

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**DISCLOSEABLE TRANSACTION
ANNOUNCEMENT ON LAND BIDDING RESULT**

The board of directors (the “**Board**”) of China Energy Engineering Corporation Limited (the “**Company**”) is pleased to announce that China Gezhouba Group Real Estate Development Co., Ltd.* (中國葛洲壩集團房地產開發有限公司) (“**Gezhouba Real Estate Company**”), a subsidiary of China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) (“**CGGC**”) (a subsidiary of the Company), recently succeeded in the bidding of the state-owned construction land use right of a land parcel (XAZG-0029) in the northwest of Xiong’an Railway Station Hub Area, Xiong’an New District, Hebei Province (the “**Land Parcel**”) through onsite auction.

PARTIES TO THE CONTRACT

- (1) Xiong County Natural Resources Bureau (雄縣自然資源局), as the vendor
- (2) Gezhouba Real Estate Company, as the purchaser

To the best of the directors’ knowledge, information and belief having made all reasonable enquiries, Xiong County Natural Resources Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Gezhouba Real Estate Company and Xiong County Natural Resources Bureau will enter into the Transfer Contract of Land Use Right of State-owned Construction Land (《國有建設用地使用權出讓合同》) (the “**Contract**”) on 28 May 2021.

PARTICULARS OF THE LAND PARCEL

Located in the northwest of Xiong’an Railway Station Hub Area, Xiong’an New District, Hebei Province, the Land Parcel is planned for urban residential use, commercial and financial use, commercial use and scientific research use with a land use right term of 70 years for residential use,

* *For identification purpose only*

40 years for commercial use and 50 years for scientific research use. It has a planned gross floor area of 294,420.36 square meters, a gross floor area of 192,019.76 square meters for transfer, a gross floor area of no more than 642,544 square meters with an overall plot ratio of 3.2.

CONSIDERATION AND BASIS FOR DETERMINATION

The bidding price of the Land Parcel of RMB1,460.66 million was determined based on the bidding terms announced by Xiong County Natural Resources Bureau by way of public bidding. The initial price of the bidding for the Land Parcel is RMB1,460.66 million, which is not subject to any ceiling price. The premium of the land transaction shall be paid in two installments. The first tranche of RMB730.33 million shall be paid in cash within 30 days from the date of signing the Contract, accounting for 50% of the total premium of the land transaction, of which the deposit of RMB292.15 million paid on 11 May 2021 has been used as such premium. The second tranche of RMB730.33 million shall be paid in cash within one year from the date of signing the Contract, accounting for 50% of the total premium of the land transaction.

DEVELOPMENT, CONSTRUCTION AND UTILIZATION OF THE LAND PARCEL

The development and construction by the purchaser within the scope of the transferred land shall be subject to the following major conditions: (1) the supporting municipal road on the Land Parcel shall be transferred to the relevant authorities in Xiong'an New District after completion at nil consideration, and no adjustment shall be made to the premium of the land transaction; (2) the construction project of the parcels on the Land Parcel shall be commenced before 26 November 2021, and completed before 25 November 2024; (3) a community service center, a kindergarten, a fitness place for residents, an elementary school, a community park, a comprehensive park and an amusement park shall be built on the Land Parcel based on the conditions as agreed in the Contract.

During the term of transfer, the purchaser shall use the land in accordance with the land use and land use conditions stipulated in the Contract. In case it is necessary to change the land use and land use conditions stipulated in the Contract, the relevant approval procedures shall be applied in accordance with the law, and the consent of the vendor shall be obtained. A supplementary agreement to the transfer contract of land use right shall be entered into or the transfer contract of land use right shall be re-entered into, and the adjustment to the transaction price of the land use right and the change in land registration shall be made correspondingly.

TRANSFER, LEASE AND PLEDGE OF THE LAND USE RIGHT OF THE LAND PARCEL

The purchaser shall, after paying the entire land premium, receiving the State-owned Land Use Certificate, be entitled to transfer, lease, pledge all or part of the land use right subject to the requirement of transfer as stipulated in the Contract.

LIABILITIES FOR BREACH OF THE CONTRACT

In the event that the purchaser fails to pay the transaction price of the land use right in full and on time as agreed in the Contract, a penalty of 1‰ of the outstanding amount payables shall be paid by the purchaser to the vendor on daily basis for default. In case the overdue payment exceeds 60 days, and the vendor urges the payment but the purchaser is still unable to pay, the vendor has the right to rescind the Contract, the purchaser will not be entitled to request the refund of the deposit, and the vendor may request the purchaser to compensate for the loss.

The purchaser shall carry out development and construction as stipulated in the Contract. For land where construction and development has not commenced for one year from the commencing date as agreed in the Contract, the purchaser shall pay the idle land fee in accordance with the law. In the event that the construction and development has not commenced for two years, the vendor could recover the land use right without compensation. In the event that the land where the construction and development has not been completed by the purchaser on the date of completion as stipulated in the Contract, a penalty of 0.2‰ of the transaction price of the land use right for the uncompleted portion of the land shall be paid by the purchaser to the vendor on daily basis for default.

If the possession of the Land Parcel by the purchaser under the Contract is extended as the vendor fails to provide the transferred land on time, the vendor shall pay the purchaser a penalty for default at 1‰ of the transaction price of the state-owned construction land use right paid by the purchaser for each day of extension, and the land use period shall be started from the date of actual delivery of the land. If the vendor delays the delivery of the land for more than 60 days, and the vendor is not able to deliver the land after being urged by the purchaser, the purchaser has the right to rescind the Contract. The vendor shall repay the deposit in double, and refund the remaining transaction price paid of the land use right. The purchaser may request the vendor to compensate for the loss.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio in respect of the investment amount from Gezhoubu Real Estate Company exceeds 5% but is less than 25%, the relevant transaction constitutes a discloseable transaction of the Company pursuant to the relevant requirements under Chapter 14 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and is subject to the notification and announcement requirements under the Listing Rules, while exempted from the shareholders’ approval requirement.

INFORMATION OF THE COMPANY

The Company is a large comprehensive group company that provides overall solutions and full industry chain services to industries such as energy and power, infrastructure in China as well as over the world.

INFORMATION OF GEZHOUBA REAL ESTATE COMPANY

Gezhouba Real Estate Company is a company established in China with limited liability and a subsidiary of the Company. It is principally engaged in real estate development business.

INFORMATION OF THE LAND VENDOR

The land vendor is Xiong County Natural Resources Bureau, which is responsible for the management of the rural and urban planning and the state-owned land resources in Xiong County, and is a Chinese government department.

REASONS FOR AND BENEFITS OF LAND BIDDING

The securing of the project by Gezhouba Real Estate Company is conducive to enhancing the market share of the Company's real estate business, improving its industry position and brand awareness and expanding profit growth drivers of the Company. Thus, the directors of the Company consider that the bidding for the Land Parcel is on normal commercial terms, and the bidding price is determined on the basis of fair commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Beijing, the PRC
28 May 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.