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

**DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHT**

ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that, on 15 December 2023, CEEC City Development Company and Eastern Construction Investment, both subsidiaries of the Company, and Guoda Zhiquan (collectively referred to as the “**Consortium**”) entered into the Confirmation of Transaction, confirming that the Consortium succeeded in the bidding of the state-owned construction land use right of a land parcel No. xh128A-11a located on Xietu Street, Xuhui District, Shanghai (the “**Land Parcel**” or “**Land**”) transferred by Shanghai Municipal Xuhui District Planning and Natural Resources Bureau (上海市徐匯區規劃和自然資源局) through public bidding, and the premium of the Land Parcel is RMB5,357.00 million (the “**Transaction**”). Among them, the equity interests of CEEC City Development Company, Eastern Construction Investment and Guoda Zhiquan in the Consortium are 85%, 10% and 5%, respectively. The Consortium will subsequently establish a joint venture in accordance with the above shareholding proportion to develop the Land Parcel, and the joint venture will be a subsidiary of the Company. The Consortium and Shanghai Municipal Xuhui District Planning and Natural Resources Bureau will enter into the Transfer Contract of Land Use Right of State-owned Construction Land (《國有建設用地使用權出讓合同》) (the “**Contract**”) in respect of the Transaction on 25 December 2023, and the Contract will come into effect after being signed and sealed by all parties of the Contract.

LISTING RULES IMPLICATIONS

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

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1. CONTRACT

Parties

Shanghai Municipal Xuhui District Planning and Natural Resources Bureau, as the vendor

The Consortium, as the purchaser

To the best of the knowledge, information and belief of the directors, Shanghai Municipal Xuhui District Planning and Natural Resources Bureau, Guoda Zhiquan and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Particulars of the Land Parcel

The Land Parcel is located on Xietu Street, and is bounded by Fenglin Road in the east, Longhua Middle Road in the south, the boundary of the Land Parcel in the west and Zhongshan South 2nd Road in the north. The notification number of the Land Parcel is No. 202313501, with a total planning land area of 27,930.28 square meters and a transferable area of 20,539.72 square meters. The land use rights of the Land Parcel are granted for a term of 70 years for residential purpose, 50 years for office building purpose and 40 years for commercial purpose respectively, from the date of delivery of the Land to the purchaser by the vendor. The Land Parcel is used for residential, office building and commercial purposes, and the respective percentage of gross floor area of the mixed-use land is 10% for commercial purpose, 60% for office building purpose and 30% for residential purpose.

Consideration and Basis for Determination

According to the listing and transfer document of land parcel project No. xh128A-11a on Xietu Street, Xuhui District, Shanghai (land notification No. 202313501), the base price of the land transfer price of the Land Parcel is RMB5,357.00 million. The total premium of the Land Parcel is RMB5,357.00 million (the “**Land Premium**”).

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

The purchaser shall, within 5 working days from the date of the execution of the Contract, pay the local treasury the deposit for guaranteeing the performance of the Contract in an effective manner. The deposit is 20% of the transfer price of the state-owned construction land use right, and is deductible as the transfer price of the state-owned construction land use right. The purchaser shall pay 50% of the Land Premium (inclusive of the deposit) within one month after the execution of the Contract, and fully settle the remaining Land Premium within 90 days from the date of the execution of the Contract.

Delivery of the Land Parcel

The vendor agrees that, within 15 working days from the date of settlement of the Land Premium in full, the vendor shall deliver the Land Parcel to the purchaser, and the land clearance of the Land shall be finished upon delivery.

Development, Construction and Utilization of the Land Parcel

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

Planned nature of aboveground construction land	Aboveground construction plot ratio	Aboveground plot ratio-based area	Aboveground building height limit	Greening rate	Total underground site area
Mixed-use of commercial, office, and Type III of residential purposes	6.19	127,140.87 square meters	200 meters. No higher than 80 meters for residential purposes and no higher than 50 meters for commercial and public service facility purpose	No less than 35% for residential purpose, with plot greening rate not lower than 20%, greening area not less than 4,107.94 square meters and concentrated greening rate of 5%	20,539.72 square meters

The total plot ratio based area of the Land Parcel is 127,140.87 square meters, of which 36,582.26 square meters are residential, 12,194.09 square meters are commercial, 73,164.52 square meters are office, and 5,200 square meters are community service facilities, and there shall be at least two floors of underground space.

The purchaser agrees to commence construction within 12 months after delivery of the land and to complete construction within 48 months after delivery of the land. If the purchaser is unable to commence construction as scheduled, it shall submit an application for extension of construction to the vendor 30 days in advance, and if the vendor agrees to the extension, the completion of the project shall be postponed accordingly, but the period of extension shall not exceed one year.

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

After paying the entire Land Premium according to the Contract and receiving the real estate ownership certificate, the purchaser shall transfer, lease or pledge the state-owned construction land use right of the Land in accordance with the provisions of the Contract. Except for properties to be self-owned as stipulated in the Contract, for of the initial transfer, more than 25% of the total development investment amount shall have been completed. If the conditions for transfer as stipulated in the Contract have not been satisfied, the state-owned construction land use right of the Land and the buildings on the land shall not be transferred as a whole or in parts.

Liabilities for Breach of the Contract

If the purchaser fails to pay the Land Premium on time, liquidated damages of 1‰ of the deferred payment calculated on a daily basis from the default date shall be paid by the purchaser to the vendor. In case the overdue of payment exceeds 60 days and where no Land Premium is

received after a demand for payment of the Land Premium has been made by the vendor, the vendor has the right to rescind the Contract and the purchaser shall not be entitled to request the refund of the deposit, and the vendor may request the purchaser to compensate the loss.

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

If the purchaser fails to commence or to complete its construction in accordance with the date stipulated in the Contract or such other date agreed between parties for construction extension, the purchaser shall pay the vendor liquidated damages equivalent to 1‰ of the total Land Premium for each day of extension. The vendor shall have the right to require the purchaser to continue to perform the Contract.

If any of the indicators, such as the plot ratio or building density of the Land, is lower than the minimum standard stipulated in the Contract, the vendor may require the purchaser to pay liquidated damages equivalent to the portion of the Land Premium in accordance with the ratio of the actual shortfall portion to the agreed minimum standard, and shall have the right to require the purchaser to continue to perform the Contract; if any of the indicators, such as the plot ratio or building density, is higher than the maximum standard stipulated in the Contract, the vendor shall have the right to reclaim the portion of the area that is higher than the maximum standard stipulated in the Contract, and require the purchaser to pay liquidated damages equivalent to the portion of the Land Premium in accordance with the ratio of the actual shortfall portion to the agreed standard.

If the purchaser changes the land use or construction conditions without authorization, commits serious violations of laws, refuses to rectify the situation and refuses to accept penalties, or if the purchaser changes the capital contribution ratio, shareholding structure, actual controller and others without authorization and refuses to rectify the situation, the vendor shall have the right to rescind the Contract and reclaim the state-owned construction land use right of the Land Parcel.

If the purchaser violates the relevant provisions of the transfer document during the transfer of the Land Parcel under the Contract, and the vendor decides to disqualify it from bidding, the vendor shall have the right to terminate the Contract, reclaim the state-owned construction land use right, and refund the Land Premium for remaining term after deducting the deposit specified in the Contract.

If the purchaser pays the Land Premium as agreed in the Contract, the vendor shall deliver the transferred land on time in accordance with the Contract. If the occupation of the Land Parcel by the purchaser under the Contract is extended as the vendor fails to provide the transferred land on time, the vendor shall pay the purchaser liquidated damages equivalent to 1‰ of the Land Premium that has already been paid by the purchaser for each day of extension. The term

of land transfer shall be calculated from the date of actual delivery of the land. If the vendor delays the delivery of the land for more than 60 days, and the vendor is not able to deliver the land after being urged by the purchaser, the purchaser has the right to rescind the Contract. The vendor shall repay the deposit in double, and refund the remaining Land Premium paid, and the purchaser may request the vendor to compensate for the loss.

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

2. REASONS FOR AND BENEFITS OF THE TRANSACTION

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

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

3. LISTING RULES IMPLICATIONS

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4. INFORMATION OF THE PARTIES

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

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

Eastern Construction Investment is a company incorporated in the PRC with limited liability in April 2018 and a wholly-owned subsidiary of the Company. It is principally engaged in new energy business, international business, thermal power engineering, comprehensive landscape, municipal infrastructure, nuclear power engineering, public service facility, power grid business, roadway and transportation, rail transit, environmental business and other investment activities businesses.

Guoda Zhiquan is a company incorporated in the PRC with limited liability in November 2023. It is principally engaged in real estate development, operation, construction and engineering and other businesses. It is a third party independent from the Company and its connected persons.

The vendor of the Land Parcel is Shanghai Municipal Xuhui District Planning and Natural Resources Bureau, a Chinese government authority.

5. DEFINITIONS

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

“Board”	the board of directors of the Company
“CEEC City Development Company”	CEEC City Investment Development Co., Ltd.* (中能建城市投資發展有限公司), a wholly-owned subsidiary of the Company
“Company”	China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), a joint stock limited company established in the PRC on 19 December 2014, whose H shares are listed on the Stock Exchange (Stock Code: 3996) and whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601868)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Eastern Construction Investment”	China Energy Engineering Group Eastern Construction Investment Co., Ltd.* (中國能源建設集團華東建設投資有限公司), a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Guoda Zhiquan”	Guoda Zhiquan (Shanghai) Property Development Co., Ltd. (國達志荃(上海)置業發展有限公司), whose 100% equity interest is directly held by Xiamen Jieruiwang Supply Chain Company Limited (廈門捷瑞旺供應鏈有限公司), is a third party independent from the Company and its connected persons. Guoda Holdings Group Limited (國達控股集團有限公司), the ultimate beneficial owner of which is Mr. Zhao Jianjun (趙建軍) and Mr. Wu Hebin (伍和濱), being the shareholders of Xiamen Jieruiwang Supply Chain Company Limited(廈門捷瑞旺供應鏈有限公司), directly hold 60% and 40% of its equity interests, respectively. Xiamen Jieruiwang Supply Chain Company Limited (廈門捷瑞旺供應鏈有限公司), its shareholders and the ultimate beneficial owners of its shareholders are third parties independent from the Company and its connected persons
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China
“Shanghai Municipal Xuhui District Planning and Natural Resources Bureau”	Shanghai Municipal Xuhui District Planning and Natural Resources Bureau (上海市徐匯區規劃和自然資源局), the vendor of the Transaction and a third party independent from the Company and its connected persons
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC
15 December 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*