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中國能源建設股份有限公司  
**CHINA ENERGY ENGINEERING CORPORATION LIMITED\***  
*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 3996)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF LAND USE RIGHT**

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The Board is pleased to announce that, on 13 October 2023, City Investment Development Company (a subsidiary of the Company), and Guangzhou Tiantou, Guangzhou Tianke (collectively referred to as the “**Consortium**”) entered into the Confirmation of Transaction, confirming that the Consortium succeeded in the bidding of the state-owned construction land use right of a land parcel (No. AT0305231) located on Guangshan Second Road, core area of Tianhe Smart City, Tianhe District, Guangzhou City (the “**Land Parcel**”) transferred by Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局) through public bidding, and the premium of the Land Parcel is RMB4,288.4095 million (the “**Transaction**”). Among them, the equity interests and the consideration payable of City Investment Development Company, Guangzhou Tiantou and Guangzhou Tianke in the Transaction are 95%, 1.25% and 3.75%, respectively. The Consortium will subsequently establish a joint venture in accordance with the above shareholding proportion to develop the Land Parcel, and the joint venture will be a subsidiary of the Company. The Consortium and Guangzhou Municipal Planning and 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**”) in respect of the Transaction on 18 October 2023, and the Contract will come into effect after being signed and sealed by all parties of the Contract.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratio in respect of the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company pursuant to the relevant requirements under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, while exempted from the shareholders' approval requirement.

\* *For identification purpose only*

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## 1. **CONTRACT**

### **Parties**

Guangzhou Municipal Planning and Natural Resources Bureau, as the vendor

The Consortium, as the purchaser

To the best of the knowledge, information and belief of the directors, Guangzhou Municipal Planning and Natural Resources Bureau, Guangzhou Tiantou, Guangzhou Tianke and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **Particulars of the Land Parcel**

The Land Parcel is located in the core area of Tianhe Smart City, Tianhe District, Guangzhou City, south of Guangshan Second Road, north of Jiuyangshan, and is bounded by Aotou South Street of Kemulang Village in the east, Jiuyangshan and the Guihua Kindergarten in the south, Guihua Road in the west and Guangshan Second Road in the north. The number of the Land Parcel is No. AT0305231, and it has a total planning site area of 58,715.52 square meters and a transferable area of 48,988.40 square meters. The term of transfer of the land use right of the Land Parcel is 70 years from the date of land delivery to the purchaser by the vendor, for residential purpose. The use of the Land Parcel is Class II Residential Land (R2).

## Consideration and Basis for Determination

According to the listing and transfer document of land parcel project No. AT0305231, Guangshan Second Road, Tianhe District, Guangzhou City (Sui Gui Hua Zi Yuan Gua Chu Gao Zi [2023] No. 55), the base price of the land transfer price of the Land Parcel is RMB4,288.4095 million. The Land Parcel with total premium of RMB4,288.4095 million (the “**Land Premium**”) is traded at base price.

The Land Premium is determined through the public bidding process organized by Guangzhou Municipal Planning and Natural Resources Bureau in accordance with relevant PRC laws and regulations for the disposal of the Land Parcel. After considering various factors such as the bid price limit set by Guangzhou Municipal Planning and Natural Resources Bureau, the location, area and current market condition of the Land Parcel, the development potential and future income of acquisition of the Land Parcel, the Company is of the view that the Land Premium is fair and reasonable.

The purchaser has made payment representing 20% of the base price of the land transfer price of the Land Parcel as the bidding deposit (converted into deposit/the Land Premium after winning the bid) on 26 September 2023. The purchaser shall pay the first tranche of the transfer price of the state-owned construction land use right in an amount representing 50% of the total Land Premium to the vendor within 30 days from the date of the execution of the Contract. The purchaser shall fully settle the balance of the Land Premium before 31 March 2024. The purchaser shall, when paying the transfer price of the second tranche of state-owned construction land use rights, pay the interests at the rate of loans announced by the People’s Bank of China on the date of payment of the first tranche of land transfer price to the vendor.

## Delivery of the Land Parcel

Within one month from the date of the execution of the Contract, the vendor agrees that Guangzhou Tianhe District Land Development Center (廣州市天河區土地開發中心) shall deliver the Land Parcel to the purchaser. The vendor agrees that the Land Parcel should meet the following conditions when delivering the land: the site has been basically formed and the land will be delivered in its current condition.

## Development, Construction and Utilization of the Land Parcel

The development and construction by the purchaser within the scope of the Land Parcel shall be subject to the following major conditions:

Nature of the land	Transfer area ( $m^2$ )	Plot ratio	Building height ( $m$ )	Building density (%)	Greening rate (%)
R2 Class II residential land	48,988.40	≤3.0	H ≤100	≤28	≥35

The height of residential buildings on the Land Parcel shall not be higher than 100 meters, and shall not be higher than 80 meters along Guangshan Road and 24 meters within 60 meters on the southeast side of the boundary of the Land Parcel. The height of the buildings shall meet the clearance control requirements of Cencun Airport. The Land Parcel shall be equipped with other supporting commercial facilities of 1,200 square meters. The prefabricated building area ratio shall not be less than 70% of the floor area with the calculated plot ratio on the Land Parcel.

The purchaser agrees to commence the construction before 19 November 2024 (within 12 months from the date of land delivery), and complete the construction by 19 November 2027 (within 36 months from the date of construction commencement). During the term of transfer, in case it is necessary to change the land use purposes stipulated in the Contract, the approval procedures for land use purpose changes shall be applied in accordance with the law, an agreement to amend the transfer contract of land use right of state-owned construction land shall be entered into or a transfer contract of land use right of state-owned construction land shall be re-entered into. The purchaser shall pay the additional Land Premium based on the difference between the estimated market price of the land use right of the construction land under the new land use purpose at the time of approval of the change and the estimated market price of the land use right of the construction land under the original land use purpose, and conduct the change procedures of land registration.

**Transfer, Lease and Pledge of the Land Use Right of the Land Parcel**

The purchaser shall, after paying the entire Land Premium according to the Contract and receiving the state-owned land use certificate, be entitled to transfer, lease, pledge all or part of the state-owned construction land use right under the Contract. For the initial transfer, investment and development shall be carried out in accordance with the terms stipulated in the Contract and more than 25% of the total amount of investment and development shall be completed.

**Liabilities for Breach of the Contract**

If the purchaser fails to pay the Land Premium on time, liquidated damages of 1‰ of the deferred payment calculated on a daily basis from the default date shall be paid by the purchaser to the vendor. In case the overdue payment exceeds 60 days and where no Land Premium is received after a demand for payment of the Land Premium has been made by the vendor, the vendor has the right to rescind the Contract and the purchaser shall not be entitled to request the refund of the deposit, and the vendor may request the purchaser to compensate the loss.

If the purchaser terminates the investment and construction of the project due to its own reasons, and proposes to the vendor to terminate the performance of the Contract and request the return of the land, the vendor shall, after obtaining the approval from the people’s government that originally approved the land transfer plan, refund all or part of the Land Premium (without interest) except the deposit stipulated in the Contract in accordance with the following provisions: the vendor shall reclaim the state-owned construction land use right, and

the buildings, structures and their ancillary facilities already built within the scope of the Land Parcel may not be compensated; the vendor may also require the purchaser to remove existing buildings, structures and their ancillary facilities, and restore the site formation; however, if the vendor is willing to continue using the buildings, structures and their ancillary facilities already built within the scope of the Land Parcel, the purchaser shall be given a certain amount of compensation: if the purchaser applies to the vendor no less than 60 days before the expiration of one year after the date of construction commencement as stipulated in the Contract, the vendor shall refund the Land Premium already paid by the purchaser after deducting the deposit; if the purchaser applies to the vendor no less than 60 days prior to the expiration of two years but exceeding one year after the date of construction commencement as stipulated in the Contract, the vendor shall, after deducting the deposit specified in the Contract and collecting idle land fees in accordance with regulations, refund the remaining paid Land Premium to the purchaser.

If the purchaser causes the land to remain idle and fails to commence construction and development on schedule for one year but less than two years, the purchaser shall pay the idle land fee in accordance with the law; and if the purchaser fails to commence construction and development on schedule for two years, the vendor shall have the right to reclaim the state-owned construction land use right without compensation.

If the purchaser fails to commence its construction in accordance with the date stipulated in the Contract or such other date agreed between parties for construction extension, the purchaser shall pay the vendor liquidated damages equivalent to 0.5‰ of the Land Premium for each day of extension. The vendor shall have the right to require the purchaser to continue to perform the Contract.

If the purchaser fails to complete the construction by the date stipulated in the Contract or such other date agreed between parties for construction extension, the purchaser shall pay the vendor liquidated damages equivalent to 0.5‰ of the Land Premium for each day of extension.

In the event that any of the indicators, such as the plot ratio and building density, is higher than the maximum standard stipulated in the Contract, the vendor shall have the right to reclaim the portion of the area that is higher than the maximum standard stipulated in the Contract, and require the purchaser to pay liquidated damages equivalent to the Land Premium in accordance with the ratio of the actual shortfall portion to the agreed standard.

If the occupation 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 liquidated damages for default at 1‰ of the Land Premium paid by the purchaser for each day of extension. 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 Land Premium paid, and the purchaser may request the vendor to compensate for the loss.

If the vendor fails to deliver the land on time or the delivered land fails to meet the land conditions stipulated in the contract or unilaterally changes the land use conditions, the purchaser has the right to require the vendor to perform its obligations in accordance with the prescribed conditions and compensate for the direct losses caused by the vendor due to the delay in performance. The useful life of the land shall be calculated from the date when the agreed land conditions are met.

## **2. REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Transaction enables City Investment Development Company to carry out subsequent development, construction and sales of the Land Parcel, thereby obtaining corresponding benefits and realizing profit growth for the Group, and is conducive to enhancing the market awareness and market share of the Group's real estate business, as well as improving its industry position and brand awareness.

The directors consider that the bidding for the Land Parcel is on normal commercial terms, and the Land Premium is determined on fair commercial terms, which is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **3. LISTING RULES IMPLICATIONS**

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## **4. INFORMATION OF THE PARTIES**

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.

City Investment Development Company is a company incorporated in the PRC with limited liability on 15 March 2004 and a wholly-owned subsidiary of the Company. It is principally engaged in real estate development and mid-to-high-end property operation and management and other businesses.

Guangzhou Tiantou is a company incorporated in the PRC with limited liability in October 1987. It is principally engaged in real estate development business. The ultimate beneficial owner of Guangzhou Tiantou is Tianhe District Finance Bureau of Guangzhou City (廣州市天河區財政局).

Guangzhou Tianke is a company incorporated in the PRC with limited liability in August 2022, a wholly-owned subsidiary of Guangzhou High-tech Industrial Group Co., Ltd.\* (廣州高新技術產業集團有限公司), a state-owned enterprise of Tianhe District, Guangzhou City. It is principally engaged in real estate development business. The ultimate beneficial owners of Guangzhou Tianke are the People’s Government of Tianhe District, Guangzhou City (廣州市天河區人民政府) and the Department of Finance of Guangdong Province (廣東省財政廳).

The land vendor is Guangzhou Municipal Planning and Natural Resources Bureau, which is responsible for the state-owned land and space planning, natural resource management and other related work in Guangzhou City, and it is a Chinese government department.

## 5. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors of the Company
“Company”	China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), a joint stock limited company established in the PRC on 19 December 2014, whose H shares are listed on the Stock Exchange (Stock Code: 3996) and whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601868)
“City Investment Development Company”	CEEC City Investment Development Co., Ltd.* (中能建城市投資發展有限公司), a wholly-owned subsidiary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“Guangzhou Tiantou”	Guangzhou Tiantou City Construction Development Co., Ltd.* (廣州市天投城市建設開發有限公司), a third party independent from the Company and its connected persons
“Guangzhou Tianke”	Guangzhou Tianke Real Estate Co., Ltd.* (廣州天科置業有限公司), a third party independent from the Company and its connected persons
“Guangzhou Municipal Planning and Natural Resources Bureau”	Guangzhou Municipal Planning and Natural Resources Bureau, the vendor of the Transaction and a third party independent from the Company and its connected persons

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC  
13 October 2023

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

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