

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



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

ANNOUNCEMENT ON THE PROVISION FOR ASSET IMPAIRMENT

The thirty-third meeting of the third session of the board of directors and the twenty-fifth meeting of the third session of the board of supervisors held by China Energy Engineering Corporation Limited (the “**Company**”) on 28 March 2024 considered and approved the Resolution on the Provision for Asset Impairment by the Company in 2023. The relevant information is hereby announced as follows:

I. SUMMARY OF THE PROVISION FOR ASSET IMPAIRMENT

According to the relevant provisions of China Accounting Standards for Business Enterprises and the Company’s accounting policies, the Company has identified and tested the signs of impairment of various assets as of 31 December 2023, and made corresponding provisions for impairment on a prudent basis according to the results of the impairment test.

The amount of asset impairment provision made by the Company in 2023 was RMB3,233 million, of which: the provision for bad debts of accounts receivable was RMB1,563 million, the provision for bad debts of other receivables was RMB554 million, the provision for depreciation of inventories was RMB549 million, the provision for impairment of contract assets was RMB226 million, and the provision for impairment of other assets was RMB341 million.

II. IMPACT OF THE ASSET IMPAIRMENT PROVISION MADE IN 2023 ON THE PROFIT OF THE COMPANY

In 2023, the provision for asset impairment resulted in a decrease of RMB3,233 million in total profit in the consolidated financial statements of the Company.

* *For identification purpose only*

III. RELEVANT DECISION-MAKING PROCEDURES

The matters related to the asset impairment provision have been reviewed by the audit committee of the board of directors of the Company, and have been considered by the thirty-third meeting of the third session of the board of directors and the twenty-fifth meeting of the third session of the board of supervisors. Independent directors of the Company have issued independent opinions on matters related to the asset impairment provision.

The audit committee of the board of directors of the Company is of the view that the decision-making procedures for the asset impairment provision comply with the Accounting Standards for Business Enterprises and relevant provisions of the Company's accounting policies and accounting estimates, and can fairly reflect the Company's asset status and are in line with the interests of the Company and all shareholders, without any harm to the legitimate rights and interests of the Company and small and medium shareholders. Therefore, it agreed with the Company's plan of provision for asset impairment in 2023 and the matter has been submitted to the board of directors for consideration.

The board of directors of the Company is of the view that the provision for asset impairment is made by the Company based on accounting policies, accounting estimates, relevant internal control system and actual assets status of the Company with sufficient basis. Therefore, it agreed with the provision for asset impairment of RMB3,233 million by the Company in 2023.

The independent directors of the Company are of the view that the Company's plan of provision for asset impairment conforms to the Accounting Standards for Business Enterprises and relevant regulations of the Company, and is in compliance with the actual condition of the Company's assets. The decision-making procedures for the asset impairment provision are in compliance with the requirements of relevant laws, regulations and regulatory documents as well as the Articles of Association. The financial statements of the Company for 2023 after asset impairment provision will be able to reflect the financial condition, asset value and operating results of the Company as at 31 December 2023 more fairly, which is conducive to providing investors more truthful and reliable accounting information without any harm to the interests of the Company and other shareholders, especially the small and medium shareholders; therefore, they agreed with the Company's provision for asset impairment.

The board of supervisors of the Company is of the view that the decision-making procedures for matters related to provision for asset impairment are legal and with sufficient basis, and comply with relevant regulations such as the Accounting Standards for Business Enterprises; after the provision for asset impairment, the asset status of the Company can be fairly reflected. Therefore, it agreed with the Company's plan of provision for asset impairment.

By order of the Board

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

Song Hailiang

Chairman

Beijing, the PRC

28 March 2024

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.