
Share of profits of associates		**32,461**	711,246
Profit before taxation		**12,754,845**	13,307,921
Income tax	*9*	**(4,062,751)**	(3,707,542)
Profit for the year		**8,692,094**	9,600,379

	2020	2019
	RMB'000	*RMB'000*
Other comprehensive income for the year:		
Items that will not be reclassified subsequently to profit or loss:		
– Remeasurement of defined benefit obligations	**491,120**	270,578
– Income tax relating to remeasurement of defined benefit obligations	**(17,252)**	3,499
– Equity investments at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	**553,647**	191,198
– Income tax relating to equity investments at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	**(88,145)**	(22,097)
	939,370	443,178
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translating foreign operations	**(678,831)**	(109,173)
	(678,831)	(109,173)
Other comprehensive income for the year	**260,539**	334,005
Total comprehensive income for the year	**8,952,633**	9,934,384

	Note	2020 RMB'000	*2019 RMB'000*
Profit for the year attributable to:			
Equity holders of the Company			
– Shareholders		**4,516,628**	5,072,433
– Perpetual capital instruments holders		**163,657**	6,091
		4,680,285	5,078,524
Non-controlling interests			
– Shareholders		**2,942,171**	3,683,171
– Perpetual capital instruments holders		**1,069,638**	838,684
		4,011,809	4,521,855
		8,692,094	9,600,379
Total comprehensive income for the year attributable to:			
Equity holders of the Company			
– Shareholders		**4,686,062**	5,243,806
– Perpetual capital instruments holders		**163,657**	6,091
		4,849,719	5,249,897
Non-controlling interests			
– Shareholders		**3,033,276**	3,845,803
– Perpetual capital instruments holders		**1,069,638**	838,684
		4,102,914	4,684,487
		8,952,633	9,934,384
Earnings per share			
– Basic and diluted (RMB cents)	*10*	**15.13**	16.99

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

(Expressed in Renminbi)

	Note	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**50,343,979**	47,803,927
Investment properties		**750,449**	719,094
Intangible assets		**52,689,188**	42,443,895
Investments in joint ventures		**7,450,187**	5,416,691
Investments in associates		**21,503,857**	16,460,287
Goodwill		**2,140,397**	1,575,800
Deferred tax assets		**2,276,429**	2,068,529
Trade receivables	12	**34,650,825**	29,128,276
Prepayments, deposits and other receivables	13	**1,602,839**	1,894,945
Finance lease receivables		**4,235,234**	1,863,472
Financial assets at fair value through other comprehensive income		**2,310,578**	2,194,812
Financial assets at fair value through profit or loss		**6,686,063**	5,423,593
		186,640,025	156,993,321
Current assets			
Inventories	14	**11,955,535**	12,617,279
Properties under development for sale		**44,937,703**	47,103,429
Completed properties for sale		**4,636,074**	2,231,891
Contract assets		**48,237,627**	41,151,749
Trade and bills receivables	12	**65,171,266**	54,228,499
Prepayments, deposits and other receivables	13	**49,784,026**	49,027,166
Other loans		**5,039,244**	5,998,443
Financial assets at fair value through profit or loss		**2,957,693**	2,758,182
Finance lease receivables		**257,808**	425,616
Pledged deposits		**5,836,505**	5,242,218
Bank and cash balances		**50,598,406**	43,892,508
		289,411,887	264,676,980

	Note	2020 RMB'000	2019 RMB'000
Current liabilities			
Trade and bills payables	15	**113,564,004**	104,390,647
Contract liabilities		**58,832,766**	52,490,798
Other payables and accruals		**31,434,480**	28,889,755
Income tax payable		**2,766,108**	2,111,310
Bank and other borrowings		**35,164,008**	33,685,867
Defined benefit obligations		**1,110,222**	1,104,067
Corporate bonds		**9,024,438**	1,384,961
Lease liabilities		**297,193**	293,465
Provisions		**909,103**	631,168
		253,102,322	224,982,038
Net current assets		**36,309,565**	39,694,942
Total assets less current liabilities		**222,949,590**	196,688,263
Non-current liabilities			
Other payables and accruals		**854,150**	419,150
Bank and other borrowings		**62,974,897**	52,575,827
Corporate bonds		**9,995,381**	18,393,576
Lease liabilities		**596,678**	852,992
Defined benefit obligations		**8,539,784**	9,269,577
Deferred tax liabilities		**1,344,089**	1,119,297
Provisions		**40,973**	–
Deferred revenue		**674,781**	767,492
		85,020,733	83,397,911
NET ASSETS		**137,928,857**	113,290,352

	2020	*2019*
	RMB'000	*RMB'000*
CAPITAL AND RESERVES		
Issued share capital	**30,020,396**	30,020,396
Perpetual capital instruments	**9,500,000**	3,000,000
Reserves	**28,896,522**	25,124,366
Equity attributable to equity holders of the Company	**68,416,918**	58,144,762
Perpetual capital instruments	**30,984,433**	23,900,000
Non-controlling interests	**38,527,506**	31,245,590
TOTAL EQUITY	**137,928,857**	113,290,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 GENERAL INFORMATION

The Company was established in the People's Republic of China (the "**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 Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC. In the opinion of the directors of the Company (the "**Directors**"), ENERGY CHINA GROUP is the immediate and ultimate holding company of the Company.

The Company was 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 individual 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 amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on 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 2020 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 assets at fair value through other comprehensive income ("**FVOCI**") and financial assets at fair value through profit or loss ("**FVPL**") are stated at their fair value.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

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 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*

- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020.

Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred.

None of the above developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

5 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 (中國葛洲壩集團股份有限公司) ("**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.

6 SEGMENT INFORMATION

Segment reporting

The executive directors of the Company are identified as the chief operating decision maker (the "**CODM**") of the Group for the purposes of resources allocation and performance assessment. The information reported to the CODM for the purposes of resources allocation and performance assessment focuses specifically on respective businesses of the Group.

The Group's operating and reportable segments are as follows:

- Provision of survey and design services for large scale power generation, transformation and transmission projects of fossil-fuel power, hydropower, nuclear power, wind farms and solar power in China and overseas, and the provision of a broad range of consulting services, such as the policy and planning of power industry as well as testing, evaluation and supervision of power projects ("**Survey, design and consulting services**");

- Provision of infrastructure construction contracts and power engineering debugging and project operation and maintenance services for large scale power generation, transformation and transmission projects of fossil-fuel power, hydropower, nuclear power, wind farms and solar power in China and overseas, as well as undertaking other types of construction projects, such as water conservancy facilities, transportation, municipal engineering, industrial, civil construction projects ("**Construction and contracting**");

- Design, manufacturing and sales of various types of equipment for various sectors of the power industry, including mainly auxiliary machinery equipment for power plants, power grid equipment, steel structure, energy-saving and environmental-friendly equipment and complete sets of equipment; manufacturing and sales of civil explosives and cement, and the provision of blasting services for construction projects ("**Industrial manufacturing**");

- Investing in and operating power plants, water plant construction and operation, and environmental water project operation, as well as participating in renewable resource business ("**Clean energy, environmental protection and water utilities**"); and

- Investing in and operating infrastructure projects (such as expressways) and providing financial service, as well as engaging in the real estate developing business ("**Investment and other businesses**").

Segment revenue and results

For the year ended 31 December 2020

	Survey, design and consulting services *RMB'000*	Construction and contracting *RMB'000*	Industrial manufacturing *RMB'000*	Clean energy, environmental protection and water utilities *RMB'000*	Investment and other businesses *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition							
Point in time	–	–	23,857,359	11,925,427	19,821,655	–	55,604,441
Over time	13,910,721	200,812,500	–	–	–	–	214,723,221
External segment revenue	13,910,721	200,812,500	23,857,359	11,925,427	19,821,655	–	270,327,662
Inter-segment revenue	184,395	10,726,546	227,435	1,252	1,905,044	(13,044,672)	–
Segment revenue	14,095,116	211,539,046	24,084,794	11,926,679	21,726,699	(13,044,672)	270,327,662
Segment results	893,279	9,216,125	3,256,230	592,329	2,585,758	290,193	16,833,914
Unallocated items:							
Cost of sales							(78)
Other income							600,439
Net impairment losses on financial assets and contract assets							(1,610,505)
Other net gains and losses							132,816
Administrative expenses							(350,139)
Research and development expenses							(495)
Finance income							388,545
Finance costs							(3,480,229)
Share of profits of joint ventures							208,116
Share of profits of associates							32,461
Profit before taxation							12,754,845

For the year ended 31 December 2019

	Survey, design and consulting services *RMB'000*	Construction and contracting *RMB'000*	Industrial manufacturing *RMB'000*	Clean energy, environmental protection and water utilities *RMB'000*	Investment and other businesses *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition							
Point in time	–	–	22,988,038	16,171,576	17,673,213	–	56,832,827
Over time	13,089,157	177,369,004	–	–	–	–	190,458,161
External segment revenue	13,089,157	177,369,004	22,988,038	16,171,576	17,673,213	–	247,290,988
Inter-segment revenue	64,841	8,056,105	722,589	1,649	1,861,548	(10,706,732)	–
Segment revenue	13,153,998	185,425,109	23,710,627	16,173,225	19,534,761	(10,706,732)	247,290,988
Segment results	1,194,899	6,758,815	3,538,854	303,259	2,409,575	(77,206)	14,128,196
Unallocated items:							
Cost of sales							(1,041)
Other income							712,250
Net impairment losses on financial assets and contract assets							(1,118,360)
Other net gains and losses							2,420,944
Selling expenses							(10,124)
Administrative expenses							(391,638)
Research and development expenses							(11,938)
Finance income							1,055,089
Finance costs							(4,355,663)
Share of profits of joint ventures							168,960
Share of profits of associates							711,246
Profit before taxation							13,307,921

Segment profit represents the profit earned by each segment without allocation of certain cost of sales, other income, net impairment losses on financial assets and contract assets, other net gains and losses, selling expenses, administrative expenses, research and development expenses, finance income, finance costs, share of profits of joint ventures and associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the end of the reporting period:

As at 31 December 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB654,601 million. This amount represents revenue expected to be recognised in the future from survey, design and consulting contracts, construction contracts and pre-completion sales contracts of properties under development entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for equipment manufacturing, civil explosives, cement production, clean energy, environmental protection and water utilities, such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contracts that had an original expected duration of one year or less.

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the end of the reporting period it is highly probable that the Group will satisfy the conditions for earning those bonuses.

Segment assets and liabilities

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

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:

	2020	2019
	RMB'000	*RMB'000*
Segment revenue		
Mainland China	**238,177,270**	206,711,730
Overseas:		
Pakistan	**5,739,837**	6,335,835
Indonesia	**3,041,715**	2,763,818
Vietnam	**2,809,083**	4,021,275
Jordan	**1,784,653**	3,950,187
Bangladesh	**1,688,562**	3,097,357
Angola	**962,451**	2,720,640
Others	**16,124,091**	17,690,146
Total	**270,327,662**	247,290,988

	2020	2019
	RMB'000	*RMB'000*
Non-current assets		
Mainland China	**116,222,790**	99,409,438
Overseas:		
Vietnam	**10,595,686**	8,992,128
Pakistan	**6,967,754**	5,717,045
Kazakhstan	**834,305**	870,091
Spain	**488,652**	–
Argentina	**172,181**	162,157
Kuwait	**164,221**	222,614
Brazil	**157,655**	126,188
Liberia	**94,887**	110,269
Others	**782,766**	704,710
Total	**136,480,897**	116,314,640

Note: 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 2020 (2019: Nil).

7 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS AND OTHER NET GAINS AND LOSSES

(a) Net impairment losses on financial assets and contract assets

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**674,400**	460,232
Contract assets	**189,653**	88,148
Other receivables *(note 13)*	**172,233**	121,045
Other receivables from Huanjia Connected Suppliers *(note 13(i))*	**574,219**	448,935
Total	**1,610,505**	1,118,360

(b) Other net gains and losses

	2020	2019
	RMB'000	*RMB'000*
Net foreign exchange (loss)/gain	**(494,198)**	60,410
Gain/(loss) on disposals of:		
– Financial assets at FVPL	**1,859**	(2,059)
– Property, plant and equipment	**409,451**	106,132
– Intangible assets	**1,412**	(755)
– Subsidiaries	**243,767**	2,300,070
Impairment loss recognised in respect of:		
– Property, plant and equipment	**(20,413)**	(19,692)
– Investments in an associate	**–**	(55,695)
Fair value changes of financial assets at FVPL	**570,878**	40,953
Loss on compensation, penalties and fines *(i)*	**(198,754)**	(105,192)
Provision made for pending litigations *(ii)*	**(414,560)**	(5,271)
Others	**33,374**	102,043
Total	**132,816**	2,420,944

Notes:

(i) In 2020, one branch company of Gezhouba Huanjia received court decisions regarding the crime of falsely making out specialized value-added tax receipts and losses with amount of RMB9 million were recognized accordingly.

(ii) During the year ended 31 December 2020, provision of RMB119 million has been made for the expected losses to the Group of certain legal proceedings related to Gezhouba Huanjia.

8 FINANCE INCOME AND FINANCE COSTS

	2020	2019
	RMB'000	*RMB'000*
Interest income on:		
Bank and cash balances and pledged deposits and other loans	**380,199**	1,041,108
Defined benefit plan assets	**8,346**	13,981
Total finance income	**388,545**	1,055,089
Interest expenses on:		
Bank and other borrowings	**4,159,168**	4,935,467
Corporate bonds	**786,308**	872,235
Asset based security ("**ABS**")	**136,550**	95,426
Lease liabilities	**71,451**	40,626
Discounted bills	**99,021**	70,606
Defined benefit obligations	**222,361**	299,693
	5,474,859	6,314,053
Less: Interest capitalised in		
– Construction in progress	**(220,685)**	(573,623)
– Properties under development for sale	**(735,074)**	(916,280)
– Intangible assets	**(1,038,871)**	(468,487)
Total finance costs	**3,480,229**	4,355,663

Notes:

(i) Borrowing costs were capitalised to the qualifying assets based on the effective interest rates of bank and other borrowings and corporate bonds.

(ii) The borrowing costs have been capitalised at rates of 3.30% to 6.50% for the year ended 31 December 2020 (2019: 2.92% to 9.00%).

9 INCOME TAX

	2020	2019
	RMB'000	*RMB'000*
Current enterprise income tax	**3,500,050**	3,129,984
Deferred taxation	**(96,750)**	42,806
Land appreciation tax ("**LAT**")	**659,451**	534,752
	4,062,751	3,707,542

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.

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of RMB4,517 million (2019: RMB5,072 million) and the weighted average of 29,855,864,000 ordinary shares in issue during the year ended 31 December 2020 (2019: 29,855,864,000 shares).

(b) Diluted earnings per share

There was no dilutive effect arising from restricted share incentive scheme for the year ended 31 December 2020.

11 DIVIDENDS

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

	2020	2019
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of RMB0.0225 per share (2019: RMB0.0306 per share)	**675,000**	918,624

A final dividend of RMB0.0225 per share in respect of the year ended 31 December 2020, comprising 30,020,396,000 shares existing as at 31 December 2020, has been proposed by the Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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

	2020	2019
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.0306 per share (2019: RMB0.0306 per share)	**918,624**	918,624

12 TRADE AND BILLS RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**54,421,760**	50,321,200
Retention receivables	**17,397,551**	14,381,833
Less: loss allowance	**(4,419,331)**	(4,024,432)
	67,399,980	60,678,601
Bills receivable	**13,229,407**	5,611,852
Build-transfer ("**BT**")/Build-operate-transfer ("**BOT**") project receivables	**19,192,704**	17,066,322
Total trade and bills receivables	**99,822,091**	83,356,775
Analysed for financial reporting purpose:		
Non-current	**34,650,825**	29,128,276
Current	**65,171,266**	54,228,499
	99,822,091	83,356,775

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 2020, the Group pledged its trade receivables amounting to approximately RMB17,793 million (2019: RMB5,090 million) to secure loan facilities granted to the Group.

As at 31 December 2020, trade receivables of RMB3,021 million (2019: RMB2,076 million) had been transferred in accordance with relevant ABS issuances. Relevant trade receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

(a) Ageing analysis

The following is ageing analysis of trade and bills receivables, net of loss allowance and based on the invoice date at the end of the reporting period:

	2020	2019
	RMB'000	*RMB'000*
0 to 6 months	**68,890,581**	58,973,905
6 months to 1 year	**10,392,942**	7,665,837
1 year to 2 years	**10,026,957**	7,592,431
2 years to 3 years	**4,884,002**	3,838,897
3 years to 4 years	**2,236,599**	3,055,326
4 years to 5 years	**2,265,774**	1,270,199
Over 5 years	**1,125,236**	960,180
	99,822,091	83,356,775

(b) 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:

	2020	2019
	RMB'000	*RMB'000*
Ultimate holding company	**–**	425
Fellow subsidiaries	**26,683**	25,383
Joint ventures	**1,531,626**	891,427
Associates	**6,792,511**	1,754,729
Total	**8,350,820**	2,671,964

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.

(c) Foreign currency of trade and bills receivables

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

	2020	2019
	RMB'000	*RMB'000*
United States Dollar ("**USD**")	**676,625**	1,783,981
Euro ("**EUR**")	**304,674**	13,287
Pakistan Rupee ("**PKR**")	**75,830**	274,436
Others	**283,618**	1,264,329
	1,340,747	3,336,033

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Advance to suppliers	**25,257,704**	24,760,370
Other receivables from Huanjia Connected Suppliers *(note (i))*	**–**	574,218
Other receivables *(note (ii))*	**17,506,165**	15,260,726
Receivables for the "Transfer" *(note (iii))*	**–**	2,121,789
Prepayments for purchase of property, plant and equipment	**1,188,075**	1,156,751
Prepaid taxes	**7,348,474**	7,000,886
Dividends receivable	**86,112**	5,265
Interests receivable	**335**	3,028
Deposits for land use rights	**–**	39,078
	51,386,865	50,922,111
Analysed for financial reporting purpose:		
Non-current	**1,602,839**	1,894,945
Current	**49,784,026**	49,027,166
	51,386,865	50,922,111

Notes:

(i) During the year ended 31 December 2018, Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司, "**Gezhouba Huanjia**"), in which a wholly owned subsidiary of CGGC, CGGC Group Green Technology Company Limited (中國葛洲壩集團綠園科技有限公司, "**CGGC Green Technology**") and Mr. Wang Jinping hold 55% and 45% equity interests, respectively, made prepayments of RMB1,741 million to certain suppliers. From the year of 2015 to 2020, Mr. Wang Jinping was the director and general manager of Gezhouba Huanjia, and also the chairman and shareholder of Dalian Huanjia Group Co., Ltd. (大連環嘉集團有限公司) (now renamed as Huanjia Group Co., Ltd. (環嘉集團有限公司), "**Huanjia Group**"). As these suppliers subsequently failed to deliver relevant goods to Gezhouba Huanjia, the balances were reclassified to other receivables and impairment loss of RMB452 million was made during the year ended 31 December 2018.

During the year ended 31 December 2020, Mr. Wang Jinping, certain directors and management personnel of Gezhouba Huanjia were kept in detention and investigated by the Committee of Supervisory of Wuhan City (武漢市監察委員會) for duty related crimes and/or crimes (the "**Investigation**"). These suppliers were found to be connected to Huanjia Group ("**Huanjia Connected Suppliers**"). The Group had taken certain contingency measures to recover the receivables. As at 31 December 2020, the gross amount of outstanding other receivables from Huanjia Connected Suppliers was RMB1,475 million. Based on information available to the Group, additional impairment loss of RMB574 million was made during the year ended 31 December 2020 (2019: RMB449 million). As at 31 December 2020, the carrying amount was RMB0 (2019: RMB574 million).

(ii) Other receivables mainly represent bidding bonds, performance bonds and various deposits required for the Group's business operations.

(iii) In accordance with relevant policies issued by SASAC and Ministry of Finance of the PRC, the state-owned enterprises shall carve out, upgrade (if necessary) and transfer their assets related to water supply, power supply, and heat/gas supply and property management of employees' communities, together with their maintenance obligation and management function, to the parties, which are designated by local governments before the year end of 2018 (the "**Transfer**", 三供一業移交).

Movements in the loss allowance are set out as follows:

	2020	2019
	RMB'000	*RMB'000*
At the beginning of the year	**2,251,531**	1,826,162
Impairment losses recognised *(note 7(a))*	**746,452**	569,980
Written off	**(6,167)**	(139,258)
Effect on disposal of subsidiaries	**(3,106)**	(5,353)
At the end of the year	**2,988,710**	2,251,531

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

	2020	2019
	RMB'000	*RMB'000*
Ultimate holding company		
– Non-trade nature	**2,573**	2,338,343
Fellow subsidiaries		
– Trade nature	**216,371**	236,701
– Non-trade nature	**524,385**	725,102
Joint ventures		
– Non-trade nature	**230,387**	2,677
Associates		
– Trade nature	**17,189**	–
– Non-trade nature	**1,542,275**	993,761
Total	**2,533,180**	4,296,584

14 INVENTORIES

	2020	2019
	RMB'000	*RMB'000*
Materials in transit	**89,622**	171,393
Raw materials	**4,381,917**	4,309,048
Work in progress	**1,653,193**	1,584,878
Finished goods	**5,756,614**	6,443,474
Low value consumables and spare parts	**365,569**	325,371
	12,246,915	12,834,164
Less: write-down of inventories	**(291,380)**	(216,885)
	11,955,535	12,617,279

Note: Certain inventories of Gezhouba Huanjia were stored in sites, which were leased from Huanjia Group (defined in note 13(i)). As at 31 December 2020, inventories of Gezhouba Huanjia with carrying amount of RMB708 million (2019: RMB708 million), which were stored in these sites, were seized by court orders for enforcement as a result of a number of legal proceedings against Huanjia Group. Based on available documents and the opinion of legal adviser of the Group, the Company is of the opinion that these inventories are lawfully owned by Gezhouba Huanjia.

15 TRADE AND BILLS PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**100,468,882**	91,063,087
Bills payable	**13,095,122**	13,327,560
	113,564,004	104,390,647

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

As at 31 December 2020, retention payables of RMB6,570 million (31 December 2019: RMB6,164 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:

	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**97,560,648**	90,851,870
1 to 2 years	**8,415,605**	6,490,507
2 to 3 years	**2,982,896**	2,721,690
More than 3 years	**4,604,855**	4,326,580
	113,564,004	104,390,647

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

	2020	2019
	RMB'000	*RMB'000*
Fellow subsidiaries	**120,913**	124,365
Joint ventures	**192,446**	8,300
Associates	**42,649**	26,321
	356,008	158,986

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.

16 PLEDGE OF ASSETS, CONTINGENCIES AND CONTINGENT LIABILITIES

For details, please refer to section 8 in MANAGEMENT DISCUSSION AND ANALYSIS of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

1 OVERVIEW

In 2020, the Company achieved the revenue of RMB270,327.7 million, representing a year-on-year increase of 9.32%; the total profit amounted to RMB12,754.8 million, representing a year-on-year decrease of 4.16%; the net profit attributable to the equity owners of the Company was RMB4,680.3 million, representing a year-on-year decrease of 7.84%. The revenue from domestic business was RMB238,177.3 million, representing a year-on-year increase of 15.22%; the revenue from power business was RMB151,850.6 million, representing a year-on-year increase of 8.12%; the revenue from non-power business was RMB118,477.1 million, representing a year-on-year increase of 10.89%.

2 CONSOLIDATED OPERATING RESULTS

	For the year ended 31 December		
Item	**2020**	2019	Percentage of change
	(RMB in million)	*(RMB in million)*	*(%)*
Revenue	**270,327.7**	247,291.0	9.32
Cost of sales	**(234,226.7)**	(214,953.7)	8.97
Other income	**1,613.1**	2,110.1	(23.55)
Net impairment losses on financial assets and contract assets	**(1,610.5)**	(1,118.4)	44.10
Other net gains and losses	**132.8**	2,420.9	(94.51)
Selling expenses	**(1,940.7)**	(2,383.9)	(18.58)
Administrative expenses	**(11,905.0)**	(12,126.2)	(1.82)
Research and development expenses	**(6,784.8)**	(5,511.6)	23.10
Finance income	**388.5**	1,055.1	(63.13)
Finance costs	**(3,480.2)**	(4,355.7)	(20.11)
Share of profits of joint ventures	**208.1**	169.0	23.08
Share of profits of associates	**32.5**	711.2	(95.50)
Profit before taxation	**12,754.8**	13,307.9	(4.16)
Income tax expense	**(4,062.8)**	(3,707.5)	9.57
Net profit	**8,692.1**	9,600.4	(9.46)

In 2020, the selling expenses of the Company amounted to RMB1,940.7 million, representing a year-on-year decrease of 18.58%, primarily due to the decrease in sales of CGGC's cement business due to the rainy season, and the decline in sales-related transportation expenses, and due to the impact of the epidemic, daily business activities were blocked, and sales-related service fees and other expenditures decreased. The percentage of selling expenses to the revenue decreased from 0.96% in 2019 to 0.72% in 2020.

In 2020, the administrative expenses of the Company amounted to RMB11,905.0 million, representing a year-on-year decrease of 1.82%, primarily due to the increase in online office working and the decrease in commuting due to the epidemic, which in turn reduced management-related travel expenses. The percentage of administrative expenses to the revenue decreased from 4.90% in 2019 to 4.40% in 2020.

In 2020, the finance costs of the Company amounted to RMB3,480.2 million, representing a year-on-year decrease of 20.11%, primarily due to the decline in the global economy and the decline in overall interest rates due to the impact of the epidemic in 2020 and the interest rate of new borrowings during the year was lower than the interest rate of previous years. The percentage of finance costs to the revenue decreased from 1.76% in 2019 to 1.29% in 2020.

In 2020, the research and development ("**R&D**") expenses of the Company was RMB6,784.8 million, representing a year-on-year increase of 23.10%, primarily due to the increased R&D efforts of CGGC, China Energy Engineering Group Planning & Engineering Corporation Limited ("**CEEPE**") and others, and the increased resource input for R&D projects such as the research and application of prefabricated electrical building construction technology, tunnel mechanization construction technology, high-efficiency lignite power generation technology and ultra-high voltage transmission technology. The percentage of R&D expenses to the revenue increased from 2.23% in 2019 to 2.51% in 2020.

3 OPERATING RESULTS BY SEGMENTS

Conditions of Industry Segments of Principal Businesses
(For the year ended 31 December)

Industry segments	**2020**			2019			Percentage of changes (%)/ 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	**14,095.1**	**9,306.6**	**33.97**	13,154.0	8,506.4	35.33	7.15	9.41	(1.36)
Construction and contracting	**211,539.0**	**193,372.2**	**8.59**	185,425.1	169,910.9	8.37	14.08	13.81	0.22
Industrial manufacturing	**24,084.9**	**17,604.8**	**26.91**	23,710.6	17,243.5	27.28	1.58	2.10	(0.37)
Clean energy, environmental protection and water utilities	**11,926.7**	**10,923.9**	**8.41**	16,173.2	15,676.8	3.07	(26.26)	(30.32)	5.34
Investment and other businesses	**21,726.7**	**16,257.0**	**25.18**	19,534.8	14,141.7	27.61	11.22	14.96	(2.43)
Inter-segment elimination(1)	**(13,044.7)**	**(13,237.9)**	**–**	(10,706.7)	(10,526.6)	–	–	–	–
Unallocated items(2)	**–**	**0.1**	**–**	–	1.0	–	–	–	–
Total	**270,327.7**	**234,226.7**	**13.35**	247,291.0	214,953.7	13.08	9.32	8.97	0.27

Notes:

(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 revenue of the Company increased by 9.32% from RMB247,291.0 million in 2019 to RMB270,327.7 million in 2020. The increase was mainly attributable to the increase in business volume in the survey, design and consulting segment, engineering construction segment, industrial manufacturing segment, investment and other business segments.

The cost of sales of the Company increased by 8.97% from RMB214,953.7 million in 2019 to RMB234,226.7 million in 2020. The increase was generally in line with the increase in revenue during the same period.

The gross profit of the Company was RMB32,337.2 million and RMB36,101.0 million in 2019 and 2020, respectively, and gross profit margin of the Company remained stable at 13.08% and 13.35% during the same period, respectively.

3.1 Survey, Design and Consulting Services Business

This business generates revenue primarily from providing survey and design services for thermal, hydropower, nuclear power, 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 7.15% from RMB13,154.0 million in 2019 to RMB14,095.1 million in 2020. The increase was mainly due to the increase in the businesses such as new energy, power transmission and transformation business and municipal construction.

Cost of sales before inter-segment elimination of survey, design and consulting services business of the Company increased by 9.41% from RMB8,506.4 million in 2019 to RMB9,306.6 million in 2020. The increase was higher than revenue growth over the same period, which was mainly due to the increase rate in the cost of power transmission and transformation business and new energy business was higher than that of the revenue.

The gross profit before inter-segment elimination of survey, design and consulting services business of the Company was RMB4,647.6 million and RMB4,788.5 million in 2019 and 2020, respectively, and the gross profit margin of the segment during the same period was 35.33% and 33.97%, respectively, representing a slight year-on-year decrease.

3.2 Construction and Contracting Business

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

Revenue before inter-segment elimination of construction and contracting business of the Company increased by 14.08% from RMB185,425.1 million in 2019 to RMB211,539.0 million in 2020. The increase was mainly due to the increase in income from non-power business driven by new energy general contracting business and PPP projects.

Cost of sales before inter-segment elimination of construction and contracting business of the Company increased by 13.81% from RMB169,910.9 million in 2019 to RMB193,372.2 million in 2020, which was generally in line with the increase in revenue.

The gross profit before inter-segment elimination of construction and contracting business of the Company was RMB15,514.2 million and RMB18,166.8 million in 2019 and 2020, respectively, and the gross profit margin of the segment for the same period was 8.37% and 8.59%, respectively, remaining steady on a year-on-year basis.

3.3 Industrial Manufacturing Business

This business generates revenue primarily from the design, manufacture and sale of equipment for use in the fields of power industry, including ancillary equipment for power plants, power grid equipment, steel structure and energy conservation and environmental protection equipment, manufacture and sale of civil explosives and cement products, and the provision of explosive service.

Revenue before inter-segment elimination of industrial manufacturing business of the Company increased by 1.58% from RMB23,710.6 million in 2019 to RMB24,084.9 million in 2020, remaining steady on a year-on-year basis.

Cost of sales before inter-segment elimination of industrial manufacturing business of the Company increased by 2.10% from RMB17,243.5 million in 2019 to RMB17,604.8 million in 2020, which was basically in line with the increase in revenue.

The gross profit before inter-segment elimination of industrial manufacturing business of the Company was RMB6,467.1 million and RMB6,480.1 million in 2019 and 2020, respectively, and the gross profit margin of the segment for the same period was 27.28% and 26.91%, respectively, remaining steady on a year-on-year basis.

3.4 Clean Energy, Environmental Protection and Water Utilities Business

This business generates revenue primarily from businesses including power generation business, environmental protection business and water plant construction and operation, etc.

Revenue before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 26.26% from RMB16,173.2 million in 2019 to RMB11,926.7 million in 2020, the decrease was mainly due to the decline in revenue from the environmental protection business segment.

Cost of sales before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 30.32% from RMB15,676.8 million in 2019 to RMB10,923.9 million in 2020, which was generally in line with the changes in revenue.

The gross profit before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company was RMB496.4 million and RMB1,002.8 million in 2019 and 2020, respectively, while the gross profit margin of this segment during the same period was 3.07% and 8.41%, respectively, which was mainly due to the increase in the proportion of revenue and gross profit from the water utilities business and power generation business with higher gross profit margin.

3.5 Investment and Other Businesses

This business generates revenue primarily from real estate development, expressway operation, financial services and other businesses.

Revenue before inter-segment elimination of investment and other businesses of the Company increased by 11.22% from RMB19,534.8 million in 2019 to RMB21,726.7 million in 2020, the increase was primarily due to the increase in income from real estate development business and financial service business.

Cost of sales before inter-segment elimination of investment and other businesses of the Company increased by 14.96% from RMB14,141.7 million in 2019 to RMB16,257.0 million in 2020. This increase was slightly higher than the revenue growth over the same period, which was mainly due to the increase rate in the cost of real estate development business and financial services business, which accounted for a large proportion of revenue and gross profit, was greater than the increase in revenue.

The gross profit before inter-segment elimination of investment and other businesses of the Company was RMB5,393.1 million and RMB5,469.7 million in 2019 and 2020, respectively. Gross profit margin of the segment decreased from 27.61% in 2019 to 25.18% in 2020, which was mainly due to the decline in gross profit from real estate development business and financial service business.

4 CASH FLOW

	For the year ended 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Net cash (used in)/generated from operating activities	**6,490.1**	10,963.6
Net cash (used in)/generated from investing activities	**(20,191.8)**	(14,513.3)
Net cash (used in)/generated from financing activities	**22,136.5**	(1,974.3)
Net increase/(decrease) in cash and cash equivalents	**8,434.8**	(5,524.0)
Cash and cash equivalents at the beginning of the year	**42,624.5**	47,643.1
Effects of exchange rate changes	**(1,198.1)**	505.5
Cash and cash equivalents at the end of the year	**49,861.2**	42,624.6

4.1 Cash Flow Generated from Operating Activities

The net cash generated from operating activities decreased from RMB10,963.6 million in 2019 to RMB6,490.1 million in 2020, representing a decrease of RMB4,473.5 million or 40.80%, which was mainly attributable to: (i) the increase in taxes such as prepaid value-added tax and the payment of income tax, which affected the cash outflow of RMB5,018.8 million, and the increase in other payables such as taxes and fees, which affected the cash outflow of RMB3,609.0 million; (ii) the corresponding increase in contract assets and contract liabilities, which comprehensively affected the cash outflow of RMB932.4 million. The decrease was partially offset by the increase in contract construction receivables, which affected the cash inflow of RMB13,935.9 million.

4.2 Cash Flow Used in Investing Activities

Net cash used in investing activities increased from RMB14,513.3 million in 2019 to RMB20,191.8 million in 2020, representing an increase of RMB5,678.5 million or 39.13%, which was mainly attributable to: (i) payment of RMB14,959.2 million for the purchase of intangible assets, property, plant and equipment; (ii) an increase of RMB9,892.5 million in capital injection to associates and joint ventures; (iii) an increase of RMB6,113.9 million in the purchase of financial assets. The cash outflows were partially offset by RMB5,658.8 million in cash obtained from the disposal of financial assets and RMB3,364.4 million obtained by the recovery of funds from related parties.

4.3 Cash Flow Generated from Financing Activities

The net cash generated from financing activities increased from RMB-1,974.3 million in 2019 to RMB22,136.5 million in 2020, representing an increase of RMB24,110.8 million, which was mainly attributable to: (i) new loans and bonds of RMB40,458.0 million; (ii) issuance of perpetual capital instruments of RMB14,804.4 million. The cash inflows were partially offset by the following items: repayment of bank borrowings, other borrowings and corporate bonds of RMB31,861.9 million; payment of borrowings and bond interest of RMB5,395.9 million, payment of dividends of RMB1,069.6 million to equity holders and holders of perpetual capital instruments.

5 CAPITAL EXPENDITURE

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 years indicated:

	For the year ended 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Property, plant and equipment	**7,823.4**	6,084.0
Intangible assets	**10,744.3**	12,459.8
Investment properties	**21.3**	–
Total	**18,589.0**	18,543.8

6 CAPITAL AND FINANCIAL POLICIES

The Finance and Property Department of the Company is responsible for the capital and financial policies for the Company's overall business operations. The Company expected to jointly finance its management capital and other capital needs from a variety of sources, including but not limited to internal financing and external financing at a reasonable market interest rate. The Group continued to focus on improving return on equity and assets while maintaining prudent capital and financial policies.

7 INDEBTEDNESS

As at 31 December 2020, the Company's total liabilities amounted to RMB338,123.1 million and total assets amounted to RMB476,052.0 million, with a gearing ratio of 71.03%, representing a decrease of 2.1 percentage points from 73.13% for last year. The Company's total indebtedness amounted to RMB117,158.8 million. The following table sets forth the details of bank borrowings, other borrowings and corporate bonds of the Company as at the dates indicated:

	As at 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Long-term		
Bank borrowings		
Unsecured	**29,288.9**	26,552.0
Secured	**33,568.3**	26,012.0
Other borrowings		
Secured	**117.7**	11.9
Corporate bonds[(1)]	**9,995.4**	18,393.6
Subtotal	**72,970.3**	70,969.5
Short-term		
Bank borrowings		
Unsecured	**12,731.8**	15,249.2
Secured	**4,764.5**	3,195.4
Other borrowings		
Unsecured	**17,588.3**	15,188.2
Secured	**79.5**	53.0
Corporate bonds[(1)]	**9,024.4**	1,385.0
Subtotal	**44,188.5**	35,070.8
Total	**117,158.8**	106,040.3

Note:

(1) The corporate bonds of the Company are unsecured medium-term notes and corporate bonds.

The following table sets forth the bank and other borrowings mainly denominated in currencies other than the functional currencies of respective entities:

	As at 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
USD	**13,142.1**	14,147.7
EUR	**537.7**	–
JPY	**113.4**	120.1
Brazilian Real	**2,785.0**	3,947.2
Total	**16,578.2**	18,215.0

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

	As at 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Guaranteed by:		
Third parties	**113.4**	120.1
Total	**113.4**	120.1

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

	As at 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Repayable within 1 year	**44,188.5**	34,043.2
Repayable after 1 year but within 2 years	**6,672.9**	20,243.8
Repayable after 2 years but within 3 years	**19,318.5**	4,747.7
Repayable after 3 years but within 4 years	**5,451.7**	7,185.3
Repayable after 4 years but within 5 years	**1,336.4**	5,770.9
Repayable after 5 years	**40,190.8**	34,049.4
Total	**117,158.8**	106,040.3

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

	As at 31 December	
	2020	2019
	%	*%*
Bank borrowings	**1.05-7.50**	1.05-8.00
Other borrowings	**4.00-4.79**	3.92-4.90
Corporate bonds	**3.14-5.37**	3.14-5.37

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			
	2020		2019	
	(RMB in million)	***%***	*(RMB in million)*	*%*
Fixed rate bank and other borrowings	**51,178.3**	**1.05-6.70**	46,409.8	1.05-8.00
Floating rate bank and other borrowings	**46,960.6**	**2.30-7.50**	39,851.9	1.20-7.50
Total	**98,138.9**		86,261.7	

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 RMB11,118.5 million from 1 January 2020 to 31 December 2020, mainly due to: (i) the discount of certain banks and commercial acceptance bills did not meet the conditions for derecognition, resulted in an increase of RMB2.66 billion in borrowings; (ii) issuance of short-term financing bills of RMB3.00 billion by CGGC Group; (iii) increase in borrowings for PPP projects of RMB3.33 billion by certain subsidiaries during the year.

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 2020, the Company had RMB35.20 billion of authorized but unissued debt securities, namely the unsecured and unguaranteed corporate bonds and perpetual bonds.

As at 31 December 2020, the Company had RMB475.73 billion of unutilized and unrestricted bank facilities. As at the date of this announcement, the Company was not subject to any material restrictive terms in the borrowings.

8 PLEDGE OF ASSETS, CONTINGENCIES AND CONTINGENT LIABILITIES

8.1 Pledge of Assets

As at 31 December 2020, 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	
	2020	2019
	(RMB in million)	*(RMB in million)*
Property, plant and equipment	**821.5**	1,248.2
Intangible assets	**31,357.3**	26,464.9
Trade and bills receivables	**18,101.2**	5,090.3
Properties under development for sale	**17,291.5**	18,690.3
Bank deposits	**5,836.5**	5,242.2
Total	**73,408.0**	56,735.9

8.2 Contingencies

(a) 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.

(b) Guarantees

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

	As at 31 December	
	2020	2019
	(RMB in million)	*(RMB in million)*
Guarantees given to banks and other financial institutions in respect of loan facilities granted to:		
Associates	**1,329.3**	1,532.2
Joint ventures	**18.0**	18.0
Third parties	**1,390.5**	243.4
Investee recognised as financial assets at FVOCI	**18.2**	21.4
	2,756.0	1,815.0
Mortgage loan guarantees provided by the Company to banks in favor of its customers	**4,681.1**	1,578.2
Total	**7,437.1**	3,393.2

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 after 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 the consolidated financial data for these guarantees.

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 2020 and up to the date of this announcement.

8.3 Contingent Liabilities

(i) Legal proceedings with financial institutions

During the year ended 31 December 2020 and the year ended 31 December 2019, Gezhouba Huanjia and Huanjia Connected Suppliers were involved as defendants in 20 legal proceedings with certain financial institutions. Mr. Wang Jinping was also one of the defendants in certain above-mentioned legal proceedings.

At 31 December 2020, these financial institutions sued Gezhouba Huanjia and other defendants for repayment of loans amounted to RMB1,056 million in total (2019: RMB1,056 million). Most of the above-mentioned legal proceedings have been rejected by courts given these legal proceedings are subject to the conclusions of the Investigation as there are in duty related crimes and/or crimes involved. Based on the advice from the Company's legal counsel, the Directors believe that Gezhouba Huanjia will be possibly sued by these financial institutions and subject to further investigations after the completion of the Investigation and that Gezhouba Huanjia may lose these proceedings under further investigations. As at 31 December 2020, given the Investigation is yet to be concluded, the Company cannot reasonably estimate the outcome and potential financial impact, if any, of the above-mentioned legal proceedings.

(ii) Legal proceedings with lenders other than the financial institutions ("other lenders")

During the year ended 31 December 2020 and the year ended 31 December 2019, Gezhouba Huanjia and Huanjia Connected Suppliers were involved as defendants in 4 legal proceedings with 3 other lenders. Mr. Wang Jinping was also one of the defendants in certain above-mentioned legal proceedings.

As at 31 December 2020, the Group made full provision for estimated liabilities of RMB119 million (2019: RMB0) for the 3 legal proceedings with other lenders that were likely to cause losses to the Group in the above legal proceedings based on the rulings of the court. The remaining one legal proceeding with amount sued of RMB268 million was rejected by the court, given the legal proceeding is subject to the conclusion of the Investigation. Based on the advice from the Company's legal counsel, the Directors believe that Gezhouba Huanjia will be possibly sued by the other lenders after the completion of the Investigation. Subject to further investigations, Gezhouba Huanjia may lose the proceeding. As at 31 December 2020, given the Investigation is yet to be concluded, the Company cannot reasonably estimate the outcome and potential financial impact, if any, of the above-mentioned legal proceedings.

(iii) Legal proceedings with Huanjia Connected Suppliers

Gezhouba Huanjia was involved as defendants in 3 legal proceedings with Huanjia Connected Suppliers. As at 31 December 2020, the Group has made full provision for estimated liabilities of RMB148 million (2019: RMB0) for the above 3 legal proceedings that were likely to cause losses to the Group based on the rulings of the court.

(iv) Legal proceedings with other parties

Gezhouba Huanjia was also involved as defendant in 27 legal proceedings with other parties in the ordinary course of business. CGGC Green Technology was also one of the defendants in above-mentioned legal proceedings. As at 31 December 2020, the Group has made full provision for estimated liabilities of RMB46 million (2019: RMB0) for the 10 legal proceedings that were likely to cause losses to the Group in the above legal proceedings based on the rulings of the court. 17 legal proceedings with amount sued of RMB102 million was still in process. Based on the advice from the Company's legal counsel, the Company is of the opinion that the likelihood of an outflow of economic benefits in relation to the above-mentioned outstanding legal proceedings is remote.

9 IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's overseas operating environment and has impacted the Group's operations and financial position.

As far as the Group's businesses are concerned, the COVID-19 pandemic has resulted in a decrease in revenue from its overseas operations in 2020. The exact timing and extent of recovery of the Group's overseas business are still uncertain and subject to the development of the COVID-19 pandemic. Nonetheless, the Directors of the Company is optimistic that the COVID-19 pandemic will eventually be under full control, and the Group will continue to closely monitor the situation and implement contingency measures, where necessary in a view to reduce the impacts from the COVID-19 pandemic.

10 RISK

10.1 Business Risk

1. Macroeconomic risk

Great changes that have not been seen in the world in a century are currently accelerating. Changes in the global strategic pattern, vaccine research and development progress as well as economic openness have a profound impact on overall economic transformation and upgrading, industry development and company reform and development in the PRC. Although the domestic pandemic has been effectively controlled and the economic situation is improving, the downward pressure is still relatively high. 2021 is the first year of the "14th Five-Year Plan", it is expected that the new fiscal and monetary policies, regional coordinated development policies and industrial policies will play a joint role, especially the "carbon peak and carbon neutral" strategy of China, will bring positive energy to the power market.

Countermeasures: The Company will strengthen the analysis of the macroeconomic situation, closely follow the development trend of the industry, and prevent the risk of policy mutation; actively carry out relevant industrial policy research, seize opportunities to carry out the top-level design and layout of the development of related industries; strengthen the sharing of internal information, and improve the Company's overall sensitivity to policy changes and the ability to link up and down.

2. International operation risk

Affected by the overall global political and economic environment, it is still difficult to expand overseas markets for us. The rebound of the overseas pandemic has led to the continued risk of disruption of the global industrial chain and supply chain, and also restricted the flow of personnel, and it is generally difficult to perform international projects. Continued spread of unilateralism and extremism and political changes in some countries or regions have brought threats to the Company's property and our employees' personal safety. The chaos of elections in some countries or regions, the continuous adjustment of policies and laws and regulations, the lack of national governance capabilities, the shortage of funds for infrastructure construction and the large fluctuations in exchange rates have caused us to face the risk of financial losses.

Countermeasures: The Company will use the overall advantages of the Group to promote the coordinated development of business segments and enhance the competitiveness in the international market; continue to improve the layout of the international business market, strengthen risk tracking and early warning of key projects and key countries; actively and steadily carry out the prevention and control of overseas pandemics, and promote the normal performance of international projects.

3. Safe production risk

Risks such as safety production risks in the traditional construction field, safety risks in new businesses and new areas and safety risks in overseas businesses are intertwined. In addition, affected by factors such as the need to strengthen the foundation of production safety and the uneven quality of employees, production safety accidents are prone to occur, resulting in loss of life and property. Once a company has been identified as an untrustworthy subject for safety production violations, it will be included in the "blacklist" for joint punishment by relevant authorities, which will bring major risks to the Company's reform and development.

Countermeasures: The Company will fully implement the safety production requirements of "twelve in place", including (among others) risk identification and control in place, system in place, measures in place, rigid training in place, resource allocation in place and reward and punishment mechanism in place, and resolutely prevent systemic and disruptive safety production risks.

4. Investment risk

With the continuous expansion of investment business and the continuous expansion of its field, the scale of investment may grow rapidly, and investments may face the risk of scientific decision-making; investment projects in new business areas may face the risk that projects cannot achieve the expected return due to the insufficient feasibility studies, sudden changes in industry development policies and poor management. In addition, in the post-pandemic era, economic growth will slow and financial supervision will become increasingly stringent. Therefore, there may be various risks such as financing difficulties, increased costs and reduced benefits or the failure of the project.

Countermeasures: The Company will continue to strengthen investment policy research, grasp the development trend of the industry, and improve the investment management system; systematically plan the investment industry layout, adhere to the principles of pre-calculation and selection of the best, focus on risk management and control, and solidly carry out investment business; strengthen the investment process management to ensure continuous improvement of project quality and efficiency.

5. Project performance risk

Since the outbreak of the COVID-19 pandemic, the resources and organization of projects have been affected by the prevention and control measures for the pandemic, and there have been problems such as poor contract performance and project delays in engineering projects. In order to speed up the progress of the contract performance and achieve the target milestone on time, there may be problems with inadequate subcontracting supervision, which may lead to problems in construction quality. The increase in labor costs caused by the pandemic, the capital investment for pandemic prevention measures and the increase in the costs of resources and organization, resulted in increased project implementation costs, and the project's operating benefits may be greatly affected.

Countermeasures: Under the premise of effective pandemic prevention and control, the Company will increase resource and organization, strengthen internal coordinated operations, effectively integrate internal and external resources, further optimize construction organization and technical plans, and take all effective measures to promote normal project performance; at the same time, we will comprehensively strengthen the project management infrastructure, increase supervision and inspection efforts, strengthen subcontracting management throughout the process, strengthen cost control and change and claims management, continuously improve the level of refined management, prevent project performance and operating risks, and ensure that the project achieves expected business objectives.

10.2 Exchange Rate Fluctuation Risk

Most businesses of the Company are operated in China, 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, as a result, the incomes and expenses dominated in foreign currencies will increase significantly. The exchange rate fluctuation may have influence on the service pricing and the expenses of procurement of materials and equipment by the Company in foreign exchange and therefore influence the financial position and operating performance of the Company.

Countermeasures: The Company will use contracts, financial tools and others to prevent and control risks, make reasonable commercial arrangements, and select appropriate foreign currencies and exchange rates for foreign exchange settlement or payment to prevent exchange rate fluctuation risk.

11 NUMBER OF EMPLOYEES, SHARE OPTION SCHEME AND TRAINING PROGRAM

At the end of 2020, the Company has a total of 117,830 employees, and a legion of high-quality talents, including 37,398 management personnel, 39,510 professional technicians and 24,980 skilled operators.

The Company has 15,402 talents with various national registered qualifications. Also, the Company has a team of top talents of China, including 33 experts who enjoy the State Council governmental special subsidies, 6 national engineering survey and design masters, 2 national nuclear industry engineering survey and design masters, 5 national candidates of the “Millions of Talents of the New Century” project, 2 national young and middle-aged experts with outstanding contribution and 24 national technical experts.

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 552,400 employees in 2020 and actually trained 659,400 employees, including on-the-job trainings for 451,300 employees, continuing education trainings for 32,200 employees and other trainings for 175,900 employees.

12 PLANS OF THE COMPANY FOR SIGNIFICANT INVESTMENT OR PURCHASE OF CAPITAL ASSET

(I) Situation of Real Estate Projects

As of 31 December 2020, the Company held 31 operating real estate projects exceeding 5% of the Company's market value, all of which are existing projects. Details are shown in the table below.

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	GFA (square meters)	The Company's shareholding percentage	Percentage of completion	Note
1	Beijing China Residence	Beijing	104,578	347,037	100%	76.93%	
2	Beijing Zijun Orchid Court	Beijing	74,773	241,764	100%	92.04%	
3	Shanghai Yulan Garden South	Shanghai	115,759	258,228	100%	99.76%	
4	Shanghai Yulan Garden North	Shanghai	119,426	175,624	100%	69.72%	
5	Shanghai Zijun Mansion	Shanghai	25,267	62,287	100%	97.46%	
6	Shanghai Rose Mansion	Shanghai	15,086	31,346	51%	99.14%	
7	Suzhou Zijun Orchid Court	Suzhou	74,775	263,160	22%	74.93%	Non-consolidated item
8	Project 20 in Suzhou	Suzhou	38,557	63,300	100%	75.27%	
9	Nanjing China Residence	Nanjing	26,380	114,033	100%	89.78%	
10	Nanjing Zijun Orchid Court	Nanjing	143,744	559,642	35.70%	73.17%	
11	Nanjing Zijun Residence	Nanjing	45,636	135,718	51%	92.26%	
12	Nanjing G30 Project	Nanjing	42,783	232,925	33.90%	67.12%	Non-consolidated item
13	Nanjing Guyin Orchid Court	Nanjing	24,499	95,741	35.70%	85.69%	Non-consolidated item
14	Nanjing G49 Project	Nanjing	43,708	173,306	100%	75.24%	
15	Hangzhou Jing Lin Longfor Mansion	Hangzhou	42,907	141,691	34%	94.15%	Non-consolidated item
16	Hangzhou China Residence	Hangzhou	56,755	229,319	70%	60.88%	
17	Hefei Zijun Residence	Hefei	42,901	111,027	100%	93.97%	
18	Heifei China Residence – Phase I and III	Hefei	68,482	182,997	100%	86.35%	
19	Wuhan Zijun Orchid Court	Wuhan	58,304	267,732	100%	61.55%	
20	Wuhan Jiangyue Orchid Court	Wuhan	47,315	204,490	30%	60.90%	Non-consolidated item
21	Wuhan International Plaza South	Wuhan	42,570	364,000	50%	69.29%	Non-consolidated item

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	GFA (square meters)	The Company's shareholding percentage	Percentage of completion	Note
22	Wuhan International Plaza North	Wuhan	59,171	311,258	100%	99.62%	
23	Wuhan Kunyu Residence	Wuhan	107,544	779,370	40%	73.68%	Non-consolidated item
24	Wuhan City Garden Phase II	Wuhan	40,319	219,632	100%	99.33%	
25	Chongqing Expo City	Chongqing	618,622	1,615,764	49%	83.81%	Non-consolidated item
26	Chongqing European Garden	Chongqing	813,401	2,073,763	49%	68.13%	Non-consolidated item
27	Chongqing Bishan Project	Chongqing	120,838	353,211	100%	44.34%	
28	Chengdu Zijun Orchid Court	Chengdu	99,626	334,424	51%	93.57%	
29	Guangzhou Zijun Residence	Guangzhou	35,272	207,579	100%	88.40%	
30	Guangzhou Nansha Project	Guangzhou	342,754	1,048,426	61.82%	27.96%	
31	Hainan Haitang Blessed Bay	Sanya	374,200	298,617	100%	81.30%	

(II) Future Investment Orientation

The Company will adhere to the principles of "value investment, full life cycle investment, rational investment and high-quality investment", build a multi-level investment development system, vigorously increase the proportion of investment in upgrade projects of traditional energy and new energy projects, and optimize the layout of industries, regions and resources. The Company will actively carry out mergers and acquisitions and reorganization of high-quality assets in the PRC and abroad. In accordance with the principles of making up for shortcomings, strengthening weaknesses, promoting advantages and increasing strength, we will quickly cut into emerging industries and regions such as new urbanization and prefabricated buildings, and accelerate the establishment of the Company's new competitive advantages in the fields of hydrogen energy, comprehensive water environment management, rail transit, airports, etc., and play the leading role of investment mergers and acquisitions to forge a better and new development pattern.

The Company will continue to optimize financing strategies, reduce financing costs, coordinate the use of multi-channel financing such as mixed reforms, funds and insurance funds, increase the proportion of equity financing, and strengthen the ability to obtain bank loans, bond issuance and other debt funds; and to revitalize the stock investment assets and enhance the depth and efficiency of industry-finance integration through equity transfers, asset securitization, REITs and other channels.

On 27 October 2020, the Company entered into the merger agreement with CGGC regarding the possible absorption of CGGC through share swap. Upon the full implementation of the merger, the Company will (among other things) issue a total of 11,645,760,553 A shares to shareholders of CGGC (except CGGC Group) who are registered on the equity registration date of the merger, in exchange for the shares of CGGC held by these shareholders. The board of directors of both parties to the merger will separately announce the share registration date for the merger after the merger being approved by the China Securities Regulatory Commission. Upon the completion of the merger, CGGC will terminate its listing on the Shanghai Stock Exchange. As its surviving company, the Company will inherit and undertake all the assets, liabilities, business, contracts, qualifications, personnel and all other rights and obligations of CGGC through the receiving party, CGGC Group. CGGC will eventually cancel its legal personality. The Company will apply for listing of the A shares issued by the Company as a result of the merger on the main board of the Shanghai Stock Exchange. The Company's original domestic shares will be converted into A shares and be applied for listing on the main board of the Shanghai Stock Exchange. For details, please refer to the Company's announcement dated 27 October 2020. As of the date of this announcement, no general meeting of shareholders has been held to review and approve the merger. The Company will continue to pay attention to the matter and promptly make disclosure. In 2020, except for the above projects, the Company does not hold major investment projects which must be reviewed and approved by the Board meeting according to the Articles of Association.

(III) Progress of Mixed Ownership Reform

As of the end of 2020, one subsidiary under the Company that has completed the mixed ownership reform is Hunan Institute. Through the mixed ownership reform, the subsidiary took improved governance as its guidance, further clarified the power and responsibility boundaries of each governance bodies, and improved the upstream and downstream industrial chain. The subsidiary is currently operating well, and its operating data for 2020 has been significantly improved as compared to 2019.

In the next step, the Company will closely follow the national policy, and in accordance with the requirements of improving governance, strengthening incentives, highlighting the main business and improving efficiency, starting with "promoting advantages and supplementing deficiencies" as well as improving the expansion of the industrial chain, the Company will actively and steadily deepen the reform of mixed ownership in its subsidiaries at all levels based on their actual situations, as well as emancipate their mind, innovate boldly, and enhance their vitality and efficiency.

13 GEARING RATIO

As at 31 December 2020, the gearing ratio of the Company was 84.9%, representing a decrease of 8.7 percentage points as compared to 93.6% for the same period of 2019. Gearing ratio represents interest-bearing debts divided by total equity at the end of the year.

14 OUTLOOK

According to the prediction of the Center for Forecasting Science of Chinese Academy of Sciences, due to the low economic growth base in 2020, and taking into account the cross-cyclical design and adjustment of macro control, China's economic growth rate is expected to be around 8.5% in 2021, representing a significant increase from 2020. The economic trend throughout the year will show a trend of being high at the beginning and declining afterwards, with the growth rates of approximately 16.3%, 7.3%, 6.3% and 5.9% in the first, second, third and fourth quarter, respectively. In particular, the value-added growth rates of the primary industry, secondary industry and tertiary industry are to be 3.2%, 9.5% and 8.4%, respectively. The contribution of consumption, investment and net exports to GDP growth rate will be 4.9, 3.3 and 0.3 percentage points, respectively.

(I) Domestic Power Market

Looking forward to 2021 and the period of "14th Five-Year Plan", the power industry will remain to be one of the foundations supporting China's economic development. It is expected that energy conservation and emission reduction of the **coal-fired power** will accelerate and expand; the **natural gas power** will continue to maintain a steady development momentum since the "13th Five-Year Plan"; the new conventional **hydropower** will mainly focus in Sichuan province and Yunnan province; the investment and development in the **wind power** industry will become more rational, and all wind power grid-connected subsidies will be ended at the end of 2021, with a large number of wind power projects connected to the grid, which may squeeze a certain room of growth of the PV power. Together with the reduction in subsidies and the narrowing of profit from the development side of the **PV power**, the growth of the scale of the PV power will slow down. In the future, the major new **nuclear power** projects of China will be concentrated in Tianwan, Hongyanhe, Fuqing, Fangchenggang and Shidaowan nuclear power plants, etc. It is expected that the overall annual average new installed capacity of biomass power generation during the "14th Five-Year Plan" will achieve 2.5 million KW focusing on waste incineration power generation.

(II) Domestic Non-power Market

In general, infrastructure construction will remain an important means of stabilizing economic growth of China, and there shows a significant trend of recovery in the non-power infrastructure construction market, particularly:

(1) Hydropower projects: In 2021, China will accelerate the construction of 150 major hydropower projects, including flood control and calamity reduction, optimization of water resources allocation and water ecological protection and restoration, and will gradually focus on water resources deployment and safety (urban and rural water environment). The strategical major hydropower projects comprise of the subsequent projects of eastern and middle lines and the west line project of the South-to-North Water Diversion Project.

(2) Transport projects: In 2021, the transportation development of China will be in a period of recovery and growth in general, and focus on optimizing the comprehensive three-dimensional transportation network, developing modern logistics, perfecting business environment, accelerating the promotion of development of smart transportation and vigorously developing green transportation.

(3) Urban infrastructure: In 2021, China will build an urban system with central cities, metropolitan areas and urban communities as the main body, and coordinated development of large, medium and small cities and small towns. China will carry out the urban ecological restoration and functional improvement project, and comprehensively promote the transformation of old communities in cities and towns. China will systematically promote the construction of sponge cities across the country, coordinate the promotion of urban waterlogging treatment, and consolidate the effectiveness of urban black and odorous water treatment.

(4) Housing construction: In 2021, China will steadily implement the real estate long-term mechanism and plan, strengthen the responsibilities of the city as the main body, improve policy coordination, control and linkage, monitoring and early warning, public sentiment guidance, market supervision and other mechanisms so as to maintain the stable operation of the real estate market. China will steadily promote the transformation of shanty towns.

(III) International Market

According to the prediction of the Chinese Academy of Social Sciences, the growth rate of the world economy scale in 2021 will be 5.5% in terms of purchasing power parity and 5.2% in terms of market exchange rates, both up by 9.9 percentage points from 2020. In 2020, China and 15 countries signed the "Regional Comprehensive Economic Partnership", continuously deepening the "Belt and Road" initiative and other international cooperation, constantly promoting "Made in China" to the world. The infrastructure construction, as one of the primary means for counter-cyclical adjustment of all countries and regions during the epidemic, will bring huge market space.

(1) In the medium and long run, the international market will remain in a period of development opportunities. In 2020, the COVID-19 epidemic spread globally. Various countries have successively launched unprecedented stimulus plans. After the global epidemic is gradually under control and under the quantitative easing environment, increasing infrastructure investment and improving livelihood will become important means for countries to stimulate economy. The Company will exert the advantages of global layout and proactively grasp opportunities in the international project construction market. Meanwhile, during the course of the global anti-pandemic, bilateral economic and trade and third-party market cooperation between China and the European Union, Japan, South Korea and Middle Eastern countries will usher in better "opportunities of window". The Company will strengthen foreign cooperation in the international market and promote project development and effective financing.

(2) The global power construction market is picking up. According to the "Power Market Report" issued by the International Energy Agency (IEA), the global power demand is expected to increase by approximately 3% in 2021, the power generation of renewable energy will continue to grow by more than 6%. In the future, the Company will strengthen cooperation with financial and insurance institutions while consolidating its traditional power business, continue to explore in depth the international market, and expand investment, construction and operation services in the fields of new energy and new businesses of energy.

(3) There is huge potential of the international non-power infrastructure construction. According to the "Country Guidelines for Infrastructures (基礎設施國別指南)" issued by the Global Infrastructure Hub (GIH) in 2020, it is expected that the global infrastructure investment gap will be approximately USD15 trillion in the next 20 years. The Company will continue to promote the transformation of non-power business, improve qualifications and enrich performance, enhance the construction and operation service level of non-power infrastructure, perfect the diversified development structure with the power sector as the core and non-power infrastructure sector as the focus, and push ahead high-quality development of international business.

(IV) The Company’s Development Measures and Prospects in 2021

In accordance with the new tread, new tasks and new requirements, as for production and operation, the Company will strive to achieve faster growth of key indicators, higher operational quality and efficiency and better management level in 2021. Specifically, the Company will uphold the concepts of “market being the lifeline of the enterprise” and “customer-oriented, order first”, deepen the important strategic markets in China, profoundly reshape the Company’s marketing system, and coordinate the promotion of market development in the “whole power, whole city, whole transportation and whole water transport” and other whole fields.

(V) Development Outlook of the Company during the “14th Five-Year Plan”

During the “14th Five-Year Plan” and a certain period in the future, the Company will strengthen the high-end layout in upstream of industrial chains and value chains in compliance with the principle of vertical integration, horizontal diversification and highlighting professionalism, and build a new layout of business development with outstanding main business supporting by diversified supplementary businesses, professional uniqueness and multi-polarity, gradually forming an industrial system with focus on both engineering and construction as well as investment and operation, integration of main industries and principle businesses with capital and finance, and mutual promotion and coordinated development of multiple fields, thereby optimizing the productivity and industrial layout.

1. Focus on three major increments and optimize business layout.

Firstly, the Company will focus on the increment of optimized development and integrated development of traditional businesses. The Company will extend, expand and strengthen the whole industrial chain in the traditional power field, focus on new industrial cities, comprehensive urban development and new urbanization businesses, and optimize the development of real estate business. The Company will merge with and acquire high-quality civil explosive entities, vigorously implement the strategy of going out as for cement business. The Company will expand the supply, mixing of urban aggregates, mining gravel business, as well as optimize the development of high-end equipment manufacturing business. **Secondly**, the Company will focus on the increment in new energy and comprehensive energy and other emerging energy fields. The Company will vigorously develop the new energy project market, conduct investment in the new energy industry, actively step into the energy storage and other related industries and perform research on transaction mechanisms. The Company will continue to improve the competitiveness of geothermal business and proactively participate in high-quality geothermal project investment. The Company will accumulate energy Internet planning and design technical strengths and project construction experience. The Company will enter into the field of charging piles for new energy automobiles, track and study the development trend of hydrogen energy, and grasp the development opportunities in the hydrogen energy industry. **Thirdly**, the Company will focus on the increment in the field of non-power infrastructure and urban construction. The Company will seize the opportunity of construction of major national water conservancy projects for grasping the market. The Company will accumulate project performance, improve qualification capabilities, actively explore highway business and participate in railway and airport investment and construction. The Company will concentrate in urban rail transits, municipal roadways, integrated pipeline corridors, sponge cities and smart cities, energetically develop the municipal business and urban construction market. The Company will concentrate in watershed treatment, water environment treatment, sewage treatment and garbage treatment (including solid waste treatment), and vigorously develop ecological environmental protection business.

2. Consolidate and strengthen the whole industrial chain and improve the integrated development level.

   Firstly, the Company will consolidate and strengthen the planning and consulting business. The Company will strengthen the deficiency in research capabilities in non-power industry, give full play to the coordinated and leading role of planning and consulting for survey and design and project construction businesses, thereby driving and incubating large-scale high-quality power investment projects. **Secondly**, the Company will consolidate and strengthen the survey and design business. The Company will enhance the industrial concentration and scale competitiveness of design enterprises by virtue of strategic reorganization, speed up the supplementing shortcomings in water conservancy and non-power survey and design, exert the leading role of survey and design for general contracting and investment businesses, and expand the whole-process consulting business. **Thirdly**, the Company will consolidate and strengthen the investment business. The Company will balance the resource allocation between the investment-leading business and investment-driven operation, constantly optimize the investment structure, intensify the industrial investment, build an investment industry platform in accordance with professional concept, and promote functional supplementing shortcomings through investment, mergers and acquisitions. **Fourthly**, the Company will consolidate and strengthen the construction and contracting business. The Company will enhance the industrial concentration and scale competitiveness of construction enterprises by virtue of strategic reorganization, vigorously carry out general contracting business of projects, persistently make efforts in the field of non-power infrastructure projects, and play the leading role of new business model of financing and construction in the field of non-power engineering. **Fifthly**, the Company will consolidate and strengthen the operation service business. The Company will strengthen the operation service management of self-investment projects, actively carry out market-oriented and professional operations, and deeply expand the external operation service market.

DIVIDEND

The Board recommended the payment of a final dividend of RMB0.0225 per share (tax inclusive) for the year to shareholders appearing on the register of members of the Company on 17 June 2021 (Thursday), with a total amount of RMB675.0 million (tax inclusive). Payment will be made on 6 August 2021 (Friday) subject to the approval by the shareholders at the annual general meeting to be held on 8 June 2021 (Tuesday).

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 Thursday, 17 June 2021 (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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 June 2021.

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 an 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 at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 June 2021. 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 Tuesday, 8 June 2021 are qualified to attend and vote at the forthcoming AGM. The register of members of the Company will be closed from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (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 Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC (for holders of domestic shares) no later than 4:30 p.m. on Wednesday, 2 June 2021.

The holders of H shares and domestic shares whose names appear on the register of members of the Company on Thursday, 17 June 2021 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 Saturday, 12 June 2021 to Thursday, 17 June 2021 (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 Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC (for holders of domestic shares) no later than 4:30 p.m. on Friday, 11 June 2021.

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. Except for the following, we have always complied with all the code provisions of the Corporate Governance Code during the reporting period.

In December 2019, Mr. Zheng Qiyu, an independent non-executive Director of the Company, passed away due to illness. On 10 June 2020, the Board announces that, it was proposed to nominate Mr. Zhao Lixin and Mr. Cheng Niangao as independent non-executive Directors of the Company, which shall be subject to approval by shareholders of the Company. On 30 June 2020, 2019 annual general meeting of the Company approved the aforesaid appointments of Directors. On the same day, Mr. Cheng Niangao was appointed as the chairperson of the Remuneration and Assessment Committee and a member of the Nomination Committee of the Board, and Mr. Zhao Lixin was appointed as the chairperson of the Audit Committee of the Board. Following the appointments of Mr. Zhao Lixin and Mr. Cheng Niangao as independent non-executive Directors of the Company and changes in members of special committees under the Board, (i) the number of independent non-executive Directors of the Board of the Company complies with the requirements of Rule 3.10(1) of the Listing Rules; (ii) the number of independent non-executive Directors represents at least one-third of the total number of members of the Board, which complies with the requirements of Rule 3.10A of the Listing Rules; and (iii) the Remuneration and Assessment Committee comprising a majority of independent non-executive Directors, was chaired by an independent non-executive Director, which complies with the requirement of Rule 3.25 of the Listing Rules.

In addition, upon passed away of Mr. Zheng Qiyu in December 2019, although the Board had endeavored to identify suitable candidates as soon as possible, their appointments need to be approved by the shareholders of the Company on 30 June 2020. Therefore, the Company failed to comply with the time requirement for the appointment of sufficient Directors and committee members within three months as required by Rules 3.11 and 3.27 of the Listing Rules.

On 21 August 2020, Mr. Ma Chuanjing resigned as a non-executive Director of the Company, a member of the Strategy Committee and the Audit Committee of the Board due to his age. Following the resignation of Mr. Ma Chuanjing, the Audit Committee only consisted of two independent non-executive Directors, which did not comply with the requirement of including at least three members in the Audit Committee under Rule 3.21 of the Listing Rules; on 31 August 2020, Mr. Wang Jianping resigned as the chairman of the Board, an executive Director of the Company, the chairperson of the Strategy Committee, the chairperson of the Nomination Committee of the Board and an authorised representative of the Company under Rule 3.05 of the Listing Rules (the "**Authorised Representative**") due to work adjustment. Following the resignation of Mr. Wang Jianping, there were no chairpersons for the Nomination Committee and the Strategy Committee, and the Company had only have one Authorised Representative. On 11 September 2020, the Board of Directors announced the recommendation to appoint Mr. Song Hailiang as an executive Director of the Company, subject to the approval of the Company's shareholders. On 27 October 2020, the Company approved the above appointment of Director at the First Extraordinary General Meeting of 2020. On the same day, Mr. Song Hailiang was appointed as the chairperson of the Strategy Committee of the Board, the chairperson of the Nomination Committee and the Authorized Representative of the Company; Mr. Zhao Lixin was appointed as a member of the Nomination Committee of the Board; Mr. Cheng Niangao was appointed as a member of the Audit Committee of the Board and ceased to serve as a member of the Nomination Committee of the Board. After Mr. Song Hailiang was appointed as an executive Director of the Company and the changes of the members in the special committees of the Board, (i) the Audit Committee of Board of the Company includes three independent non-executive Directors, which meets the requirement in Rule 3.21 of the Listing Rules that there should be at least three members in the audit committee; (ii) the chairpersons of the Nomination Committee and Strategy Committee of the Board of the Company have been re-appointed; and (iii) there are two Authorized Representatives in the Company.

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, each of the directors and supervisors has confirmed that they have always complied with the standards set out in the Model Code during the year ended 31 December 2020.

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

On 19 June 2020, the Company issued "20 CEEC Y1" three-year corporate bonds of RMB1 billion on the Shanghai Stock Exchange; on 16 October 2020, the Company issued "20 CEEC Y2" one-year corporate bonds of RMB3.5 billion. As of 31 December 2020, the Company has issued outstanding bonds of RMB13.5 billion (excluding subsidiaries) on the Shanghai Stock Exchange.

No.	Name of the bond	Amount (RMB0'000)	Issuance Date	Expire Date	Year of Term	Interest Rate (%)
1	13 CEEC MTN1	300,000	2013-1-18	2023-1-18	10.0	5.37
2	18 CEEC 01	300,000	2018-4-23	2023-4-23	5.0	4.65
3	19 CEEC Y1	300,000	2019-12-13	2022-12-13	3.0	3.90
4	20 CEEC Y1	100,000	2020-6-19	2023-6-19	3.0	3.50
5	20 CEEC Y2	350,000	2020-10-16	2021-10-16	1.0	3.67

Except for the above disclosures, as of 31 December 2020, the Company or any of its subsidiaries did not purchase, sell or redeem the listed securities of the Company.

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. Li Shulei, Mr. Zhao Lixin and Dr. Ngai Wai Fung. Mr. Zhao Lixin is the chairperson of the Audit Committee. Dr. Ngai Wai Fung 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 2020. The Audit Committee considered that the consolidated results of the Group for the year ended 31 December 2020 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 to the Listing Rules.

PUBLICATION OF AUDITED CONSOLIDATED ANNUAL RESULTS AND THE 2020 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 2020 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*
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.

* *For identification purpose only*