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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Energy Engineering Corporation Limited***, you should at once hand this circular and the accompanying proxy form and the reply slip to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**ENTERING INTO THE 2024-2026 FINANCIAL CONTINUING CONNECTED
TRANSACTION FRAMEWORK AGREEMENTS
ENTERING INTO THE 2024-2026 DAILY OPERATION CONTINUING
CONNECTED TRANSACTION FRAMEWORK AGREEMENTS
AND
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2023**

The second extraordinary general meeting of 2023 (the “**EGM**”) will be held by China Energy Engineering Corporation Limited* (the “**Company**”) at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 12 December 2023, at 8:30 a.m. A notice of the EGM is set out on pages 24 to 25 of this circular.

A reply slip and a proxy form for use at the EGM are enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>). If you intend to appoint a proxy to attend the EGM, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon by 8:30 a.m. on Monday, 11 December 2023. Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the EGM. Shareholders who intend to attend the EGM in person or by proxy should complete, sign and return the reply slip in accordance with the instructions printed thereon on or before Sunday, 10 December 2023.

23 November 2023

* For identification purpose only

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DEFINITIONS

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

“A Share(s)”	the ordinary Share(s) of the Company, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the Articles of Association of China Energy Engineering Corporation Limited adopted by the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“China 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 28 September 2011, the controlling shareholder 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 Hong Kong 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 Hong Kong Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong 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 China Energy Group on 27 October 2023, pursuant to which the Group and China Energy Group and its subsidiaries will provide daily production and operation services to each other
“Director(s)”	the director(s) of the Company
“EGM”	the second extraordinary general meeting of 2023 of the Company to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 12 December 2023, at 8:30 a.m. and any adjournment thereof (as the case may be)
“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

DEFINITIONS

“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 China 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 China Energy Group on 27 October 2023, pursuant to which Finance Company will provide financial services to China 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 China Energy Group
“H Share(s)”	the ordinary Share(s) of the Company, with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 China Energy Group and its associates
“Latest Practicable Date”	20 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“PBOC”	the People’s Bank of China (中國人民銀行)

DEFINITIONS

“PRC”	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 China Energy Group on 27 October 2023, pursuant to which the Group will lease properties from China Energy Group and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Share(s)”	share(s) with a par value of RMB1.00 each in share capital of the Company
“Shareholder(s)”	registered holder(s) of the Company’s Share(s)
“SSE Listing Rules”	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Song Hailiang (*Chairman*)

Mr. Ma Mingwei

Non-executive Directors:

Mr. Li Shulei

Mr. Liu Xueshi

Mr. Si Xinbo

Independent Non-executive Directors:

Mr. Zhao Lixin

Mr. Cheng Niangao

Dr. Ngai Wai Fung

Registered office:

Room 01-2706, 1-24/F, Building 1

No. 26A West Dawang Road

Chaoyang District

Beijing

PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street, Causeway Bay

Hong Kong

23 November 2023

To the Shareholders

Dear Sir or Madam,

**ENTERING INTO THE 2024-2026 FINANCIAL CONTINUING CONNECTED
TRANSACTION FRAMEWORK AGREEMENTS
ENTERING INTO THE 2024-2026 DAILY OPERATION CONTINUING
CONNECTED TRANSACTION FRAMEWORK AGREEMENTS
AND
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2023**

I. INTRODUCTION

The purpose of this circular is to give you the notice of the EGM, which is set out on pages 24 to 25 of this circular and to provide you with information reasonably necessary to enable you to make informed decision on voting for or against the resolutions to be proposed at the EGM as described below.

* For identification purpose only

LETTER FROM THE BOARD

II. MATTERS TO BE CONSIDERED AT THE EGM

Reference is made to the announcement of the Company dated 27 October 2023 (the “**Announcement**”), in relation to, among others, the renewal of continuing connected transactions between the Group and China Energy Group and its subsidiaries. As disclosed in the Announcement, the Group and China Energy Group and its subsidiaries propose to enter into the Daily Production and Operation Service Framework Agreement and the Property Lease Framework Agreement (collectively referred to as the “**2024-2026 Daily Operation Continuing Connected Transaction Framework Agreements**”), as well as the Financial Services Framework Agreement, the Private Fund Service Framework Agreement and the Financial Leasing Service Framework Agreement (collectively referred to as the “**2024-2026 Financial Continuing Connected Transaction Framework Agreements**”, together with the 2024-2026 Daily Operation Continuing Connected Transaction Framework Agreements, collectively referred to as the “**Continuing Connected Transaction Framework Agreements**”).

As of the Latest Practicable Date, China 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 China Energy Group constitutes a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Each of Finance Company and Fund Company is a subsidiary of China Energy Group, and each also constitutes a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, these Continuing Connected Transaction Framework Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As each of the highest applicable percentage ratios to the Continuing Connected Transaction Framework Agreements is less than 5%, the Continuing Connected Transaction Framework Agreements are exempt from the Independent Shareholders’ approval requirement under Chapter 14A of the Hong Kong Listing Rules (for details, please refer to the section headed “Listing Rules Implications” below). Pursuant to the relevant requirements under the SSE Listing Rules, the Continuing Connected Transaction Framework Agreements shall be submitted to the EGM for consideration and approval.

Accordingly, the resolutions to be submitted at the EGM and proposed to be considered and approved as ordinary resolutions include: (1) the resolution on entering into the 2024-2026 Financial Continuing Connected Transaction Framework Agreements; (2) the resolution on entering into the 2024-2026 Daily Operation Continuing Connected Transaction Framework Agreements.

Entering into the 2024-2026 Financial Continuing Connected Transaction Framework Agreements

(1) Financial Services Framework Agreement

1. Transaction overview and annual caps

In order to improve the Company’s profitability, Finance Company, a subsidiary of the Company, entered into the Financial Services Framework Agreement with China Energy Group. As specified in the agreement, Finance Company will provide credit and other

LETTER FROM THE BOARD

financial services to China Energy Group and its subsidiaries in 2024-2026, of which the cap of the highest daily comprehensive credit balance provided is RMB3.89 billion (inclusive), and the annual cap of the service fees of other financial services provided is RMB30 million (inclusive).

2. Introduction of the contracting party

China Energy Group is the controlling shareholder of the Company, and its main information is as follows:

Company name	China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司)
Legal representative	Song Hailiang
Unified social credit code	91110000717830650E
Time of establishment	September 2011
Registered address	Chaoyang District, Beijing, the PRC
Office address	Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing
Registered capital	RMB26 billion

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Principal businesses Investment, project planning, evaluation, consulting, assessment, bidding agency and construction in respect of hydro, thermal, nuclear, wind and solar power generation, new energies, power transmission and transformation, and water conservancy, water affairs, mines, highways, railways, ports and waterway, airports, housing, municipal affairs, urban railway transportation, environmental protection, smelting and petrochemical infrastructural projects; engineering survey and design; general construction contracting and specialized construction contracting; general contracting; engineering project management; engineering supervision; commissioning and maintenance of power plants, technical consulting, development and services; import and export business; planning and researching in respect of power industry development; manufacturing, selling and leasing of mechanical and electronic equipment; development of proprietary power technologies and product sales; production and sales of building materials; real estate development and operation; industrial investment.

In 2022, China Energy Group's total assets amounted to RMB679,706,913,100, total liabilities amounted to RMB506,036,169,800, net assets amounted to RMB173,670,743,300, and recorded operating income of RMB369,229,113,800 and net profit of RMB10,804,162,000; in the first half of 2023, the total assets amounted to RMB753,339,371,400, total liabilities amounted to RMB568,198,308,500, net assets amounted to RMB185,141,062,900, and recorded operating income of RMB193,211,255,300 and net profit of RMB5,115,758,100.

The above connected person of the Company is in good status of credit and there is no situation of being listed as a dishonest person subject to execution.

3. Major content and pricing of the transaction

Date: 27 October 2023

Parties:

Finance Company (a subsidiary of the Company, as the service provider); and China Energy Group (as the service recipient)

Major content:

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

- **Deposit services:** Finance Company shall provide deposit services to China Energy Group and its subsidiaries;
- **Comprehensive credit services:** Finance Company shall provide loans, acceptance and discount of notes, non-financing letter of guarantee services to China Energy Group and its subsidiaries;
- **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 China Energy Group and its subsidiaries; handle entrusted loans; and provide other services as permitted by the financial license of Finance Company for China Energy Group and its subsidiaries.

Pricing:

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

- 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;
- 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;
- 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

LETTER FROM THE BOARD

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.

Validity period: from 1 January 2024 to 31 December 2026

4. 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 China 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 China 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.

(II) Private Fund Service Framework Agreement

1. Transaction overview and annual caps

In order to improve the capital utilisation efficiency, reduce investment costs and investment risk and maximize the benefit of investing and financing, the Company entered into the Private Fund Service Framework Agreement with Fund Company. As specified in the agreement, the annual caps¹ of fund units subscribed for by the Group in private funds managed by Fund Company as a fund manager or general partner in 2024-2026 will be RMB3.89 billion (inclusive); and the caps for amounts of other consulting and services related to fund management permitted by laws and regulations in each year of 2024-2026 will be RMB5 million, RMB6 million and RMB7 million, respectively.

2. Introduction of the contracting party

Fund Company is a subsidiary of China Energy Group, the controlling shareholder of the Company, and its main information is as follows:

Company name	Zhongnengjian Fund Management Co., Ltd.* (中能建基金管理有限公司)
Legal representative	Liu Xuemin

¹ The annual cap represents the amount paid for fund units subscribed for in RMB.

LETTER FROM THE BOARD

Unified social credit code	91110111MA01GB961Y
Time of establishment	19 December 2018
Registered address	Unit 485, Block A, Beijing Fund Town Center, No. 1 Jinyuan Avenue, Changgou Town, Fangshan District, Beijing
Office address	17/F, R&F Center, No. 63, Dongsanhuan Central Road, Chaoyang District, Beijing
Registered capital	RMB50 million
Principal businesses	Investment management and consulting of non-security business; equity investment and management.
Controlling shareholder or actual controller	China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司)

In 2022, Fund Company's total assets amounted to RMB30,219,600, total liabilities amounted to RMB3,727,100, net assets amounted to RMB26,492,500, and recorded operating income of RMB17,865,400 and net profit of RMB4,913,700; in the first half of 2023, the total assets amounted to RMB35,245,300, total liabilities amounted to RMB5,734,400, net assets amounted to RMB29,510,900, and recorded operating income of RMB11,666,700 and net profit of RMB5,245,500.

The above connected person of the Company is in good status of credit and there is no situation of being listed as a dishonest person subject to execution.

3. Major content and pricing of the transaction

Date: 27 October 2023

Parties:

The Company (as the service recipient); and Fund Company (as the service provider)

Major content:

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

- **Private fund subscription services:** the Group subscribes for fund units in private funds managed by Fund Company as a fund manager or general partner;

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- **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.

Pricing:

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

- 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 and shall not be higher than the fees charged by independent third-party fund management companies;
- 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.

Validity period: from 1 January 2024 to 31 December 2026

4. 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.

LETTER FROM THE BOARD

For investment and construction of relevant specific projects/assets, through the subscription of the fund units², 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.

(III) Financial Leasing Service Framework Agreement

1. Transaction overview and annual caps

In order to satisfy the financing needs, improve the capital utilisation efficiency, reduce investment costs and investment risk, the Company entered into the Financial Leasing Service Framework Agreement with Financial Leasing Company. As specified in the agreement, in 2024-2026, the annual caps³ for amounts of provision of direct leasing services by Financial Leasing Company to the Group will be RMB2.5 billion, the annual caps⁴ for amounts of provision of sale and leaseback services to the Group will be RMB2.0 billion, and the annual caps⁵ for amounts of provision of other consulting services related to financial leasing to the Group will be RMB50 million.

2. Introduction of the contracting party

Financial Leasing Company is a subsidiary of China Energy Group, the controlling shareholder of the Company, and its main information is as follows:

² 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.

³ 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.

⁴ 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 proposed sale and leaseback services under the Financial Leasing Service Framework Agreement (inclusive of outstanding principal, interest, handling fees and other expenses (if any)).

⁵ 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.

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Company name	China Energy Engineering Group Financial Leasing Co., Ltd.* (中國能源建設集團融資租賃有限公司)
Legal representative	Li Yunzhi
Unified social credit code	91120118MA05MAQ47P
Time of establishment	27 December 2016
Registered address	1-1-2201-11, North Area, Financial Trade Centre, No.6865, Yazhou Road, Tianjin Pilot Free Trade Zone (Dongjiang Bonded Port Area)
Office address	17/F, R&F Center, No. 63, Dongsanhuan Central Road, Chaoyang District, Beijing
Registered capital	RMB1.0 billion
Principal businesses	Financial leasing business; leasing business; purchase of leased property at home and abroad; treatment and maintenance of the residual value of the leased property; concurrently engaged in factoring business related to principal business.
Controlling shareholder or actual controller	China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司)

In 2022, Financial Leasing Company's total assets amounted to RMB7,130,217,900, total liabilities amounted to RMB5,690,044,500, net assets amounted to RMB1,440,173,400, and recorded operating income of RMB390,729,400 and net profit of RMB159,662,000; in the first half of 2023, the total assets amounted to RMB6,804,774,200, total liabilities amounted to RMB5,323,529,500, net assets amounted to RMB1,481,244,700, and recorded operating income of RMB186,624,600 and net profit of RMB70,173,800.

The above connected person of the Company is in good status of credit and there is no situation of being listed as a dishonest person subject to execution.

3. Major content and pricing of the transaction

Date: 27 October 2023

Parties:

The Company (as the service recipient); and Financial Leasing Company (as the service provider)

LETTER FROM THE BOARD

Major content:

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:

- **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;
- **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;
- **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.

Pricing:

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

- 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
- 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.

LETTER FROM THE BOARD

Validity period: from 1 January 2024 to 31 December 2026

4. 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.

Entering into the 2024-2026 Daily Operation Continuing Connected Transaction Framework Agreements

(I) Daily Production and Operation Service Framework Agreement

1. Transaction overview and annual caps

In order to improve the operation efficiency and reduce the operation costs and risks of the Company, the Company entered into the Daily Production and Operation Service Framework Agreement with China Energy Group. As specified in the agreement, in 2024-2026, the Company as well as China Energy Group and its subsidiaries will provide each other with daily production and operation services including project survey and design, planning consultancy, labor services, integrated information services, online platform procurement service, construction, installation and other daily services related to the principal business. The annual caps for amounts of provision of daily production and operation services to the Group by China Energy Group and its subsidiaries will be RMB0.9 billion; and the annual caps for provision of daily production and operation services by the Group to China Energy Group and its subsidiaries will be RMB0.9 billion.

2. Introduction of the contracting party

Please refer to the above for basic information of China Energy Group.

3. Major content and pricing of the transaction

Date: 27 October 2023

LETTER FROM THE BOARD

Parties:

The Company; and China Energy Group

Major content:

Pursuant to the Daily Production and Operation Service Framework Agreement, the Company and its subsidiaries as well as China 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.

Pricing:

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

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 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 China 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 China 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.

Validity period: from 1 January 2024 to 31 December 2026

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4. **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 China 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 China Energy Group and its subsidiaries and understands the operational plans of each other, quality control and certain special requirements of each other. China Energy Group and its subsidiaries are familiar with the Group's business operations and procedures, and the provision of services to be provided by China 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 China Energy Group and its subsidiaries will enable the Group to conduct its business more extensively and fully master the industry development information.

(II) **Property Lease Framework Agreement**

1. **Transaction overview**

In order to ensure the smooth operation and save costs, the Company entered into the Property Lease Framework Agreement with China Energy Group. As specified in the agreement, in 2024-2026, the Group will lease relevant properties from China Energy Group and its subsidiaries, the annual cap for properties leased by the Group from China Energy Group and its subsidiaries (including the aggregate amount of right-of-use assets and lease amount involved in relevant leases) will be RMB0.5 billion⁶.

2. **Introduction of the contracting party**

Please refer to the above for basic information of China Energy Group.

3. **Major content and pricing of the transaction**

Date: 27 October 2023

Parties: the Company (as the lessee); and China Energy Group (as the lessor)

Major content:

⁶ 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.

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

Pricing:

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

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 such as 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;

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;

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

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.

Validity period: from 1 January 2024 to 31 December 2026

4. 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 China 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

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existing Property Lease Framework Agreement between the Group and China 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, China Energy Group and its subsidiaries understand the Group's requirements for offices and properties for warehousing and manufacturing purposes better than independent third parties, and 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 China 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.

CONFIRMATION OF THE DIRECTORS

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

The Directors (including the independent non-executive Directors) are of the view that the terms of the 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.

LISTING RULES IMPLICATIONS

As of the Latest Practicable Date, China 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 China Energy Group constitutes a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Each of Finance Company and Fund Company is a subsidiary of China Energy Group, and each also constitutes a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the Continuing Connected Transaction Framework Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Financial Services Framework Agreement

The provision of deposit services by Finance Company to China 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 Hong Kong Listing Rules, since Finance Company provides deposit services to

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China 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 Hong Kong Listing Rules.

The provision of comprehensive credit services by Finance Company to China 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 China 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 Hong Kong 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 China 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 Hong Kong Listing Rules.

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 Hong Kong 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 Hong Kong 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 Hong Kong Listing Rules.

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 Hong Kong Listing Rules but exempt from the Independent Shareholders' approval requirements.

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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 Hong Kong Listing Rules.

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 China 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 Hong Kong 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 China 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 Hong Kong Listing Rules but exempt from the Independent Shareholders' approval requirements.

Property Lease Framework Agreement

As the highest applicable percentage ratio to the property lease services to be provided by China 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 Hong Kong Listing Rules but exempt from the Independent Shareholders' approval requirements.

Pursuant to the Hong Kong Listing Rules, the above Continuing Connected Transaction Framework Agreements and their annual caps for 2024, 2025 and 2026 are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules, but pursuant to relevant requirements under the SSE Listing Rules, the above Continuing Connected Transaction Framework Agreements shall be submitted to the shareholders' general meeting of the Company for consideration and approval.

III. EGM

The EGM of the Company will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 12 December 2023, at 8:30 a.m. A notice of the EGM is set out on pages 24 to 25 of this circular.

Any connected persons, Shareholders and their associates who have a material interest in the Continuing Connected Transaction Framework Agreements and the transactions contemplated thereunder will abstain from voting at the EGM. China Energy Group (the controlling shareholder of the Company, together with its associate Electric Power Planning & Engineering Institute Co., Ltd. directly and indirectly held approximately 45.06% of the total issued share capital of the Company as at the Latest Practicable Date) has a material interest in the Continuing Connected Transaction Framework Agreements and the respective transactions to be contemplated thereunder. Accordingly,

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China Energy Group and its associate Electric Power Planning & Engineering Institute Co., Ltd. will abstain from voting on the relevant resolutions at the EGM. The number of Shares abstained from voting that are held by China Energy Group and its associate Electric Power Planning & Engineering Institute Co., Ltd. is 18,785,110,673 in aggregate. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, except for China Energy Group and its associate Electric Power Planning & Engineering Institute Co., Ltd., none of other Shareholders has any interests in the Continuing Connected Transaction Framework Agreements and the respective transactions to be contemplated thereunder.

The H Shareholders whose names appear on the register of members of the Company on Tuesday, 12 December 2023 are entitled to attend and vote at the EGM. The register of members of H Shares of the Company will be closed from Thursday, 7 December 2023 to Tuesday, 12 December 2023 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents of H Shares together with the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 6 December 2023.

A reply slip and a proxy form for use at the EGM are enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>). If you intend to appoint a proxy to attend the EGM, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon by 8:30 a.m. on Monday, 11 December 2023. Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the EGM. Shareholders who intend to attend the EGM in person or by proxy should complete, sign and return the reply slip in accordance with the instructions printed thereon on or before Sunday, 10 December 2023.

IV. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, apart from certain exceptions, any vote of Shareholders at the EGM must be taken by poll. All resolutions at the EGM will be voted by way of poll. An announcement on the poll results will be published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>), respectively by the Company after the EGM in the manner prescribed under the Hong Kong Listing Rules.

LETTER FROM THE BOARD

V. RECOMMENDATION

The Board considers that the resolutions set out in this circular are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favor of the relevant resolutions to be proposed at the EGM as set out in the enclosed notice of the EGM.

Yours faithfully,
By order of the Board
China Energy Engineering Corporation Limited*
Song Hailiang
Chairman

* *For identification purpose only*

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2023



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)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2023

NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2023 (the “**EGM**”) of China Energy Engineering Corporation Limited (the “**Company**”) will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 12 December 2023 at 8:30 a.m. to consider and, if thought fit, to pass the following resolutions. Unless the context otherwise requires, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 23 November 2023:

AS ORDINARY RESOLUTIONS

1. Resolution on entering into the 2024-2026 Financial Continuing Connected Transaction Framework Agreements of the Company
2. Resolution on entering into the 2024-2026 Daily Operation Continuing Connected Transaction Framework Agreements of the Company

Particulars of the resolutions referred to in this notice will be set out in the circular of the Company dated 23 November 2023.

By order of the Board

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

Song Hailiang

Chairman

Beijing, the PRC
23 November 2023

As at the date of this notice, 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

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2023

Notes:

1. The holders of H Shares whose names appear on the register of members of the Company on Tuesday, 12 December 2023 are entitled to attend and vote at the EGM. The register of H Shareholders of the Company will be closed from Thursday, 7 December 2023 to Tuesday, 12 December 2023 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents of H Shares together with the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 6 December 2023.
2. H Shareholders who intend to attend the EGM in person or by proxy should complete and sign the reply slip accompanying the notice of the EGM and return it by hand, by post or by fax to the Company's H Share registrar (as mentioned below) (for holders of H Shares) on or before Sunday, 10 December 2023. Completion and return of the reply slip do not affect the right of a Shareholder to attend the EGM.
3. Any Shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder of the Company.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his/her attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar (for holders of H Shares) by 8:30 a.m. on Monday, 11 December 2023. If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar (for holders of H Shares).
5. The EGM will adopt a combination of both onsite voting and online voting (online voting is only applicable to A Shareholders) in terms of the mechanism for attending and voting at the meeting.
6. Shareholders or their proxies are required to produce their identification documents when attending the EGM.
7. Miscellaneous
 - i. It is expected that the EGM will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
 - ii. The address of the Company's H Share registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(For lodging share transfer documents)

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(For deposit of reply slip or proxy form)

Tel: +852 2862 8555
Fax: +852 2865 0990