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中國能源建設股份有限公司

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3996)

ANNOUNCEMENT RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 27 October 2020, 27 August 2021 and 17 October 2021 and the circulars dated 11 December 2020 and 19 November 2021, in relation to, among others, the continuing connected transaction framework agreements related to financial services, financial leasing service, private fund service, daily production and operation service and property lease service entered into between the Company and its subsidiaries and Energy Group and its subsidiaries, respectively (collectively referred to as the “**Existing Continuing Connected Transaction Framework Agreements**”). As the Existing Continuing Connected Transaction Framework Agreements will expire on 31 December 2023, on 27 October 2023, the Company and its subsidiaries and relevant parties entered into the Financial Services Framework Agreement, the Financial Leasing Service Framework Agreement, the Private Fund Service Framework Agreement, the Daily Production and Operation Service Framework Agreement and the Property Lease Framework Agreement, respectively (collectively referred to as the “**New Continuing Connected Transaction Framework Agreements**”) to renew relevant continuing connected transactions.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Energy Group directly and indirectly holds approximately 45.06% of the issued share capital of the Company and is the controlling shareholder of the Company, and thus Energy Group constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Each of Financial Leasing Company and Fund Company is a subsidiary of Energy Group, and each also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Continuing Connected Transaction Framework Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

* *For identification purpose only*

(1) Financial Services Framework Agreement

The provision of deposit services by Finance Company to Energy Group and its subsidiaries will constitute the receipt of financial assistance by the Group from connected persons. Pursuant to Rule 14A.90 of the Listing Rules, since Finance Company provides deposit services to Energy Group and its subsidiaries on normal commercial terms and there is no collateral of assets of the Group, the provision of deposit services is fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The provision of comprehensive credit services by Finance Company to Energy Group and its subsidiaries will constitute the provision of financial assistance by the Group to connected persons. As the highest applicable percentage ratio to the comprehensive credit services to be provided by Finance Company to Energy Group and its subsidiaries is more than 0.1% but less than 5%, the provision of comprehensive credit services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other financial services to be provided by Finance Company to Energy Group and its subsidiaries is less than 0.1%, the provision of other financial services is fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Financial Leasing Service Framework Agreement

As the highest applicable percentage ratio to the direct leasing services to be provided by Financial Leasing Company to the Group is more than 0.1% but less than 5%, the provision of direct leasing services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to the sale and leaseback services to be provided by Financial Leasing Company to the Group is more than 0.1% but less than 5%, the provision of sale and leaseback services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other consulting services related to financial leasing to be provided by Financial Leasing Company to the Group is less than 0.1%, these transactions are fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) Private Fund Service Framework Agreement

As the highest applicable percentage ratio to the private fund subscription services to be provided by Fund Company to the Group is more than 0.1% but less than 5%, the provision of private fund subscription services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other consulting and services related to fund management to be provided by Fund Company to the Group is less than 0.1%, these transactions are fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) Daily Production and Operation Service Framework Agreement

As the highest applicable percentage ratio to the daily production and operation services to be provided by the Group to Energy Group and its subsidiaries is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to the daily production and operation services to be provided by Energy Group and its subsidiaries to the Group is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

(5) Property Lease Framework Agreement

As the highest applicable percentage ratio to the property lease services to be provided by Energy Group and its subsidiaries to the Group is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

SHAREHOLDERS' GENERAL MEETING

Pursuant to the Listing Rules, the New Continuing Connected Transaction Framework Agreements and their proposed annual caps for 2024, 2025 and 2026 are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, but pursuant to relevant requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the New Continuing Connected Transaction Framework Agreements shall be submitted to the shareholders' general meeting of the Company for consideration and approval. Connected

shareholders shall abstain from voting on relevant resolutions at the general meeting. The New Continuing Connected Transaction Framework Agreements will become effective upon consideration and approval at the general meeting of the Company. An extraordinary general meeting will be held by the Company for the shareholders to consider and, if thought fit, to approve the New Continuing Connected Transaction Framework Agreements. A circular containing, among others, the details of resolutions above and the notice of the extraordinary general meeting will be despatched to the shareholders of the Company in due course.

1. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 27 October 2020, 27 August 2021 and 17 October 2021 and the circulars dated 11 December 2020 and 19 November 2021, in relation to, among others, the continuing connected transaction framework agreements related to financial services, financial leasing service, private fund service, daily production and operation service and property lease service entered into between the Company and its subsidiaries and Energy Group and its subsidiaries, respectively (collectively referred to as the “**Existing Continuing Connected Transaction Framework Agreements**”). As the Existing Continuing Connected Transaction Framework Agreements will expire on 31 December 2023, on 27 October 2023, the Company and its subsidiaries and relevant parties entered into the Financial Services Framework Agreement, the Financial Leasing Service Framework Agreement, the Private Fund Service Framework Agreement, the Daily Production and Operation Service Framework Agreement and the Property Lease Framework Agreement respectively (collectively referred to as the “**New Continuing Connected Transaction Framework Agreements**”) to renew relevant continuing connected transactions.

1.1 Financial Services Framework Agreement

Date

27 October 2023

Parties

Finance Company (a subsidiary of the Company, as the service provider); and

Energy Group (as the service recipient)

Major terms

According to the Financial Services Framework Agreement, the financial services to be provided by Finance Company to Energy Group and its subsidiaries (excluding the Group, the same hereinafter) include deposit services, comprehensive credit services and other financial services, among which:

- (1) Deposit services: Finance Company shall provide deposit services to Energy Group and its subsidiaries;
- (2) Comprehensive credit services: Finance Company shall provide loans, acceptance and discount of notes, non-financing letter of guarantee services to Energy Group and its subsidiaries;
- (3) Other financial services: Finance Company shall handle fund settlement and receipt and payment; provide financial consultancy, credit testimony and consulting and agency services; underwrite the corporate bonds of Energy Group and its subsidiaries; handle entrusted loans; and provide other services as permitted by the financial license of Finance Company for Energy Group and its subsidiaries.

Term

The term of the Financial Services Framework Agreement is three years, i.e. from 1 January 2024 to 31 December 2026.

Pricing policy

The services to be provided by Finance Company to Energy Group and its subsidiaries are subject to the following pricing principles:

- (1) The deposit interest rates for the deposit services shall be determined in accordance with the deposit interest rates with the same type and term stipulated by PBOC with reference to the interest rates of major domestic commercial banks in the PRC for the deposits with the same type and term, and such interest rates shall not be higher than the deposit interest rates offered by Finance Company to the Group or other independent third parties under the same conditions;
- (2) The interest rates and fees rates for the comprehensive credit services shall be determined in accordance with the floating range of loan interest rates with the same type and term stipulated by PBOC with reference to the interest rates of major domestic commercial banks in the PRC for the loans with the same type and term, and such interest rates and fees rates shall not be lower than the interest rates and fees rates of similar credit services offered by Finance Company to the Group or other independent third parties under the same conditions;

- (3) The service fees for other financial services shall be determined with reference to the interest rates or service fees charged by major domestic commercial banks or financial institutions in the PRC for the same type of financial services, and such service fees shall not be lower than the service fees of similar financial services offered by Finance Company to the Group or other independent third parties under the same conditions.

Historical transaction amount

The actual transaction amounts under the existing Financial Services Framework Agreement for the years ended 31 December 2021 and 31 December 2022 and for the nine months ended 30 September 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Highest daily Comprehensive credit balance provided by Finance Company to Energy Group and its subsidiaries	RMB3.607 billion	RMB3.957 billion	RMB3.957 billion
Service fees of other financial services provided by Finance Company to Energy Group and its subsidiaries	RMB16.7 thousand	RMB32.5 thousand	RMB16.3 thousand

Note: The actual transaction amount for the year ending 31 December 2023 is not expected to exceed the annual cap under the existing Financial Services Framework Agreement.

The annual caps under the existing Financial Services Framework Agreement for the years ended/ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Cap of the highest daily comprehensive credit balance provided by Finance Company to Energy Group and its subsidiaries	RMB4.0 billion	RMB4.0 billion	RMB4.0 billion
Cap of the service fees of other financial services provided by Finance Company to Energy Group and its subsidiaries	RMB30 million	RMB30 million	RMB30 million

Annual caps and basis for determination

The total annual transaction amounts under the Financial Services Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed the following caps:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Cap of the highest daily comprehensive credit balance provided by Finance Company to Energy Group and its subsidiaries	RMB3.89 billion	RMB3.89 billion	RMB3.89 billion
Cap of the service fees of other financial services provided by Finance Company to Energy Group and its subsidiaries	RMB30 million	RMB30 million	RMB30 million

The annual caps above were determined after taking into account the following:

- (1) In terms of comprehensive credit services to be provided by Finance Company to Energy Group and its subsidiaries, the basis for determining annual caps is mainly based on the current condition of business scale of Finance Company and the demand for loans of Energy Group and its subsidiaries, among which, in terms of the current condition of business scale of Finance Company, the annual cap for comprehensive credit services of RMB3.89 billion only accounts for 16.49% of the cash and bank balances of Finance Company as at 31 December 2022, and such the annual cap is within a reasonable range in view of the business scale of Finance Company. In terms of the demand for loans of Energy Group and its subsidiaries, in recent years, the financing demand of Energy Group and its subsidiaries has been basically unchanged. Based on the above historical transaction amount, the utilisation rate of the annual caps under the existing Financial Services Framework Agreement for the years ended 31 December 2021 and 31 December 2022 and for the nine months ended 30 September 2023 was approximately 90.18%, 98.93% and 98.93%, respectively. In conclusion, it is estimated that the demand of Energy Group and its subsidiaries for financing services to be provided by Finance Company will basically remain unchanged in the next three years.
- (2) In terms of other financial services to be provided by Finance Company to Energy Group and its subsidiaries, since Finance Company has a complete set of licenses for financial business and can provide various financial services such as proprietary loans, entrusted loans, notes discounting and acceptance, bonds underwriting, non-financing letter of guarantees and financial consulting, credit testimony and consulting and agency services, Finance Company can satisfy the demands of Energy Group and its subsidiaries for various financial services, and the provision of other financial services by Finance Company to them shall be conducive to expanding Finance Company's business scale and maintaining stable business income. From 2021 to the present, other financial services provided by Finance Company to Energy Group and its subsidiaries mainly focus on business areas of entrusted loans, letter of guarantees and notes, with more than 30 transactions happened in each year. Considering that the demand for other financial services of Energy Group and its subsidiaries will remain basically unchanged, the annual cap of service fees of other financial services provided as stipulated in the existing Financial Services Framework Agreement of the Company are RMB30 million.

Reasons for and benefits of entering into the Financial Services Framework Agreement

Given that the transactional conditions of the financial services to be provided by Finance Company to Energy Group and its subsidiaries pursuant to the Financial Services Framework Agreement will be no less favorable than the transactional conditions of similar services provided by Finance Company to the Group or other independent third parties, provision of financial services by Finance Company to Energy Group and its

subsidiaries will be conducive to consolidating the operation stability of Finance Company and thereby further improving the overall profitability of the Group. The arrangements under the Financial Services Framework Agreement will allow the Group to centralize the deposited funds to a certain extent, which will expedite the application of funds of the Group, and provide the Group with higher bargaining power.

1.2 Financial Leasing Service Framework Agreement

Date

27 October 2023

Parties

The Company (as the service recipient); and

Financial Leasing Company (as the service provider)

Major terms

According to the Financial Leasing Service Framework Agreement, financial Leasing Company will provide various financial leasing services to the Group, including direct leasing services, sale and leaseback services and other consulting services related to financial leasing permitted by laws and regulations:

- (1) Direct leasing services: Financial Leasing Company shall purchase leasing assets from suppliers at the request of the Group, and then lease them to the Group. The Group shall pay the corresponding rent to Financial Leasing Company in return;
- (2) Sale and leaseback services: Financial Leasing Company purchases leasing assets from the Group, and then leases them back to the Group. The Group shall pay the corresponding rent to Financial Leasing Company. Upon expiration of the lease term, the Group will pay the purchase price to Financial Leasing Company to repurchase the leasing assets;
- (3) Other consulting services related to financial leasing permitted by laws and regulations.

For the above direct leasing services, sale and leaseback services and other services, the Group shall enter into relevant specific execution agreements with Financial Leasing Company in accordance with the Financial Leasing Service Framework Agreement.

Term

The term of the Financial Leasing Service Framework Agreement is three years, i.e. from 1 January 2024 to 31 December 2026.

Pricing policy

The services to be provided by Financial Leasing Company to the Group are subject to the following pricing principles:

- (1) Direct leasing services and sale and leaseback services: the rent of financial leasing comprises of principal of financial leasing and interest of the lease. The principal should be the total price of leasing assets purchased by Financial Leasing Company. The interest of the lease is determined with reference to: (a) the Loan Prime Rate (LPR) as announced by the National Inter-bank Funding Center as authorised by the PBOC; (b) the finance cost of financial leasing services provided by Financial Leasing Company (inclusive of interest and other expenses); and (c) the finance cost which is no higher than that incurred by domestic independent third-party financial leasing companies for providing services of same or similar nature (as determined based on comprehensive internal rate of return after taxation); and
- (2) Other consulting services related to financial leasing: the price will be determined after negotiation by parties based on the content of services and with reference to relevant comparable costs charged by third parties.

Historical transaction amount

The actual transaction amounts under the existing Financial Leasing Service Framework Agreement for the period from 27 August 2021 to 31 December 2021, for the year ended 31 December 2022 and for the nine months ended 30 September 2023 are as follows:

	For the period from 27 August 2021 to 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Provision of direct leasing services by Financial Leasing Company to the Group	RMB0.054 billion	RMB0.338 billion	RMB0.298 billion

	For the period from 27 August 2021 to 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Provision of sale and leaseback services by Financial Leasing Company to the Group	RMB0.12 billion	RMB0.298 billion	RMB0.309 billion
Provision of other consulting services related to financial leasing by Financial Leasing Company to the Group	RMB2.4061 million	RMB2.4779 million	RMB0.2212 million

Notes:

- (1) The actual transaction amount for the year ending 31 December 2023 is not expected to exceed the annual cap under the existing Financial Leasing Service Framework Agreement.
- (2) As to provision of direct leasing services by Financial Leasing Company to the Group, in accordance with the IFRS 16, the direct lease for which the Group as the lessee under the existing Financial Leasing Service Framework Agreement will be recognised as right-of-use assets, and the historical transaction amounts are calculated based on the total additional amount of the newly-added right-of-use assets of the year for the direct lease transaction during the year.
- (3) As to provision of sale and leaseback services by Financial Leasing Company to the Group, the historical transaction amounts are calculated based on the maximum outstanding balance payable to Financial Leasing Company by the Group for the sale and leaseback services under the existing Financial Leasing Service Framework Agreement (inclusive of outstanding principal, interest, handling fees and other expenses (if any)).
- (4) As to provision of other consulting services related to financial leasing by Financial Leasing Company to the Group, the historical transaction amounts are calculated based on the total service fees payable to Financial Leasing Company by the Group for other consulting services related to financial leasing under the existing Financial Leasing Service Framework Agreement.

The annual caps under the existing Financial Leasing Service Framework Agreement for the period from 27 August 2021 to 31 December 2021 and for the years ended/ending 31 December 2022 and 31 December 2023 are as follows:

	For the period from 27 August 2021 to 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Provision of direct leasing services by Financial Leasing Company to the Group	RMB1.25 billion	RMB1.25 billion	RMB1.25 billion
Provision of sale and leaseback services by Financial Leasing Company to the Group	RMB1.25 billion	RMB1.25 billion	RMB1.25 billion
Provision of other consulting services related to financial leasing by Financial Leasing Company to the Group	RMB25 million	RMB25 million	RMB25 million

Notes:

- (1) As to provision of direct leasing services by Financial Leasing Company to the Group, in accordance with the IFRS 16, the direct lease for which the Group as the lessee under the existing Financial Leasing Service Framework Agreement will be recognised as right-of-use assets, and the annual caps are determined based on the expected total additional amount of the newly-added right-of-use assets of the year for the direct lease transaction during the year.
- (2) As to provision of sale and leaseback services by Financial Leasing Company to the Group, the annual caps are determined based on the expected maximum outstanding balance payable to Financial Leasing Company by the Group for the sale and leaseback services under the existing Financial Leasing Service Framework Agreement (inclusive of outstanding principal, interest, handling fees and other expenses (if any)).
- (3) As to provision of other consulting services related to financial leasing by Financial Leasing Company to the Group, the annual caps are determined based on the expected total service fees payable to Financial Leasing Company by the Group for other consulting services related to financial leasing under the existing Financial Leasing Service Framework Agreement.

Annual caps and basis for determination

The total annual transaction amounts under the Financial Leasing Service Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed the following caps:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Provision of direct leasing services by Financial Leasing Company to the Group	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion
Provision of sale and leaseback services by Financial Leasing Company to the Group	RMB2.0 billion	RMB2.0 billion	RMB2.0 billion
Provision of other consulting services related to financial leasing by Financial Leasing Company to the Group	RMB50 million	RMB50 million	RMB50 million

Notes:

- (1) As to provision of direct leasing services by Financial Leasing Company to the Group, in accordance with the IFRS 16, the direct lease for which the Group as the lessee under the Financial Leasing Service Framework Agreement will be recognised as right-of-use assets, and the annual caps are determined based on the expected total additional amount of the newly-added right-of-use assets of the year for the direct lease transaction during the year.
- (2) As to provision of sale and leaseback services by Financial Leasing Company to the Group, the annual caps are determined based on the expected maximum outstanding balance payable to Financial Leasing Company by the Group for the sale and leaseback services under the Financial Leasing Service Framework Agreement (inclusive of outstanding principal, interest, handling fees and other expenses (if any)).
- (3) As to provision of other consulting services related to financial leasing by Financial Leasing Company to the Group, the annual caps are determined based on the expected total service fees payable to Financial Leasing Company by the Group for other consulting services related to financial leasing under the Financial Leasing Service Framework Agreement.

The annual caps above were determined after taking into account the following:

- (1) Financial Leasing Company's business maintained rapid development and its asset scale was further expanded in recent years. The total assets of Financial Leasing Company increased to RMB7,130 million as at the end of 2022 from RMB6,143 million as at the end of 2021 with the CAGR of 16%. Financial Leasing Company plans to continuously expand its business scale and reinforce the business cooperation with the members of the Group in the forthcoming five years.

- (2) Financial Leasing Company continuously explores the fields and mode of business cooperation with the Group, including financial leasing of large machinery and equipment, new energy power generation equipment, energy storage equipment, etc., and revitalizes the existing assets of the Group through sale and leaseback so as to provide liquidity support for the Group. It is expected that the number of subsidiaries of the Group which will conduct business with Financial Leasing Company will continue to increase in the future.
- (3) The development of new energy business has a priority position within the Group, and the financial leasing business, as a flexible financing method with the unique advantage of “funds and assets financing integration”, could provide effective financing support for new energy projects. It is expected that the financial leasing business among the members of the Group as the lessees and Financial Leasing Company will have large potential growth.

Reasons for and benefits of entering into the Financial Leasing Service Framework Agreement

The transactional conditions for provision of financial leasing services by Financial Leasing Company to the Group pursuant to the Financial Leasing Service Framework Agreement will be no less favorable than the transactional conditions of similar services offered by independent third party(ies) to the Group. The Group has a good cooperative relationship with Financial Leasing Company and both parties understand the operational plans, quality control and several requirements of each other. Provision of financial leasing services by Financial Leasing Company to the Group could effectively satisfy the financing needs of the Group, support the development of the Group’s principal businesses, and collectively prevent and control relevant business risks through various risk management and control measures with the members of the Group, which enable the Group to optimize financial business management, diversify financing channels, improve capital utilisation efficiency, reduce investment costs and investment risk and maximize the benefit of capital management as a whole.

1.3 Private Fund Service Framework Agreement

Date

27 October 2023

Parties

The Company (as the service recipient); and

Fund Company (as the service provider)

Major terms

Pursuant to the Private Fund Service Framework Agreement, Fund Company will provide the following services to the Group:

- (1) Private fund subscription services: the Group subscribes for fund units in private funds managed by Fund Company as a fund manager or general partner;
- (2) Other transactions including consulting and services related to fund management permitted by laws and regulations.

For the above private fund subscription services as well as other consulting and services, the Group shall enter into relevant specific execution agreements with Fund Company in accordance with the Private Fund Service Framework Agreement.

Term

The term of the Private Fund Service Framework Agreement is three years, i.e. from 1 January 2024 to 31 December 2026.

Pricing policy

The services to be provided by Fund Company to the Group are subject to the following pricing principles:

- (1) For the private fund subscription services, the Company and all other subscribers to the private funds shall subscribe for related types of private fund units based on the calculation method of “fund subscription amount = fund subscription units x fund face value”, without paying subscription fees. In the process of investment and operation of private funds, the management fees of Fund Company shall be deducted from the investment income according to specific agreements, and the related management fees shall refer to the relevant standards of the Asset Management Association of China (“AMAC”) and shall not be higher than the fees charged by independent third-party fund management companies;
- (2) For other consulting and services, the pricing shall be determined after negotiation by parties to the services based on the content of services and with reference to relevant comparable costs charged by third-party fund management companies.

Historical transaction amount

The actual transaction amounts under the existing Private Fund Service Framework Agreement for the years ended 31 December 2021 and 31 December 2022 and for the nine months ended 30 September 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Amounts of the fund units subscribed by the Group to Fund Company and Zhongnengjian Ping An Fund	RMB515 million	RMB263 million	RMB0
Amounts of other consulting and services provided by Fund Company and Zhongnengjian Ping An Fund to the Group	RMB60 million	RMB80 million	RMB50 million

Notes:

- (1) The actual transaction amount for the year ending 31 December 2023 is not expected to exceed the annual cap under the existing Private Fund Service Framework Agreement.
- (2) Historical transaction amounts refer to the RMB amount paid for the subscription of fund units.

The annual caps under the existing Private Fund Service Framework Agreement for the years ended/ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Amounts of the fund units subscribed by the Group to Fund Company and Zhongnengjian Ping An Fund	RMB15.0 billion	RMB18.0 billion	RMB20.0 billion

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Amounts of other consulting and services provided by Fund Company and Zhongnengjian Ping An Fund to the Group	RMB25 million	RMB25 million	RMB25 million

Note: Annual caps refer to the RMB amount paid for the subscription of fund units.

Annual caps and basis for determination

The total annual transaction amounts under the Private Fund Service Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed the following caps:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Amounts of the fund units subscribed by the Group to Fund Company	RMB3.89 billion	RMB3.89 billion	RMB3.89 billion
Amounts of other consulting and services provided by Fund Company to the Group	RMB5 million	RMB6 million	RMB7 million

Note: Annual caps refer to the RMB amount paid for the subscription of fund units.

The annual caps above were determined after taking into account the following:

- (1) Fund Company will continue to conduct business cooperation with the Company and its subsidiaries, and provide fund management services to the Group, mainly centering on infrastructure funds, new energy funds, technology innovation funds, merger and acquisition funds established as required by the Group's principle businesses. Based on the management requirements of the SASAC of the State Council for fund business of central enterprises, the actual fund subscription of the Group in recent years and development trend in the future, the Company determined the annual cap of RMB3.89 billion for each year from 2024 to 2026, respectively.

- (2) According to the discussion between the Company and other potential fund investors, the Company has currently contacted various domestic potential investors in infrastructure, new energy, technology and innovation industries and other related industries, considered the annual caps and estimated the amount and proportion of capital contribution by each potential investor.
- (3) According to the “14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Outline of Long-term Goals for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》)”, during the “14th Five-Year Plan” period, China will promote a series of major construction projects, including the layout and construction of new infrastructure. The “14th Five-Year Plan” sets out China’s development plan for the five-year period from 2021 to 2025, including (a) to promote the construction of modern infrastructure that integrates traditional and new infrastructure, and create a modern infrastructure system; (b) to promote scientific and technological innovation, strengthen the role of the enterprise as the main body of innovation, encourage the flow of resources to enterprises, and give play to the role of enterprise as the main body of innovation; and (c) to adhere to ecological priority and green development, and to promote total resource management, scientific allocation, comprehensive conservation and recycling.
- (4) Based on the policy background and the principle businesses of the Company, for each year of the three years ending 31 December 2026, the Group is expected to subscribe to Fund Company for (a) approximately RMB1.0 billion to RMB1.5 billion of funds for investment in infrastructure construction projects; (b) approximately RMB1.0 billion to RMB1.5 billion of funds for investment in green and carbon neutral development projects; and (c) approximately RMB0.5 billion to RMB1.0 billion of funds for investment in technological innovation projects. The respective estimated amount range of fund units to be subscribed by the Company to Fund Company in terms of the type of projects is a component to the annual caps under the Private Fund Service Framework Agreement. The Company has taken into account the estimated demands for subscription of fund units from different project categories when determining the annual caps under the Private Fund Service Framework Agreement.

Details related to subscription of the fund units

(1) Underlying investment scope and nature of the fund units

Pursuant to the Private Fund Service Framework Agreement, the main investment scope of the fund units to be subscribed by the Group include: infrastructure projects (for instance, urban infrastructure including toll expressways), new energy projects

(photovoltaic, wind power, hydropower, hydrogen energy, etc.), scientific and technological innovation projects and M&A projects related to the principal businesses of the Group.

The fund types including infrastructure funds, new energy funds, scientific and technological innovation funds. Among which, for infrastructure projects, the expected fund units to be subscribed by the Company will be approximately RMB1.0 billion to RMB1.5 billion; for new energy fund projects, the expected fund units to be subscribed by the Company will be approximately RMB1.0 billion to RMB1.5 billion, and for scientific and technological innovation projects and others, the expected fund units to be subscribed by the Company will be approximately RMB0.5 billion to RMB1.0 billion. The above data of fund units to be subscribed are estimated figures and the actual amount will be prevail. The total subscription amount of all funds shall not exceed the annual caps of the Private Fund Service Framework Agreement.

The relevant projects/assets proposed to be invested through fund units are all located in mainland China, and are in the infrastructure, new energy or technology industry, etc.

The relevant projects/assets proposed to be invested through fund units are mainly equity investment in various project companies, and the funds proposed to be subscribed by the Company can further invest in equity of sub-funds or project companies. The relevant projects/assets are mainly construction projects related to governmental PPP project pool, and equity interests of upstream and downstream of the new energy industry chain and scientific and technological innovative enterprises. Fund units to be subscribed by the Company shall be further contributed by the funds, by holding equity in the PPP project companies, the Company can make full and reasonable use of relevant information when project companies entrust construction projects, so as to help the Company obtain the construction contract of the project; by investing in upstream and downstream enterprises of the new energy industry chain, the Company will promote the collaborative development of the new energy industry chain of the Company; and by participating in technology innovation, the Company will tackle core technology, promote the conversion of technology results and assist in the high quality development of the Company.

The funds that the Company proposed to subscribe under the Private Fund Service Framework Agreement will focus on the functional orientation of serving the development of the Company's principal businesses. All funds for subscription of fund units will be invested in projects related to the Company's principal businesses so as to support the investment and development of the Company's principal businesses.

(2) *Assessment on fund units to be subscribed and related mechanism*

According to the relevant provisions of private fund investment of the PRC, the subscribed funds shall not undertake the safety of the investment principal and the guaranteed minimum rate of return. The investment projects of the funds to be subscribed by the Company are implemented after strictly performing the Company's investment decision-making procedures (i.e. investment management committee – chairman's office – Board meeting (if necessary) – shareholders' general meeting (if necessary), please refer to paragraphs below for details) in accordance with relevant provisions of the Company's investment management, and their rates of return shall meet the relevant investment requirements of the Company.

As to the specific projects that the fund intends to invest, it depends on the specific fund that the Company proposes to subscribe for. On the one hand, the Company will consider the projects that the Company has tracked and the fund investment direction of which is fairly specific when subscribing for certain fund units, and the actual investment direction and decision-making of the fund will be determined in accordance with the provisions of the fund agreement. On the other hand, for some funds to be subscribed by the Company, the scope and type of certain projects will be selected and screened by the fund according to the provisions of the fund agreement. In this case, the projects invested by the fund are not specific.

The fund to be subscribed by the Company will be paid at the time of fund establishment, and will be subscribed at the price of RMB1 per fund unit. The investment management committee of the Company will conduct comprehensive appraisal and decision-making for invested projects, including evaluate the return of investment of projects, construction units of the Company driven by relevant investment and related yields, etc. The investment projects of funds to be subscribed by the Company are projects after strictly implementation of the Company's investment and decision-making procedures in compliance with relevant investment and management requirements of the Company, and their rate of return meets the investment-related provisions of the Company. The financial rate of return of the capital after tax of the invested projects is generally not lower than the debt financing cost of the Company with the same or similar term. The size of the fund units that the Company intends to subscribe for will be comprehensively determined based on the factors, including the specific targets and number of projects, development planning, fund requirements, specific construction requirements of the projects, and the construction scale of the projects that the Company intends to undertake.

The Company shall make investment decisions on the fund units to be subscribed by the Company based on internal investment requirements. The funds shall be subscribed for in strict accordance with the implementation procedures as required in the Investment Administrative Measures of China Energy Engineering Corporation

Limited. The investment decisions of the Company shall be subject to unified management and classified and hierarchical approval. The Company has tertiary investment decision-making bodies: namely the shareholders' general meeting, the Board of Directors and the chairman's office, which shall be strictly applied in accordance with the requirements of the Articles of Association, applicable laws and regulations and the Listing Rules and conduct investment activities within the scope of approved authorization. Generally, the foreign investment (i.e. the business behaviour of the Company and its subsidiaries to make foreign investment to form assets and further obtain economic returns with monetary capital, equity and appraised physical or intangible assets as cost or expenses) with the transaction amount not exceeding 10% of the Company's audited net assets in the latest period shall be submitted to the Company's office meeting for approval, and the foreign investment with the transaction amount exceeds 10% but not more than 50% of the Company's audited net assets in the latest period shall be submitted to the Board of Directors for approval; and the foreign investment with transaction amount exceeding 50% of the Company's audited net assets in the latest period shall be submitted to the shareholders' general meeting of the Company for approval; on this basis, if there are more stringent governance requirements of applicable laws and regulations, Listing Rules and the Articles of Association, the Company shall strictly perform the decision-making procedures.

(3) *Details about the investment decision-making body of the Company*

The investment management committee is comprised of the deputy general manager of the Company in charge of investment and the heads of each of finance, audit, legal, securities, market, international, project management and other relevant departments of the Company. Upon the formation of proposed opinions, according to the approval authority, the investment management committee would submit the proposal to the chairman's office, the Board (if necessary) and the shareholders' general meeting (if necessary) of the Company for consideration and approval.

All the members of the investment management committee are the management members with extensive experience in the industry and different professional and expertise backgrounds who are familiar with the principal businesses and corporate management of the Company. The Company has considered the professional skills and experience of members when establishing the investment management committee, and has set the approval authority for corresponding amount standard to control the decision-making risks. Within the authority granted to the investment management committee, the Directors are of the view that the investment management committee can make appropriate decisions that are reasonable and in the interests of the Company as a whole. For the projects that are submitted by the investment management committee to and determined by the chairman's office, the

chairman will also report to all Directors in a timely manner through regular reports, various special report meetings, communication meetings between the chairman and Directors and other ways.

The chairman's office comprises of all senior management members of the Company as disclosed in the annual report of the Company in addition to the chairman, as well as the chief engineers, assistants to the general managers, chief economists and other management personnel of the Company who have expertise in finance, audit, law, securities, market, international and project management, and have extensive experience in corporate management.

When considering the Company's foreign investment, the chairman's office will conduct a comprehensive assessment of the risks and returns of the investment, and review various opinions formed by the investment management committee, including whether the investment of the fund is for the project construction related industries of principal businesses of the Company, and whether the investment projects of the funds could promote the Company's project construction contracts, whether the return of the investment of the funds and the accumulated comprehensive income of the project construction income of the Company meet the requirements of the Company's expected investment return, and whether the risks of the funds and projects could be reasonably under control.

Experience and expertise of Fund Company and fund managers

Fund Company has registered as a fund manager with the Asset Management Association of China. Fund Company was established in December 2018 with registered capital of RMB50 million. It is a state-owned holding company initiated and established by Energy Group (a super large energy construction company directly managed by the SASAC of the State Council). It is committed to becoming a first-class industrial investment fund management company in the field of domestic infrastructure construction. Based on the development and transformation and upgrading needs of principal businesses of the Company, it provides the Company with an industrial fund business platform, which integrates industrial fund management, investment and financing consulting and equity investment management.

Fund Company is an important part of the Company's financial sector. According to the Company's arrangements, it is responsible for coordinating and developing the Group's industrial fund business – the entire process of fund raising and establishment, investment, management, exit and liquidation; it also assists the Group in centralizing and managing industrial funds – such as establishing and improving the management system of industrial funds, tracking fund dynamics, and monitoring risks. As of the end of September 2023, there are 17 funds under management, the size of the subscribed funds was RMB7.146 billion, and the actual paid-in capital was RMB5.534 billion.

Biographical details of key senior management:

Mr. Liu Xuemin (劉學民) (chairman of Fund Company): Mr. Liu holds a master's degree, and is a senior economist. He served in many positions, including the general manager of Finance Company and the general manager of Financial Leasing Company.

Mr. Ding Shulai (丁暑來) (deputy general manager of Fund Company): Mr. Ding holds a bachelor's degree, and is a senior economist. He served in many positions, including the general manager of the financial department of Financial Leasing Company.

Experience and expertise of independent third-party fund management companies and fund managers

In the case where Fund Company acts as a general partner and other independent third-party fund management company acts as the fund manager, the Company will choose other qualified independent third-party fund management companies whose business qualification and business capability are not lower than those of Fund Company as its partners.

Independent third party fund management companies shall meet relevant requirements of the AMAC for private fund managers including: they shall complete the filing and registration with the AMAC, and abide by the AMAC's self-discipline rules; they shall be in good financial position, and have a clear and stable investment structure; their shareholders, partners and actual controllers shall have good credit record; their controlling shareholders, actual controllers and general partners shall have relevant required experience; their senior management members shall have good credit record, professional competence suitable for the position and relevant required work experience; they shall have sound internal governance structure, thorough risk control and compliance system and conflict of interest prevention mechanism; and they shall have the name, business scope, business premise and fund management business related facilities that meet the requirements.

The fund managers of an independent third-party fund management company shall meet the fund qualifications and practice conditions stipulated by the China Securities Regulatory Commission and the AMAC; they shall have more than 5 years of working experience in equity investment and management or related industry management, as well as the requisite investment and management performance. The persons-in-charge of compliance and risk control of an independent third-party fund management companies shall have more than 3 years of working experience in legal, accounting, auditing, supervision, review, or compliance, risk control, regulatory and self-discipline management in the asset management industry, and shall not engage in investment and management business or concurrently serve other positions in conflict with the duties of compliance and risk control.

Reasons for and benefits of entering into the Private Fund Service Framework Agreement

The trading conditions for the provision of private fund services by Fund Company to the Group under the Private Fund Service Framework Agreement will be on terms no less favorable than the trading conditions for the provision of similar services to the Group by independent third parties. Fund Company is a fund company established and validly existing in accordance with laws, and has extensive experience of fund related services and strong risk control capabilities. The Group has maintained a good cooperative relationship with Fund Company, and understands the operation plans of each other, quality control and several requirements of each other. The execution of the Private Fund Service Framework Agreement is conducive to enabling the Group to optimize financial business management, improving capital utilisation efficiency, reducing investment costs and investment risk and maximize the benefit of investing and financing.

For investment and construction of relevant specific projects/assets, through the subscription of the fund units¹, the Group can attract funds from qualified external investors (other public capital parties), reduce the dependence on its own funds, and thereby drive the development of the principal businesses of the Group through a small amount of investment, which can enhance the investment and financing capabilities, diversify investment risks in projects and optimize the capital structure of the Group, and help the Group to maximize the benefits of investment and financing.

1.4 Daily Production and Operation Service Framework Agreement

Date

27 October 2023

Parties

The Company; and

Energy Group

¹ Pursuant to general specific fund agreement, the Company, as one of the fund investors, and all other fund investors shall form the general meeting of investors to finally determine relevant investments by the funds. The fund managers shall conduct daily business management of the funds according to the resolutions of the general meeting of investors. For some funds, specific investment targets would be stipulated in the agreement of funds when making subscription; for certain funds, some agreed specific investment targets will be stipulated in fund agreements while some other investment matters are pended approval at the general meeting of investors; and for a few funds, only investment type and scope are stipulated in fund agreements, but no specific investment projects are stipulated.

Major terms

Pursuant to the Daily Production and Operation Service Framework Agreement, the Company and its subsidiaries as well as Energy Group and its subsidiaries agree to provide each other with daily operation services including project survey and design, planning consultancy, labor services, integrated information services, online platform procurement service, project construction and other daily services related to the principal business.

Term

The term of the Daily Production and Operation Service Framework Agreement is three years, i.e. from 1 January 2024 to 31 December 2026.

Pricing policy

The receipt and provision of services between the Group and Energy Group and its subsidiaries are subject to the following pricing principles:

- (1) The related service fee was agreed after arm's length negotiations between the parties with reference to the following conditions: (a) national and industry pricing standards for each service including but not limited to properties and buildings, roads, water conservancy and hydropower, thermal power, power grids and other industries and local quota standards such as the Construction Survey and Design Fee Standard* (《工程勘察設計收費標準》) promulgated by the National Development and Reform Commission and the Electric Power Construction Engineering Quota and Cost Calculation Rules* (《電力建設工程定額和費用計算規定》) and the Specification and Calculation Basis for Cost Estimate of Onshore Wind Power Projects* (《陸上風電場工程設計概算規定及費用標準》) promulgated by the National Energy Administration; and (b) service prices for similar categories, sizes and under other relevant conditions (if any) offered by two to three independent third parties in the same region; and
- (2) Neither party shall use its advantages or position to require or compel the other party to accept any of the conditions that violate the above principles.

The prices and terms of the daily production and operation services provided by the Group to Energy Group and its subsidiaries under the Daily Production and Operation Service Framework Agreement shall not be lower than the prices and terms of similar services provided by the Group to independent third parties. The prices and terms for the daily production and operation services provided by Energy Group and its subsidiaries to the Group shall not be higher than the prices and terms for similar services provided by independent third parties to the Group.

Historical transaction amount

The actual transaction amounts under the existing Daily Production and Operation Service Framework Agreement for the years ended 31 December 2021, 31 December 2022 and for the nine months ended 30 September 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Provision of daily production and operation services to the Group by Energy Group and its subsidiaries	RMB14 million	RMB138 million	RMB87 million
Provision of daily production and operation services by the Group to Energy Group and its subsidiaries	RMB65 million	RMB177 million	RMB47 million

Note: The actual transaction amount for the year ending 31 December 2023 is not expected to exceed the annual cap under the existing Daily Production and Operation Service Framework Agreement.

The annual caps under the existing Daily Production and Operation Service Framework Agreement for the years ended/ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Provision of daily production and operation services to the Group by Energy Group and its subsidiaries	RMB0.9 billion	RMB0.9 billion	RMB0.9 billion
Provision of daily production and operation services by the Group to Energy Group and its subsidiaries	RMB0.9 billion	RMB0.9 billion	RMB0.9 billion

Annual caps and basis for determination

The total annual transaction amounts under the Daily Production and Operation Service Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed the following caps:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Provision of daily production and operation services to the Group by Energy Group and its subsidiaries	RMB0.9 billion	RMB0.9 billion	RMB0.9 billion
Provision of daily production and operation services by the Group to Energy Group and its subsidiaries	RMB0.9 billion	RMB0.9 billion	RMB0.9 billion

The annual caps above were determined after taking into account the following:

- (1) The historical amount of such transactions and the trend of future development. It is expected that the transaction demand between the Group and Energy Group and its subsidiaries from 2024 to 2026 may grow to a certain extent as compared with that from 2021 to 2023. Considering the expected future growth demand of both parties, the annual cap for services to be provided by Energy Group and its subsidiaries to the Group and services to be provided by the Group to Energy Group and its subsidiaries from 2024 to 2026 are RMB0.9 billion each year.
- (2) Since the Company and Energy Group have technical advantages in their respective relevant fields, the procurement of targeted daily production and operation services is conducive to business development and improving operating benefits. The Company will moderately increase the procurement and provide relevant daily production and operation services in its own interests.

Reasons for and benefits of entering into the Daily Production and Operation Service Framework Agreement

The terms of the transactions for the provision of daily production and operation services to each other between the Group and Energy Group and its subsidiaries under the Daily Production and Operation Service Framework Agreement are no less favorable than those for similar transactions between the Group and independent third parties. The Group has established a long-term relationship with Energy Group and its subsidiaries and

understands the operational plans of each other, quality control and certain special requirements of each other. Energy Group and its subsidiaries are familiar with the Group's business operations and procedures, and the provision of services to be provided by Energy Group and its subsidiaries to the Group will improve the operation efficiency and reduce the operation costs and risks of the Group to a great extent. The services to be provided by the Group to Energy Group and its subsidiaries will enable the Group to conduct its business more extensively and fully master the industry development information.

1.5 Property Lease Framework Agreement

Date

27 October 2023

Parties

The Company (as the lessee); and

Energy Group (as the lessor)

Major terms

The Company has entered into the Property Lease Framework Agreement with Energy Group, pursuant to which the Group will lease properties from Energy Group and its subsidiaries.

Term

The term of the Property Lease Framework Agreement is three years, i.e. from 1 January 2024 to 31 December 2026.

Pricing policy

The rents and other fees for the lease of properties by the Group from Energy Group and its subsidiaries are subject to the following pricing principles:

- (1) The rents and other fees shall be determined after negotiation by both parties with reference to the relevant national laws and regulations and local fair market price (including but not limited to factors like geographical location, standards of construction and surrounding area), and the rents and other fees shall not be higher than the rents and other fees paid by the Group to independent third parties for the lease of similar properties. The rents and other fees shall be negotiated separately by

both parties on the above basis and the parties will enter into a specific lease contract, and the payment method for rents and other fees shall be listed and specified in the specific lease contract;

- (2) During the lease period of the specific lease contract, the Group shall bear and pay the daily consumption expenses, such as water bills, electricity charges, communication expenses, heating fees, and gas fees, as well as maintenance and repair expenses, and liable taxes pursuant to the tax laws, such as property tax and land use tax;
- (3) Under the specific lease contract, if the Group requests for an extension of the period of compensated use after the expiry of the lease term agreed by both parties, the rents of the lease properties shall be adjusted after the negotiation of both parties with reference to the historical and prevailing market prices. However, the adjusted price shall not be higher than the market price confirmed by the independent valuer, and the cost of engaging the independent valuer shall be borne by the Group; and
- (4) During the validity of the Property Lease Framework Agreement, both parties may negotiate and adjust the rent and other fees and payment method of the target property based on market price, usage and other conditions.

Historical transaction amount

The actual transaction amounts under the existing Property Lease Framework Agreement for the years ended 31 December 2021 and 31 December 2022 and for the nine months ended 30 September 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Lease amount of properties leased by the Group from Energy Group and its subsidiaries	RMB164 million	RMB171 million	RMB83 million

Note: The actual transaction amount for the year ending 31 December 2023 is not expected to exceed the annual cap under the existing Property Lease Framework Agreement.

The annual caps under the existing Property Lease Framework Agreement for the years ended/ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Annual cap for properties leased by the Group from Energy Group and its subsidiaries	RMB0.5 billion	RMB0.5 billion	RMB0.5 billion

Notes:

- (1) The above amounts are the annual caps for the lease amount of properties leased by the Group from Energy Group and its subsidiaries under the existing Property Lease Framework Agreement for the years ended/ending 31 December 2021, 31 December 2022 and 31 December 2023.
- (2) When determining the annual caps under the existing Property Lease Framework Agreement, the Company has conducted financial accounting according to the IFRS 16.

Annual caps and basis for determination

The total annual transaction amounts under the Property Lease Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed the following caps:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Annual cap for properties leased by the Group from Energy Group and its subsidiaries (including the aggregate amount of right-of-use assets and lease amount involved in relevant leases)	RMB0.5 billion	RMB0.5 billion	RMB0.5 billion

Note: The annual cap amount is the aggregated amount of total value of the right-of-use assets and property lease amount involved in the new leases under the Property Lease Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026.

Those annual caps above were determined after taking into account the following:

- (1) According to the existing Property Lease Framework Agreement, the actual condition of leased properties by the Group from Energy Group and its subsidiaries maintained relatively stable in recent years. Among these leased properties, the land parcel located in Beijing has relatively large site area and is mainly used for offices. When determining the annual caps, the Company has taken into account the increase in market price of existing leased properties in the future, and the possible changes in the scale of leasing business in the future.
- (2) The relocation of our offices, warehouses and plants to other sites will incur unnecessary business interruption and related costs to the Group. In addition, Energy Group and its subsidiaries understands the Group's requirements for offices and properties for warehousing and manufacturing purposes better than other independent third parties. Therefore, the continuation of the above transactions by the Group is conducive to ensuring smooth operation and saving costs.

Reasons for and benefits of entering into the Property Lease Framework Agreement

The rents and other fees for the lease of the properties by the Group from Energy Group and its subsidiaries under the Property Lease Framework Agreement are not higher than the rents and other fees paid by the Group to independent third parties for the lease of similar properties. As the Company will incur unnecessary business interruption and related costs due to the relocation of offices, warehouses and plants to other sites, the renewal of the Property Lease Framework Agreement could continue the existing Property Lease Framework Agreement between the Group and Energy Group and its subsidiaries, and meet the future business requirements of the Group from time to time, which is beneficial for the business development of the Group. Besides, Energy Group and its subsidiaries understand the Group's requirements for offices and properties for warehousing and manufacturing purposes better than independent third parties, the continuation of the above transactions by the Group will ensure smooth operations and cost savings. In addition, the rental payments under the relevant leases are consistent with or even better than the market rent of adjacent comparable properties leased from Energy Group and its subsidiaries. In summary, the Directors consider that the renewal of the Property Lease Framework Agreement is in the interests of the Company and its shareholders as a whole.

2. INTERNAL MANAGEMENT PROCEDURES FOR CONTINUING CONNECTED TRANSACTIONS

The Company will endeavour to carry out adequate supervision over the terms, actual transaction amounts and corresponding annual caps of the proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements with a view to ensure that necessary measures for compliance with applicable requirements under the Listing Rules will be promptly taken:

- (1) For the proposed transactions to be contemplated under each of the New Continuing Connected Transaction Framework Agreements, the Company will obtain the transaction terms and fee levels of no less than two independent third parties in the market through regular enquiry, participation in industrial activities and communication as a market participant.
- (2) Besides, the Company has formulated a series of measures and policies, including contract policy, project management policy, connected transaction management measures, to ensure that the proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements are conducted in accordance with the framework agreements and their own pricing policies.
 - The proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements will be approved on an as-needed basis by the Audit Committee of the Board, the Board and/or several internal departments of the Company (including but not limited to the Finance Department and the Audit and Supervision Department of the Company) in the form of annual plans and unplanned matters, etc., to urge the subsidiaries of the Company to comply with the requirements under the framework agreements and general market practice when entering into specific transactions and not to deviate from the terms of the New Continuing Connected Transaction Framework Agreements. The Audit Committee of the Board and relevant departments of the Company will also regularly monitor the implementation of framework agreements and the progress of transactions in accordance with the connected transaction management measures of the Company.
 - The Company continuously monitors the proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements, and the Finance Department of the Company will calculate, summarize and report the actual transaction amounts to the office of the Board on a quarterly basis. The Securities Department of the Company examines the proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements on a half-year basis.

- The Group has formulated systems such as proprietary loan management measures, compliance management measures for financial leasing business and management measures for fund business (“**these measures and systems**”). Among them, (a) as for the Financial Services Framework Agreement, these measures and systems clearly regulate the qualifications of lenders (including gearing ratio, credit status and use of funds) and the requirements of process of granting loans (including the requirements of the review process of various materials, and that loans can be only granted when the supporting documents such as use of funds are complete, etc.); (b) as for the Financial Leasing Service Framework Agreement, these measures and systems have clearly specified the qualification of lessees, compliance of leased subjects, purposes of proceeds and project loans and post-tenancy management, etc.; (c) as for the Private Fund Service Framework Agreement, these measures and systems have clearly specified the full-cycle management such as the investors’ qualification, establishment of funds, fund raising, investment and management, and fund exit.
 - The Group has internal regulations for various risk sorting and prevention systems, which comprehensively and effectively prevent the occurrence of capital risks. As for the transactions related to the Group’s procurement under the Daily Production and Operation Service Framework Agreement, the Property Lease Framework Agreement and the New Continuing Connected Transaction Framework Agreements, the Company has strictly stipulated in “Invitation of Tender Management Measures of China Energy Engineering Corporation Limited” that engineering procurement amounting to more than RMB4 million and service procurement amounting to more than RMB1 million must adopt tender procurement in order to ensure that the renewed continuing connected transactions are fair and reasonable and on normal commercial terms. Moreover, the Company has set the evaluation index for online procurement rate and promoted the online procurement based on the centralized procurement platform of the Company to ensure the fairness and reasonableness of all kinds of transactions; as for non-tender procurement, the Company requires to fully use the price information database of the procurement platform to carry out statistics and analysis on the purchase price, and to effectively reduce procurement costs in the premise of ensuring the quality of procurement.
- (3) Our independent non-executive Directors have also reviewed the New Continuing Connected Transaction Framework Agreements and will continue to review the implementation of the New Continuing Connected Transaction Framework Agreements to ensure the proposed transactions to be contemplated under the New Continuing Connected Transaction Framework Agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the New Continuing Connected Transaction Framework Agreements. The auditor of the Company will also conduct annual review on the pricing policies and annual caps of the continuing connected transactions.

3. CONFIRMATION OF THE DIRECTORS

The Board has considered and approved the resolutions relating to the New Continuing Connected Transaction Framework Agreements and their annual caps. Since Mr. Song Hailiang, a Director of the Company, is also a director of Energy Group, he has been considered to have material interest in the New Continuing Connected Transaction Framework Agreements and the proposed transactions to be contemplated thereunder respectively. Mr. Song Hailiang has abstained from voting at the Board meeting approving the New Continuing Connected Transaction Framework Agreements and their annual caps in accordance with the requirements of the Listing Rules. Save as disclosed above, none of the Directors has material interest in the New Continuing Connected Transaction Framework Agreements and the proposed transactions to be contemplated thereunder respectively.

The Directors (including the independent non-executive Directors) are of the view that the terms of the New Continuing Connected Transaction Framework Agreements and their annual caps are determined on normal commercial terms in the ordinary course of business of the Company, are fair and reasonable and are in the interests of the Company and shareholders as a whole.

4. LISTING RULES IMPLICATIONS

As of the date of this announcement, Energy Group directly and indirectly holds approximately 45.06% of the issued share capital of the Company and is the controlling shareholder of the Company, and thus Energy Group constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Each of Financial Leasing Company and Fund Company is a subsidiary of Energy Group, and each also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Continuing Connected Transaction Framework Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

4.1 Financial Services Framework Agreement

The provision of deposit services by Finance Company to Energy Group and its subsidiaries will constitute the receipt of financial assistance by the Group from connected persons. Pursuant to Rule 14A.90 of the Listing Rules, since Finance Company provides deposit services to Energy Group and its subsidiaries on normal commercial terms and there is no collateral of assets of the Group, the provision of deposit services is fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The provision of comprehensive credit services by Finance Company to Energy Group and its subsidiaries will constitute the provision of financial assistance by the Group to connected persons. As the highest applicable percentage ratio to the comprehensive credit services to be provided by Finance Company to Energy Group and its subsidiaries is more than 0.1% but less than 5%, the provision of comprehensive credit services shall be

subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other financial services to be provided by Finance Company to Energy Group and its subsidiaries is less than 0.1%, the provision of other financial services is fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4.2 Financial Leasing Service Framework Agreement

As the highest applicable percentage ratio to the direct leasing services to be provided by Financial Leasing Company to the Group is more than 0.1% but less than 5%, the provision of direct leasing services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to the sale and leaseback services to be provided by Financial Leasing Company to the Group is more than 0.1% but less than 5%, the provision of sale and leaseback services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other consulting services related to financial leasing to be provided by Financial Leasing Company to the Group is less than 0.1%, these transactions are fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4.3 Private Fund Service Framework Agreement

As the highest applicable percentage ratio to the private fund subscription services to be provided by Fund Company to the Group is more than 0.1% but less than 5%, the provision of private fund subscription services shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to other consulting and services related to fund management to be provided by Fund Company to the Group is less than 0.1%, these transactions are fully exempt from announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4.4 Daily Production and Operation Service Framework Agreement

As the highest applicable percentage ratio to the daily production and operation services to be provided by the Group to Energy Group and its subsidiaries is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

As the highest applicable percentage ratio to the daily production and operation services to be provided by Energy Group and its subsidiaries to the Group is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

4.5 Property Lease Framework Agreement

As the highest applicable percentage ratio to the property lease services to be provided by Energy Group and its subsidiaries to the Group is more than 0.1% but less than 5%, these transactions shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules but exempt from the Independent Shareholders' approval requirements.

5. GENERAL INFORMATION

5.1 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.

5.2 Energy Group

Energy Group is a wholly state-owned company and the controlling shareholder of the Company. It is principally engaged in several power project business, study and research of power industry development strategies and planning, standard scientific research of governmental and industrial policies in the power industry, and provision of healthcare, education and public security and other community services. The ultimate beneficial owner of Energy Group is the SASAC of the State Council.

5.3 Finance Company

Finance Company is a company incorporated in the PRC with limited liability on 18 January 1996 and a subsidiary of the Company. Finance Company is a licensed financial institution and is mainly engaged in providing relevant banking and financial services within the scope of business approved by the financial supervisory authority of the PRC.

5.4 Financial Leasing Company

Financial Leasing Company is a company incorporated in the PRC with limited liability on 27 December 2016 and a wholly-owned subsidiary of Energy Group. Financial Leasing Company is mainly engaged in financial leasing business, leasing business, purchase of leased property from domestic and overseas markets, treatment and maintenance of residual value of leased property; and concurrently engages in factoring and other businesses related to its main business.

5.5 Fund Company

Fund Company is a company incorporated in the PRC with limited liability on 19 December 2018 and a subsidiary of Energy Group. Fund Company is mainly engaged in non-securities business investment management, consulting, equity investment management and other businesses. As at the date of this announcement, Fund Company is owned as to 55% by Energy Group, 30% by Everbright Fortune Investment Co., Ltd. (a wholly-owned subsidiary of Everbright Securities Company Limited (601788.SH, 6178.HK)), and 15% by Jinko Power Technology Co., Ltd. (601778.SH). Fund Company has registered as the fund manager with the AMAC.

6. SHAREHOLDERS' GENERAL MEETING

Pursuant to the Listing Rules, the New Continuing Connected Transaction Framework Agreements and their proposed annual caps for 2024, 2025 and 2026 are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, but pursuant to relevant requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the New Continuing Connected Transaction Framework Agreements shall be submitted to the shareholders' general meeting of the Company for consideration and approval. Connected shareholders shall abstain from voting on relevant resolutions at the general meeting. The New Continuing Connected Transaction Framework Agreements will become effective upon consideration and approval at the general meeting of the Company. An extraordinary general meeting will be held by the Company for the shareholders to consider and, if thought fit, to approve the New Continuing Connected Transaction Framework Agreements. A circular containing, among others, the details of resolutions above and the notice of the extraordinary general meeting will be despatched to the shareholders of the Company in due course.

7. DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement shall have the following meanings:

“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	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 A shares are listed on the Shanghai Stock Exchange (Stock Code: 601868)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Daily Production and Operation Service Framework Agreement”	The 2024-2026 Daily Production and Operation Service Framework Agreement entered into between the Company and Energy Group on 27 October 2023, pursuant to which the Group and Energy Group and its subsidiaries will provide daily production and operation services to each other
“Director(s)”	the director(s) of the Company
“Energy Group”	China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司), a wholly state-owned company established in the PRC on 29 September 2011, the controlling shareholder of the Company
“Finance Company”	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a subsidiary of the Company
“Financial Leasing Company”	China Energy Engineering Group Financial Leasing Co., Ltd.* (中國能源建設集團融資租賃有限公司), a wholly-owned subsidiary of Energy Group

“Financial Leasing Service Framework Agreement”	The 2024-2026 Financial Leasing Service Framework Agreement entered into between the Company and Financial Leasing Company on 27 October 2023, pursuant to which Financial Leasing Company will provide financial leasing services to the Group
“Financial Services Framework Agreement”	The 2024-2026 Financial Services Framework Agreement entered into between Finance Company, a subsidiary of the Company, and Energy Group on 27 October 2023, pursuant to which Finance Company will provide financial services to Energy Group and its subsidiaries
“Fund Company”	Zhongnengjian Fund Management Co., Ltd.* (中能建基金管理有限公司), a subsidiary of Energy Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“IFRS 16”	the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, which sets out the recognition, measurement, presentation and disclosure of leases
“Independent Shareholder(s)”	the shareholders of the Company other than Energy Group and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC” or “China”	the People’s Republic of China
“Private Fund Service Framework Agreement”	The 2024-2026 Private Fund Service Framework Agreement entered into between the Company and Fund Company on 27 October 2023, pursuant to which Fund Company will provide private fund subscription services and other consulting and services related to fund management permitted by laws and regulations to the Company

“Property Lease Framework Agreement”	The 2024-2026 Property Lease Framework Agreement entered into between the Company and Energy Group on 27 October 2023, pursuant to which the Group will lease properties from Energy Group and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC of the State Council”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
“Shareholder(s)”	registered holder(s) of the Company's Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongnengjian Ping An Fund”	Zhongnengjian Ping An (Tianjin) Equity Investment Fund Management Co., Ltd.* (中能建平安(天津)股權投資基金管理有限公司), which is owned as to 49% by Energy Group and 51% by Shenzhen Qianhai Anxing Asset Management Co., Ltd.* (深圳市前海安星資產管理有限公司) (its ultimate beneficial owner is Ye Wenkui(葉文奎), a third party independent of the Company and its connected persons), and is a connected person of the Company
“%”	per cent

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

Beijing, the PRC
27 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.

* *For identification purpose only*